

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
	)	Chapter 11
)	
MARELLI AUTOMOTIVE LIGHTING USA LLC, <i>et al.</i> , ¹	)	Case No. 25-11034 (CTG)
)	
Debtors.	)	(Jointly Administered)
)	
)	

**DEBTORS’ MOTION FOR LEAVE TO FILE
A LATE REPLY IN SUPPORT OF DIP MOTION**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) state as follows in support of this motion:²

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Order”), granting the Debtors leave to file a late reply (the “Reply”) in support of entry of a final order on the *Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, and (B) Use Cash Collateral, (II) Granting Liens and Providing Superpriority Administrative Expense Claims, (III) Granting Adequate Protection to Certain Prepetition Secured Parties; (IV) Modifying the Automatic Stay,*

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.veritaglobal.net/Marelli>. The location of Marelli Automotive Lighting USA LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 26555 Northwestern Highway, Southfield, Michigan 48033.

² A detailed description of the Debtors and their business, including the circumstances giving rise to the Debtors’ chapter 11 cases, is set forth in the *Declaration of David Slump, Chief Executive Officer of Marelli Automotive Lighting USA, LLC, in Support of First Day Motions*, [Docket No. 20] (the “Slump Declaration”) and the *Declaration of Tony Simion, Managing Director of Alvarez & Marsal North America, LLC, in Support of First Day Motions* [Docket No. 19] (the “Simion Declaration”, and together with the Slump Declaration, the “First Day Declarations”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the First Day Declarations.

(V) *Scheduling a Final Hearing, and (VI) Granting Related Relief* [Docket No. 22] (the “DIP Motion”)³. A copy of the Reply is attached hereto as **Exhibit B**.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Debtors confirm their consent, pursuant to rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

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

4. The statutory bases for the relief requested herein are section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”) and Local Rule 9006-1(d).

Background

5. The Debtors, together with their non-Debtor affiliates (collectively, “Marelli” or the “Company”) are one of the largest international automotive parts suppliers in the world and a pioneer in motorsports and in automobile manufacturing and design. With its headquarters in

³ Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the DIP Motion or the Reply, as applicable.

Saitama, Japan and over 46,000 employees located in twenty-four countries around the world, Marelli designs and produces sophisticated technologies for leading automotive manufacturers, including lighting and sensor integrations, electronic systems, software solutions, and interior design products, and collaborates with motor sports teams and other industry leaders to research and develop cutting-edge, high-performance automotive components.

6. On June 11, 2025 (the “Petition Date”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On June 12, 2025, the Court entered an order [Docket No. 102] authorizing the procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1. On June 25, 2025, the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an official committee of unsecured creditors [Docket No. 184] (the “Committee”).⁴ No request for the appointment of a trustee or examiner has been made in these chapter 11 cases.

7. The Debtors filed the DIP Motion on June 11, 2025.

8. On June 12, 2025, the Court entered an interim order granting the DIP Motion [Docket No. 109].

9. The Court is scheduled to conduct a hearing on the DIP Motion on July 24, 2025, at 1:15 p.m. (prevailing Eastern Time) (the “Hearing”). Additionally, responses or objections to the entry of a final order with respect to the relief sought in the DIP Motion were due by July 9, 2025 at 4:00 p.m., (prevailing Eastern time) (the “Original Objection Deadline”).

⁴ On July 2, 2025, the U.S. Trustee filed the *Amended Notice of Appointment of Committee of Unsecured Creditors* [Docket No. 230].

10. Since entry of the interim order the Debtors have been working tirelessly with key stakeholders, including the Committee and Mizuho Bank, Ltd., (“Mizuho”) to consensually resolve concerns related to the DIP Facility in advance of the Hearing.

11. Following delivery of the updated 13-week cash flow forecast DIP Budget the week of July 14, the updated DIP Budget reflected increased and unanticipated headwinds that have constricted the Debtors’ liquidity during the initial period of these chapter 11 cases.

