UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in compliance with D.N.J. LBR 9004-1(b)

OGC SOLUTIONS, LLP
One Gatehall Drive, Suite 100
Parsippany, New Jersey 07054
(201) 712-1616
Anthony J. Davis, Esq. (adavis@ogcsolutions.com)
Mark J. Politan, Esq. (mpolitan@ogcsolutions.com)

Proposed Counsel to Debtor and Debtor-In-Possession

**Order Filed on May 19, 2026
by Clerk,
U.S. Bankruptcy Court
District of New Jersey**

In re:

INTERAQT CORPORATION,

Debtor.

Case No.: 26-14973
Subchapter V

**INTERIM ORDER AUTHORIZING DEBTOR'S USE OF
<u>CASH COLLATERAL</u>**

The relief set forth on the following pages, numbered two (2) through seven (7), is hereby **ORDERED**.

DATED: May 19, 2026

Honorable Stacey L. Meisel
United States Bankruptcy Judge

This matter is before the Court on the motion of Interaqt Corporation, the Subchapter V, Chapter 11 debtor (the "Debtor"), for interim and final orders authorizing the Debtor to use cash collateral pursuant to title 11 of the United States Code (the "Bankruptcy Code") sections 105, 363(c)(2)(B), 363(e), and 507(b), Rule 4001(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 4001-4 of the District of New Jersey's Local Bankruptcy Rules (the "Local Bankruptcy Rules") (the "Motion"). Notice of the Motion together with notice of the preliminary hearing thereon has been given and served by the Debtor to (1) the Office of the United States Trustee, (2) BayFirst National Bank ("BayFirst") and the U.S. Small Business Administration (the "SBA" and collectively with Bayview referred to as the "Secured Lenders") and all other secured creditors, if any, (3) the Debtor's twenty (20) largest unsecured creditors, and (4) parties having filed a notice of appearance. The Court considered the Motion, and after due deliberation and good and sufficient cause appearing for the entry of the within order, it is hereby found:

A. **Notice and Hearing**. Notice of the Motion and of the preliminary hearing on the Debtor's use of cash collateral has been served consistent with the notice and hearing provisions pursuant to 11 U.S.C. § 102(1) and Fed. R. Bankr. P. 4001(b), which notice is appropriate and sufficient for all purposes under the Bankruptcy Code and the applicable Federal and Local Rules of Bankruptcy Procedure with respect to the relief requested.

B. **Chapter 11 Filed**. The Debtor filed its petition under Subchapter V, Chapter 11 of the Bankruptcy Code on May 1, 2026 (the "Petition Date") and is presently operating as a debtor-in-possession in accordance with sections 1107 and 1108 of the

Bankruptcy Code.

C. **Cash Collateral**. "Cash Collateral," as defined by 11 U.S.C. § 363(a), includes, among other things, post-petition proceeds, products, offspring, rents, or profits of property and the fees, charges, accounts subject to a security interest as provided in 11 U.S.C. § 552(b) and as the term "proceeds" is described in subject to a security interest as provided in 11 U.S.C. § 552(b) and as the term "proceeds" is described in UCC Section 9-102(a)(64). BayFirst holds a first priority lien on the Debtor's cash collateral. The SBA holds a second priority lien on the Debtor's cash collateral.

D. **Necessity and Best Interest**. The Debtor represents that it does not have sufficient unencumbered cash or other assets with which to continue to operate in chapter 11. The Debtor requires immediate authority to use Cash Collateral (as defined herein and in the accompanying Motion) in order to continue operating without interruption toward the objective of formulating an effective plan of reorganization. The Debtor's use of Cash Collateral on the terms and conditions set forth herein is necessary to avoid immediate and irreparable harm to its estate pending a final hearing. The amount of Cash Collateral authorized to be used pending a final hearing or entry of a final order is not to exceed the amounts reflected in the Debtor's budget (as the same may be updated in accordance with the terms of this Order, the "Budget"). The terms of the Debtor's use of the Cash Collateral pursuant to this Order are fair and reasonable, reflect the Debtor's exercise of prudent business judgment, and constitute reasonably equivalent value and fair consideration.

