This order is SIGNED.

Dated: June 4, 2026

MICHAEL F. THOMSON
U.S. Bankruptcy Judge

ms

Prepared and Submitted by;

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IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF UTAH, CENTRAL DIVISION

In re MOUNTAIN REGIONAL EQUIPMENT SOLUTIONS, LLC and MRES HOLDINGS, LLC, Debtors.	Bankruptcy Case Nos. 25-27678 and 25-27680 Jointly Administered under Case No. 25-27678 (MFT) Chapter 11 Honorable Michael F. Thomson **THIS DOCUMENT RELATES TO:** ☒ In re Mountain Regional Equipment Solutions, LLC ☐ In re MRES Holdings, LLC, ☐ Both Debtors

AGREED INTERIM ORDER GRANTING DEBTOR'S SECOND MOTION REQUESTING AUTHORIZATION TO CONTINUE USE OF CASH COLLATERAL

THIS MATTER came before the Court for hearing on June 2, 2026, at 11:30 a.m. (the "Cash Collateral Hearing") on the Debtor's *Second Motion Requesting Entry of Order Authorizing* *the Continued Use of Cash Collateral* filed on May 27, 2026 (the "Motion"). At the hearing, Cameron McCord appeared on behalf of the Debtor. Melinda Willden appeared on behalf of the United States Trustee. Jeffrey W. Shields and Alexandra Trombitas appeared on behalf of Respondent secured creditor Convergent Capital Partners IV, L.P. ("Convergent"), as agent for itself and Rand Capital Corporation ("Rand," and together with Convergent, "Convergent"), and Convergent as successor in interest to secured creditor Hillcrest Bank ("Hillcrest", and together with Convergent, the "Convergent Secured Creditors"). Other appearances were noted on the record. The Court, having considered the Motion filed by the Debtor and the Budget attached thereto as **Exhibit "A"**, the presentation of counsel and all other matters of record, finds as follows:

A. On December 19, 2025 (the "Petition Date"), Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Utah, Central Division, commencing this Bankruptcy Case (the "Case").

B. Since the Petition Date, Debtor has operated as a debtor-in-possession under Sections 1107 and 1108 of the Bankruptcy Code.

C. Debtor has been operating since 2004 and supplies automated lubricating systems, active and passive safety systems, and maintenance products for use with mobile heavy industrial equipment used in heavy construction, mining, oil and gas, agriculture, and transportation industries. Debtor operates from its office in West Valley City, Utah and services the Utah and Arizona markets.

D. Convergent Secured Creditors, and each of them, assert a properly perfected lien and security interest in the assets of the jointly administered Debtors, including cash collateral, as detailed in the Motion.

E. Debtor asserts that, based upon a review of records and financing statements, it does not appear that any other party asserts an interest in Debtor's Cash Collateral.[1]

F. Debtor requires the use of Cash Collateral to pay its labor force and pay its other operating expenses in accordance with the Budget.

G. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This case is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Sufficient notice has been given under the circumstances in order to avoid irreparable harm to the Debtor's estate.

WHEREFORE, based on the preceding findings, its independent review of applicable law, and the Court's other findings and conclusions made on the record at the Cash Collateral Hearing, which the Court incorporates herein by reference, and the Court being otherwise informed, it is hereby **ORDERED** that:

1. The aforesaid findings, enumerated in paragraphs A through G above, are hereby incorporated into this Order as if fully set forth herein.

2. For as long as the Debtor faithfully performs its obligations under this Order, the Debtor shall have the right to use the Cash Collateral subject to the terms of this Order.

2. Debtor is authorized to use Cash Collateral generated from the Business and otherwise: (a) in accordance with the Budget attached to the Motion as **Exhibit "A"**, the aggregate expenses of which Debtor may modify by no more than ten percent (10%) of the total amount of the budget and Debtor may carry over any unused budgeted amount; and (b) or for other matters pursuant to orders entered by this Court after appropriate notice and hearing, except further provided that Debtor may pay the actual amount owed or deposit required to any utility, taxing authority, or insurance company.

[1] All capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Motion.

3. Pursuant to 11 U.S.C. § 361(2), Affected Creditors shall be granted replacement liens in Debtor's assets of the same type as Affected Creditors' pre-petition collateral to the extent that Debtor's use of the Affected Creditors' Cash Collateral results in a decrease in value of Affected Creditors' interest in such property to the same extent, validity, and priority as Affected Creditors' lien(s) in Cash Collateral on the Petition Date, provided, however, that the replacement liens shall exclude all claims and causes of action under Sections 544, 545, 546, 547, 548, 549, 550 and 553 (b) of the Bankruptcy Code. The continuing validity of any and all financing statements filed by Affected Creditors that were effective to perfect the security interests asserted by Affected Creditors pre-petition are hereby expressly confirmed, and deemed sufficient to perfect the replacement liens granted by this Order.