12. Given the unanticipated strain on liquidity and in recognition of the liquidity testing considerations in section 6.02(i) of the Restructuring Support Agreement, the Debtors extended the DIP Motion objection deadlines for various parties and continued to engage in good faith discussions with such stakeholders in the hopes of amicably resolving outstanding issues. Specifically, the Debtors ultimately agreed to set Mizuho’s objection deadline to July 22, 2025 at 11:00 a.m. (prevailing Eastern Time) (the “Mizuho Objection Deadline”), and the Committee’s objection deadline to July 22, 2025 at 12:00 p.m. (prevailing Eastern Time) (the “Committee Objection Deadline”).

13. While the Debtors have engaged in extensive discussions with the parties to reach a consensual resolution, the Debtors’ near-term liquidity needs and the constraints under the DIP Credit Agreements do not permit any further postponement. During the course of discussions, the Debtors have prepared various proposals to solve the liquidity and Emergency Loan Claims repayment commitments in section 6.02(i) of the Restructuring Support Agreement, however, these proposals are still being considered by the Committee, Mizuho, and the Ad Hoc Group.

14. Accordingly, given that the Debtors did not want to jeopardize a consensual resolution, the Debtors did not want to cut short productive conversations by enforcing the Original

Objection Deadline. However, the parties have still not reached a resolution and the Debtors do not have sufficient liquidity to further postpone approval of the DIP Motion.

15. Prior to the Mizuho Objection Deadline, Mizuho, in its capacity as an Emergency Loan Lender and Senior Lender filed *Mizuho Bank, LTD. 's (I) Objection and Reservation of Rights with Respect to the DIP Motion and (II) Emergency Cross Motion for Adjournment of Final DIP Hearing* [Docket No. 300] (the "Objection"). Concurrently with the filing of the Objection, Mizuho filed the *Mizuho Bank, Ltd. 's Motion For Entry of an Order Shortening the Notice and Objection Periods With Respect To The Emergency Cross Motion* [Docket No. 301] (the "Mizuho Cross Motion"). The Court entered the order approving the Mizuho Cross Motion [Docket No. 309].

16. Pursuant to Local Rule 9029-3(a)(i), the agenda for the Hearing was required to be filed on or before 12:00 p.m. (prevailing Eastern Time) on July 22, 2025. Accordingly, pursuant to Local Rule 9006-1 (d), the deadline for the Debtors to file a Reply (the "Reply Deadline") would be 4:00 p.m. (prevailing Eastern Time) on July 21, 2025.

17. Despite the parties' attempts to reach a consensual resolution, in light of the stall in negotiations and the Objection, the Debtors are now requesting leave to file a late Reply.

Basis for Relief

18. Pursuant to Local Rule 9006-1(d), "[r]eply papers by the movant, or any party that has joined the movant, may be filed by 4:00 p.m. prevailing Eastern Time the day prior to the deadline for filing the agenda." Del. Bankr. L.R. 9006-1(d).

19. Here, cause exists to allow the late filing of the Reply. As described above, the Mizuho Objection Deadline was extended to July 22, 2025 at 11:00 a.m. (prevailing Eastern Time), to allow parties to continue working to reach a consensual resolution on the Final DIP Order, while

the Reply, pursuant to Local Rule 9006-1(d), was due on July 21, 2025 at 4:00 p.m. (prevailing Eastern Time). As a result, it was not possible for the Debtors to timely file their Reply nor would it be reasonably practicable to file their Reply the same day the Mizuho filed the Objection. Accordingly, the Debtors request a brief extension of the Reply deadline to permit them to present fairly and completely their response to the Objection to the Court.

20. Further, the Debtors submit that no parties will be prejudiced by the filing of a late Reply. Accordingly, the Debtors seek leave to file the Reply on or before July 24, 2025 at 9:00 a.m. (prevailing Eastern Time).

[Remainder of page intentionally left blank]

WHEREFORE, the Debtors request entry of the Order, substantially in the form attached hereto as **Exhibit A**, (a) granting the relief requested herein and (b) granting such other relief as the Court deems appropriate under the circumstances.