E. **Purposes**. The Debtor is authorized to use Cash Collateral to meet the Debtor's ordinary cash needs (and for such other purposes as may be approved in writing by court order) for the payment of the Debtor's actual, necessary and ordinary expenses to (a) maintain and preserve its assets; and (b) continue operation of its business as reflected in the

Cash Collateral Budget.

The Court having determined there is a reasonable likelihood that the Debtor will prevail upon the merits at the final hearing of the Motion as required by Section 363(c)(3) of the Bankruptcy Code; and for good cause shown,

IT IS HEREBY ORDERED that:

1. The Motion[1] is hereby granted on an interim basis as set forth herein.

2. **Use of Cash Collateral; Budget**. Except as otherwise provided herein, the Debtor may only use Cash Collateral in the manner set forth in the Budget and for no other purposes. Any amendment to the initial Budget shall require the consent of the Secured Lenders in their reasonable discretion, unless otherwise ordered by the Court. Non-material amendments to the Budget need not be approved by nor filed with the Court. For purposes of this Order, the Debtor shall not be deemed to be in default for any deviation from the Budget provided such deviation is plus/minus twenty-five percent (25%) of the budgeted disbursements, either on a cumulative basis or with regard to any specified budgeted line item.[2]

3. **Adequate Protection**. As adequate protection for use of cash collateral, the Secured Lenders are GRANTED:

a. Replacement Lien. As security for and if any aggregate post-petition diminution in value of the Prepetition Collateral (including the Cash Collateral) (the "Diminution in Value"), Secured Lenders are hereby granted, pursuant to Sections 361(2) and 363(c)(2) of the Bankruptcy Code, replacement valid, binding, enforceable non-avoidable, and automatically perfected post-petition security interests in and liens (the "Adequate Protection Liens") on all property, whether now owned or hereafter acquired or existing and wherever located, of the Debtor and the Debtor's estate, of any kind or nature whatsoever, real or personal, tangible or intangible, and now existing or hereafter acquired or created, and all products, proceeds and supporting obligations of the foregoing, to the extent and with the same priority in the Debtor's post-petition collateral, and proceeds thereof that Secured Lenders held in the Debtor's pre-petition collateral (collectively, the "Adequate Protection Collateral"). The Adequate Protection Liens shall

[1] Capitalized terms used but not defined herein shall have the same meaning ascribed to them in the Motion.
[2] Deviation is subject to change upon objection or Court review prior to entry of any final order

be subordinate only to valid, perfected, unavoidable and enforceable liens, if any, existing as of the Petition Date that are senior in priority to the prepetition liens of the Secured Lenders pursuant to applicable law. Other than as specifically set forth above, the Adequate Protection Liens shall be senior to all other security interests in, liens on, or claims against any of the Adequate Protection Collateral. Said determination shall be binding upon the Debtor-in-Possession but shall not bind the United States Trustee or any statutory committee appointed, who shall have 60 days after appointment to contest the scope, validity, perfection and or the amount of the Secured claim.

b. <u>Statutory Rights Under Section 507(b).</u> If any Diminution in Value, the Secured Lenders shall have a superpriority administrative expense claim, pursuant to Section 507(b) of the Bankruptcy Code, senior to any and all claims against the Debtor under Section 507(a) of the Bankruptcy Code, whether in this proceeding or in any superseding proceeding.

c. <u>Deemed Perfected</u>. The replacement lien and security interest granted herein are automatically deemed perfected upon entry of this Order without the necessity of the Secured Lenders taking possession, filing financing statements, mortgages, or other documents. Although not required, upon request by Secured Lenders, the Debtor shall execute and deliver to Secured Lenders any and all UCC Financing Statements, UCC Continuation Statements, Certificates of Title or other instruments or documents considered to be necessary in order to perfect the security interests and liens in Debtor's post-petition collateral and proceeds granted by this Order, and Secured Lenders are authorized to receive, file, and record the foregoing at Secured Lenders own expense, which actions shall not be deemed a violation of the automatic stay.