4. This Order is without any prejudice to Convergent Secured Creditors to seek relief from the stay or dismissal of this Case, conversion of the case to a case under Chapter 7 of the Bankruptcy Code, the appointment of a trustee or examiner, and to contest the nature, extent, validity or priority of any lien or security interest, the filing of the Debtor's bankruptcy petition, any plan of reorganization or disposal of assets under Section 363 of the Bankruptcy Code, or any other proposed treatment of Affected Creditors' asserted claim(s).

6. This Order is also entered without prejudice to the claims, rights, and actions that: (A) Debtor may have to challenge the nature, validity, or extent of the liens or debts asserted by Affected Creditors; and (B) Affected Creditors may assert in any action by Debtor to challenge the nature, validity, or extent of the liens or debts they may assert.

7. Convergent Secured Creditors reserve the right to request the Court in writing that Debtor's authorization to use Cash Collateral be terminated earlier, including by seeking emergency relief, if Convergent Secured Creditors have a good faith basis to seek such relief from the Court and such relief is consistent with the Bankruptcy Code.\

8. As additional adequate protection, the Debtor shall provide the Convergent Secured Creditors the following monthly reports or information ("Monthly Report") for May 2026 not later than June 15, 2026and then on the 15th day of the following month for the prior month until this Order expires, reporting on:(i) expenses paid by the Debtor during the preceding month (i.e., for the month March 2026, for the month of April, 2026, etc.) on a cash basis; (ii) a comparison of the actual expenses paid to the expenses estimated in the Amended Budget for such period; (iii) accounts payable reports as of the end of each reporting period, (iv) cash flow reports as of the end of each reporting period, (v) outstanding check reports as of the end of each reporting period, listing check number, amount of check and payee, (vi) sales reports as of the end of each reporting period, (vii) insurance coverage in place for the assets of the Debtors and liability exposures such as workers compensation insurance, comprehensive general liability, loss of inventory and work in process, and other coverages appropriate to the Debtor's business (viii) reports and documents showing existing cash balances for all bank and other accounts owned or maintained by the Debtor as of the end of each the reporting period, and (ix) a copy of the Debtor's QuickBooks records in native format as of the end of the reporting period.

9. This Order shall constitute an interim order for the authorization to use the Cash Collateral pursuant to Section 363 of the Bankruptcy Code and Fed. R. Bankr. P. 4001(b)(2). Any objections to the final relief requested in the Motion must be filed by no later than **June 24, 2026**. Debtor shall provide notice of the Final Cash Collateral Hearing by no later than **June 8, 2026**.

a. **The Court shall hold a final Cash Collateral hearing (the "Final Cash Collateral Hearing") on the Motion at 11:30 a.m. on June 30, 2026. Objections to the relief requested in the Motion must be filed by no later than June 24, 2026. The hearing will be held by Zoom. Parties who wish to participate in the hearing should consult the Bankruptcy Court's website at https://www.utb.uscourts.gov/court-hearings-be-conducted-zoom for the most up-to-date information regarding participation at a hearing. At the time of this Notice, parties wishing to participate in hearings before the Honorable Michael F. Thomson should log into Zoom at https://www.zoomgov.com at least ten (10) minutes before the scheduled date and time for the hearing. The Zoom Meeting ID and Passcode for the hearing is as follows: Meeting ID: 16154788875, Passcode: 3834658.**

10. This Order shall constitute a final order for the authorization to use the Cash Collateral pursuant to Section 363 of the Bankruptcy Code and Fed. R. Bankr. P. 4001(b)(2). The authority granted by this Order shall expire on June 30, 2026 at the hour of 11:59 p.m. MT.

11. Notwithstanding anything to the contrary within Bankruptcy Rule 4001(b)(2) or any other rule of similar import, this Order shall be effective immediately upon its entry.

12. Counsel for Debtor is directed to serve a copy of this Order upon (a) the U.S. Trustee; (b) Respondents to the Motion; (c) Debtor's 20 largest unsecured creditors; and (d) all creditors and parties in interest who have filed a notice of appearance in this case within 3 days of entry of this Order and to file a certificate of such service within three days of mailing.

[END OF ORDER]

DESIGNATION OF PARTIES TO BE SERVED

The undersigned hereby designates the following parties to be served a copy of the foregoing **ORDER.**

By Electronic Service: I certify that the parties of the record in this case as identified below, are registered CM/ECF users and will be served notice of entry of the foregoing Order through the CM/ECF system:

- **Brian M. Rothschild** brothschild@parsonsbehle.com, ecf@parsonsbehle.com;docket@parsonsbehle.com
- **Jeffrey L. Trousdale** jtrousdale@cohnekinghorn.com, mparks@ck.law; enilson@ck.law
- **United States Trustee** USTPRegion19.SK.ECF@usdoj.gov
- **Melinda Willden tr** melinda.willden@usdoj.gov, Lindsey.Huston@usdoj.gov;Rinehart.Peshell@usdoj.gov;Rachelle.D.Hughes@usdoj.gov; Brittany.Dewitt@usdoj.gov

By U.S. Mail: In addition to the parties of record receiving notice through the CM/ECF system, the following parties should be served notice pursuant to Fed. R. Civ. P. 5(b).

☐ None

☒ Other:

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☐ All parties on the Court's official case matrix.

/s/ Jeffrey Trousdale