Dated: July 24, 2025
Wilmington, Delaware

/s/ Laura Davis Jones

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*Proposed Co-Counsel for the Debtors
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*Proposed Co-Counsel for the Debtors
and Debtors in Possession*

Exhibit A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
	)	Chapter 11
)	
MARELLI AUTOMOTIVE LIGHTING USA LLC,	)	Case No. 25-11034 (CTG)
<i>et al.</i> , ¹)	
)	
Debtors.	)	(Jointly Administered)
)	
	)	Re: Docket No. [●]

**ORDER GRANTING MOTION OF DEBTORS FOR
LEAVE TO FILE A LATE REPLY IN SUPPORT OF DIP MOTION**

Upon consideration of the Debtors' Motion for Leave to File a Late Reply in Support of DIP Motion, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The Debtors are permitted to file a late Reply on or before July 24, 2025 at 9:00 a.m.

(prevailing Eastern Time) and such Reply shall be deemed timely filed.

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://www.veritaglobal.net/Marelli>. The location of Marelli Automotive Lighting USA LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 26555 Northwestern Highway, Southfield, Michigan 48033.

Exhibit B

Reply

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
MARELLI AUTOMOTIVE LIGHTING USA LLC, <i>et al.</i> , ¹	)	Case No. 25-11034 (CTG)
Debtors.	)	(Jointly Administered)
	)	Hearing Date: July 24, 2025, at 1:15 p.m. (ET)

**OMNIBUS (I) REPLY OF
DEBTORS IN SUPPORT OF MOTION OF DEBTORS
FOR ENTRY OF INTERIM AND FINAL ORDERS (A) AUTHORIZING
THE DEBTORS TO (I) OBTAIN POSTPETITION FINANCING, AND (II)
UTILIZE CASH COLLATERAL; (II) GRANTING LIENS AND PROVIDING
SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS; (III) GRANTING
ADEQUATE PROTECTION TO CERTAIN PREPETITION SECURED PARTIES;
(IV) MODIFYING THE AUTOMATIC STAY; (V) SCHEDULING A FINAL HEARING;
AND (VI) GRANTING RELATED RELIEF AND (II) OBJECTION TO MIZUHO’S
EMERGENCY CROSS MOTION FOR ADJOURNMENT OF FINAL DIP HEARING**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) submit this omnibus (i) reply in support of the *Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, and (B) Utilize Cash Collateral; (II) Granting Liens and Providing Superpriority Administrative Expense Claims; (III) Granting Adequate Protection to Certain Prepetition Secured Parties; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing, and (VI) Granting Related Relief* [Docket No. 22] (the “DIP Motion”)² and (ii) objection (this omnibus reply and objection, this “Reply”) to *Mizuho*

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.veritaglobal.net/Marelli>. The location of Marelli Automotive Lighting USA LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 26555 Northwestern Highway, Southfield, Michigan 48033.

² Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the DIP Motion, the Objection, or that certain Restructuring Support Agreement dated as of June 11, 2025 by and among the Debtors and the Consenting Stakeholders party thereto (the “Restructuring Support Agreement”).

Bank, Ltd.’s (I) Objection and Reservation of Rights With Respect to the DIP motion and (II) Emergency Cross Motion for Adjournment of Final DIP Hearing [Docket No. 300] (the “Objection”) filed by the Mizuho Bank, Ltd., solely in its capacity as an Emergency Loan Lender and Senior Lender. In further support of the DIP Motion and this Reply, the Debtors state as follows:³

Preliminary Statement

1. The Debtors need immediate access to liquidity this week to avoid significant disruptions to operations. Those disruptions will damage the value of the business and by extension the collateral and recoveries of the secured lenders—including Mizuho and the Ad Hoc Group of Senior Lenders—and the Debtors’ other stakeholders. And the only available source of the necessary liquidity is the DIP Facilities. The only impediment to final approval of the DIP Facilities is the Objection.