d. <u>Termination Events</u>: The Debtor's authorization, and Secured Lenders' consent to use Cash Collateral, shall terminate without further notice or action by the Court on the earliest to occur of (the "Termination Date") any of the following (each a "Termination Event"):

- the failure of the Debtor to comply with any provision, covenant or agreement in this Order (including, without limitation, any failure to comply with the Budget, subject to any permitted variance);
- an order dismissing the Chapter 11 Case or converting the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code;
- an order in the Chapter 11 Case modifying, staying, reversing or vacating this Order, without the prior consent of Secured Lenders.

e. <u>Remedies Upon Termination Date</u>. Upon the occurrence of the applicable Termination Date, (i) the adequate protection obligations shall become due and payable, and (ii) Secured Lenders, upon not less than seven (7) days' advance written notice (the "Enforcement Notice") to counsel to the Debtor, and the Office of the United States Trustee (the "Notice Period"), may exercise any remedies available to them under this Order and applicable non-bankruptcy law, including but not limited to revoking the Debtor's right, if any, to use Cash Collateral and collecting and applying any proceeds of the Prepetition Collateral and the Adequate Protection Collateral in accordance with the terms of this Order and Secured Lenders' loan documents. The only permissible basis for the Debtor or any other party to contest, challenge or object to an Enforcement Notice shall be solely with respect to the validity of the Termination Event(s) giving rise to such Enforcement Notice (i.e., whether such Termination Events validly occurred and have not been cured or waived in accordance with this Interim Order). The automatic stay pursuant to Bankruptcy Code section 362 shall be automatically terminated with respect to Secured Lenders at the end of the Notice Period, without further notice or order of the Court and Secured Lenders shall be permitted to exercise all rights and remedies without further order or application or motion to the Court.

4. **Adequate Protection Payments**. The Debtor shall provide to its Secured Lenders adequate protection by continuing to pay the respective amounts due representing principal and interest payments in the aggregate total of $3,292.00 per month.

5. **Interlocutory Order and No Modification of Creditor's Adequate Protection**. This is an interlocutory order. Nothing contained herein shall be deemed or construed to (a) limit Secured Lenders to the relief granted herein; (b) bar Secured Lenders from seeking other and further relief (including without limitation relief from the terms of this Order) for cause shown on appropriate notice to the Debtor and other parties-in-interest entitled to notice of same; or (c) require Secured Lenders to make any further loans or advances to the Debtor. The Order may be modified for cause shown by the Debtor, Secured Lenders or any other party-in-interest on due notice. No such modification, however, shall deprive Secured Lenders of their interests in the Debtor's property (pre-petition and post-petition).

6. **Relief from the Automatic Stay**. The automatic stay imposed by 11 U.S.C. § 362(a) of the Bankruptcy Code shall be, and hereby is, modified if necessary to implement and effectuate the terms and conditions of this Order.

7. **Final Hearing Order**. The Final Hearing on the Motion will be held on **July**

28, 2026 at 10:00 am EST. Objections, if any, that relate to the Motion shall be filed and served as to be actually received by the Debtor's counsel no later than **July 21, 2026**. If an objection is filed, counsel for the Debtor shall file a reply on or before **July 24, 2026**. If no objections are filed to the Motion, the Court may enter an order approving the relief requested in the Motion on a final basis without further notice or hearing in accordance with Federal Rule of Bankruptcy Procedure 4001(d)(3).

NOTICE

IT IS FURTHER ORDERED that the Debtor serve a copy of this Order and Notice by first class mail within one (1) business day from the date hereof, on (i) the Office of the United States Trustee; (ii) Secured Lenders; (iii) the Debtor's twenty (20) largest unsecured creditors; (iv) any other parties claiming an interest in the Cash Collateral; (v) counsel to a statutory committee (if any); and (vi) any other party that requested notice. The Debtor shall immediately file with the Clerk a Certificate of Service of said mailing.