2. Until Tuesday morning of this week, when Mizuho filed the Objection, Mizuho consented to the DIP Facilities. It did so expressly, and in writing, through the RSA it signed before the Petition Date, a principal term of which was its express support for the DIP Facilities. One condition of Mizuho’s support was that the Debtors would repay in full in cash the Emergency Loan shortly after entry of the Final DIP Order (as defined herein), but only if the Debtors had sufficient liquidity above the \$250 million minimum liquidity threshold to repay the Emergency Loan. The Emergency Loan is the senior most tranche of the Debtors’ secured debt and had approximately \$356 million in principal and accrued interest outstanding as of the petition date. The RSA provides that, to the extent the Emergency Loan is not repaid before emergence, it will be repaid in full in cash at emergence. The Debtors’ commitment to pay down the Emergency Loan at the outset of the case

³ A detailed description of the Debtors and their business, including the facts and circumstances giving rise to the Debtors’ chapter 11 cases, is set forth in the *Declaration of David Slump, Chief Executive Officer of Marelli Automotive Lighting USA, LLC, in Support of First Day Motions* (the “First Day Declaration”) [Docket No. 20], filed on June 11, 2025 (the “Petition Date”).

was expressly contingent on the Debtors having sufficient liquidity to do so, pursuant to a specifically defined liquidity test. And that liquidity test was not ultimately satisfied, due to factors outside the Debtors' control.

3. It is true that the RSA provides that, in such circumstances, the final DIP hearing would be adjourned by 10 business days to provide the parties time to discuss an alternative repayment proposal. But the Debtors had already adjourned the final DIP hearing by 10 business days to, among other things, accommodate the newly-formed official creditors' committee. Now the Debtors face an imminent liquidity shortfall and a milestone to obtain final approval of the DIP Facilities by the end of the week.

4. Accordingly, instead of adjourning the hearing, the Debtors encouraged Mizuho and the Ad Hoc Group of Senior Lenders to negotiate a mutually agreeable resolution. But, while the parties have exchanged some proposals in the regard, an agreement has not been reached. Alternatively, the Debtors proposed a second interim draw on the DIP Facilities to provide additional time for discussions. But neither Mizuho nor the Ad Hoc Group of Senior Lenders has agreed to that, either. For that reason, the Debtors have no choice but to proceed with approval of the DIP Facilities on a final basis at this time.

5. Fortunately, the principal issue presented by the Objection is narrow: whether the Emergency Loan is adequately protected. The evidence will show that it is, by a significant margin. In particular, the Objection focuses on a 20% equity cushion purportedly required by the case law. The Objection fails to mention, however, another critically important percentage: 70%. That is the approximate percentage of the Debtors' asset value that the Debtors believe was unencumbered as of the Petition Date.

6. The proposed final DIP order (the "Final DIP Order"), filed concurrently herewith, will grant the Emergency Loan Lenders adequate protection liens on all of those unencumbered

assets. The revised proposed order makes crystal clear that the adequate protection liens securing the Emergency Loan rank junior to the new money DIP and senior to all other liens, including the liens securing the rollup. Accordingly, under the Final DIP Order, the Emergency Loan will benefit from adequate protection liens on all unencumbered assets and also on all Senior Loan Facility collateral, junior in each case only to the new-money portion of the DIP Facilities. Given the substantial proportion of the Debtors' assets that are unencumbered, this is a highly-valuable adequate protection package.

7. Indeed, the uncontroverted evidence will show that, even using the most conservative valuation methodology, the value of such adequate protection liens exceeds the total face amount of the Emergency Loan. In particular, Alvarez & Marsal North America LLC, the Debtors' restructuring advisor, prepared a hypothetical chapter 7 liquidation analysis, attached hereto as **Exhibit A** (the "Liquidation Analysis"). The Liquidation Analysis shows that, in a conservative estimate of a hypothetical chapter 7 liquidation, there will be approximately \$1.8 billion in distributable value available for secured claims. Even after satisfying the \$1.2 billion in DIP claims, there will be approximately \$660 million available to satisfy the Emergency Loan, and it will be first in line on all of that value. Given the \$356 million outstanding on the Emergency Loan, this is a nearly 200% cushion against diminution in value.

8. Accordingly, the evidence will show that the Emergency Loan is adequately protected by an ample margin. Moreover, approval of the DIP Facilities is the only available option to protect the value of the business for Mizuho and the Debtors' other stakeholders. For these reasons and the other reasons set forth in this Reply, the Debtors respectfully request that the Court overrule the Objection and approve the DIP Motion.

Reply

I. The Court Should Not Adjourn the Final DIP Hearing.

9. The Restructuring Support Agreement says that, upon delivery by the Debtors of an Extended DIP Budget showing Adjusted Liquidity below the Threshold, the final DIP hearing will be adjourned by 10 business days. As set forth above, doing so would require the Debtors to effectively shut off their operations to conserve liquidity. Mizuho has the right to terminate the Restructuring Support Agreement as to itself if the hearing is not adjourned, but that is the extent of the remedies afforded to Mizuho. As of the date hereof, Mizuho has not exercised that right. The Debtors continue to believe that the transactions embodied in the Restructuring Support Agreement represent the most value-maximizing path forward and that adjourning the final DIP hearing would adversely affect, if not irreparably harm, the Debtors' business to the detriment of all stakeholders.

10. The Debtors object to Mizuho's motion to adjourn the final DIP hearing because the Debtors do not believe that the additional time afforded by the adjournment will put the parties in a materially different position than they are today. *First*, the Debtors, the Ad Hoc Group of Senior Lenders, and Mizuho have already engaged in a week of discussion on potential alternative structures and have not been able to reach agreement. The point of the adjournment mechanism in the RSA is to provide time to negotiate a resolution, but the parties' materially different views on acceptable terms, rather than a lack of time to discuss, are responsible for the impasse on a consensual resolution. *Second*, Mizuho will not gain any additional information or be better positioned to argue their position at the adjourned hearing because they have already taken depositions of the Debtors' two witnesses and been provided with responses to their discovery requests. The Debtors do not plan on generating any additional analysis or calling additional witnesses in support of their motion for entry of the Final DIP Order. Accordingly, the only effect of adjournment will be to delay the ability of the parties to make their arguments in front of the Court.

11. For the reasons set forth above, the Court should not adjourn the final DIP hearing.

II. The Court Should Enter the Final DIP Order.

12. The Bankruptcy Code provides that the Court can approve priming financing over the objection of a secured creditor if the Debtor can demonstrate adequate protection. 11 U.S.C. § 364(c)(d)(B). In context of a “priming” financing under section 364(d) of the Bankruptcy Code, the purpose of adequate protection is to protect a preexisting lienholder against a diminution in the value of its collateral. *See, e.g., In re Hubbard Power & Light*, 202 B.R. 680, 685 (Bankr. E.D.N.Y. 1996). The Bankruptcy Code specifically identifies additional liens as a form of adequate protection. 11 U.S.C. § 361(2).

13. The valuation method for establishing adequate protection depends on the circumstances of the case. *See In re Ram Mfg., Inc.*, 32 B.R. 969, 972 (Bankr. E.D. Pa. 1983); *In re Keystone Camera Prods. Corp.*, 126 B.R. 177, 184 (Bankr. D.N.J. 1991); *In re Beker Indus. Corp.*, 58 B.R. 725 (Bankr. S.D.N.Y. 1986). Liquidation value and going concern value should be treated as a spectrum, and courts have wide latitude to value collateral based on the specific facts and circumstances of the case. *In re Ram Mfg., Inc.*, 32 B.R. 969, 972 (Bankr. E.D. Pa. 1983). The liquidation value is generally understood to serve at the low end of the valuation spectrum. *Keystone*, 126 B.R. at 184.

14. In determining whether a secured creditor is adequately protected, many courts “engage in an analysis of the property’s ‘equity cushion’—the value of the property after deducting the claim of the creditor seeking relief from the automatic stay and all senior claims.” *In re Indian Palms Assoc., Ltd.*, 61 F.3d 197, 207 (3d Cir. 1995). Courts have generally found cushions in excess of 20% to be sufficient, but it is not a hard-and-fast rule. *See In re Las Torres Development, L.L.C.*, 413 B.R. 687, 697 (Bankr. S.D. Tex. 2009) (“case law is clear that an equity cushion of 20% or more constitutes adequate protection.”); *see also In re San Clemente Estates*, 5 B.R. 605 (Bankr. S.D. Ca.

1980) (65% is adequate); *In re Nashua Trust Co.*, 73 B.R. 423 (Bankr. D.N.J. 1987) (50% is adequate); *In re Ritz Theatres, Inc.*, 68 B.R. 256 (Bankr. M.D. Fla. 1987) (38% is adequate); *In re Dunes Casino Hotel*, 69 B.R. 784 (Bankr. D.N.J. 1986) (30% is adequate); *In re Helionetics*, 70 B.R. 433 (Bankr. C.D. Ca. 1987) (20.4% is adequate); *In re Mellor*, 734 F.2d 1396 (9th Cir. 1984) (20% is adequate).

15. Here, the proposed Final DIP Order provides the Emergency Loan with additional liens on (a) previously unencumbered assets and (b) the separate set of collateral that secures the Senior Loan Facility. In each case, these liens rank junior to the new-money portion of the DIP Facilities, but senior to all other applicable liens, including the liens securing the rollup portion of the DIP Facilities. The priority scheme of the various liens is included as an exhibit to the proposed Final DIP Order, which is reproduced as **Exhibit B** to this reply for ease of reference.

16. Unlike in many cases where substantially all assets are encumbered by prepetition liens, in this case, these adequate protection liens are extremely valuable. As of the Petition Date, the Debtors believe approximately 70% of the Debtors' assets, measured by net book value or by liquidation value, are unencumbered. The Debtors investigated the extent of the grant and perfection of liens prior to the Petition Date and found no evidence to the contrary.

17. The evidence adduced at the final DIP hearing will demonstrate that these additional liens provide ample adequate protection to the Emergency Loan Lenders. At the DIP maturity in 2026, there will be approximately \$356 million outstanding on the Emergency Loan. The Liquidation Analysis assumes a conversion to chapter 7 and a hard shutdown on that date, after the DIP has been fully drawn. Although no final going-concern valuation has been prepared by the Debtors at this time, the Liquidation Analysis provides a highly-conservative view of the very low end of the potential value of the collateral.

18. Using this highly-conservative methodology, the Liquidation Analysis shows that, after satisfying the full new-money amount of the DIP Facilities, the additional adequate protection liens are worth nearly 200% of the value of the Emergency Loan, far exceeding the 20% cushion that Mizuho says is required. Specifically, the Liquidation Analysis provides as follows:

	<u>Liquidation Value</u>
Distributable Value	\$ 2,386
Less: Liquidation Adjustments	434
Distributable Value for Recoveries	\$ 1,952
Non-Guarantor and JV Unsecured Recovery	115
Distributable Value for Secured Claims	\$ 1,837
DIP Recovery (incl. Carve-out)	1,177
Remaining Distributable Value	\$ 660

Accordingly, the uncontroverted evidence will show that the Emergency Loan is adequately protected.

19. To the extent Mizuho is also objecting on the basis that the Senior Loan Facility lacks adequate protection, that Objection should also be overruled. To be clear, a majority of all Senior Lenders have affirmatively consented to the DIP Facilities. No Senior Lender that is not also an Emergency Loan Lender has objected to the DIP Facilities. And all Senior Lenders were offered the opportunity to participate in the DIP Facilities. The DIP Facilities provide the Senior Lenders with the opportunity to receive an 11% recovery under the plan, which is the only option available to them to receive a recovery in excess of liquidation value. The Senior Loan Facility also benefits from

junior adequate protection liens on the same meaningful pool of unencumbered assets. Accordingly, the evidence will show that the Senior Loan Facility is also adequately protected.

20. For all of the foregoing reasons and the reasons set forth in the DIP Motion, the DIP Facilities on the terms set forth in the proposed Final DIP Order are appropriate, and the Court should overrule the Objection and enter the proposed Final DIP Order.

[Remainder of page intentionally left blank]

WHEREFORE, for the reasons discussed herein, the Debtors respectfully request that the Court deny the Objection and approve the DIP Facilities and related relief on an interim basis.

Dated: July 24, 2025
Wilmington, Delaware

/s/ Laura Davis Jones

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*Proposed Co-Counsel for the Debtors
and Debtors in Possession*

Exhibit A

Liquidation Analysis

DRAFT**PRIVILEGED & CONFIDENTIAL
FOR DISCUSSION PURPOSES ONLY****Project Sun
Recovery Summary**

(\$ in millions)

	Postpetition HLA	
	NBV May 2025	Liquidation Value
Distributable Value	\$ 9,917	\$ 2,386
Less: Liquidation Adjustments	-	434
Distributable Value for Recoveries	\$ 9,917	\$ 1,952
Non-Guarantor and JV Unsecured Recovery	n/a	115
Distributable Value for Secured Claims	\$ 9,917	\$ 1,837
DIP Recovery (incl. Carve-out)	1,177	1,177
Remaining Distributable Value	\$ 8,739	\$ 660
MEMO:		
<i>Collateral / Unencumbered Assets</i>		
<i>Emergency Loan Collateral</i>	304	47
<i>Senior Loan Collateral</i>	1,509	219
<i>Unencumbered Assets</i>	6,926	393
<i>Remaining Distributable Value</i>	\$ 8,739	\$ 660
<i>Adequate Protection after Emergency Loan Recovery (%)</i>	2369%	172%
Emergency Loan Recovery		
Emergency Loan Collateral	304	47
Adequate Protection Lien: Senior Loan Collateral	52	219
Adequate Protection Lien: Unencumbered Assets	-	90
Emergency Loan Recovery	\$ 356	\$ 356
<i>Emergency Loan Recovery (%)</i>	100.0%	100.0%
Senior Loan Recovery		
Senior Loan Collateral	1,457	-
Adequate Protection Lien: Unencumbered Assets	3,154	303
Senior Loan Recovery	\$ 4,611	\$ 303
<i>Senior Loan Recovery (%)</i>	100.0%	6.6%
Total Remaining Value	\$ 3,773	\$ -

Exhibit B**Lien/Claim Priorities Exhibit**

Priority	DIP Collateral constituting Prepetition Emergency Loan Collateral	DIP Collateral constituting Prepetition Senior Loan Collateral	Other DIP Collateral (including DIP Collateral constituting Previously Unencumbered Property)	Claims
<i>First</i>	Carve Out	Carve Out	Carve Out	Carve Out
<i>Second</i>	Permitted Prior Liens	Permitted Prior Liens	Tranche A DIP Liens	Tranche A DIP Superpriority Claims
<i>Third</i>	Tranche A DIP Liens	Tranche A DIP Liens	Tranche B DIP Liens	Tranche B DIP Superpriority Claims
<i>Fourth</i>	Tranche B DIP Liens	Tranche B DIP Liens	Prepetition Emergency Loan Facility Adequate Protection Liens	Prepetition Emergency Loan Priority Claims ¹
<i>Fifth</i>	Prepetition Emergency Loan Liens ²	Prepetition Emergency Loan Facility Adequate Protection Liens	Tranche C DIP Liens	Senior Lender Priority Recovery (as defined in the Restructuring Support Agreement)
<i>Sixth</i>	Prepetition Emergency Loan Facility Adequate Protection Liens	Tranche C DIP Liens	Prepetition Senior Loan Facility Adequate Protection Liens	Prepetition Emergency Loan Facility Adequate Protection Claims

¹ Those certain VRA repayment claims are senior on a lien and payment priority basis to the Prepetition Emergency Loan Priority Claims. Payment in full of the Prepetition Emergency Loan Priority Claims also satisfies such VRA repayment claims.

² Those certain VRA repayment claims are senior on a lien and payment priority basis to the Prepetition Emergency Loan Priority Claims. Payment in full of the Prepetition Emergency Loan Priority Claims also satisfies such VRA repayment claims.

<i>Seventh</i>	Tranche C DIP Liens	Prepetition Senior Loan Facility Adequate Protection Liens		Tranche C DIP Priority Claims
<i>Eighth</i>	Prepetition Senior Loan Facility Adequate Protection Liens	Prepetition Senior Loan Agreement Liens		Prepetition Senior Loan Facility Adequate Protection Claims
<i>Ninth</i>	Prepetition Senior Loan Agreement Liens			