

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA**

In re:

CAFE HOLDINGS CORP. *et al.*,¹

Debtors.

Chapter 11

Case No. 18-_____ ()

(Joint Administration Requested)

**ORDER (A) AUTHORIZING THE DEBTORS TO PAY AND HONOR CERTAIN
PREPETITION WAGES, BENEFITS AND OTHER COMPENSATION OBLIGATIONS
AND (B) AUTHORIZING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS
CHECKS AND TRANSFERS RELATED TO SUCH OBLIGATIONS**

Upon consideration of the motion (the “**Motion**”)² of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”), for the entry of an order (this “**Order**”), (a) authorizing the Debtors to pay and honor certain prepetition wages, benefits and other compensation obligations, and (b) authorizing financial institutions to honor and process checks and transfers related to such obligations, as described more fully in the Motion; and upon consideration of the Motion and all pleadings related thereto; and due and proper notice of the Motion having been given; and it appearing that no other or further notice of the Motion is required; and it appearing that the Court has jurisdiction to consider the Motion in accordance with 28 U.S.C. §§ 157 and 1334; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief requested in the Motion and provided for

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Cafe Holdings Corp. (7910); Cafe Enterprises, Inc. (4946); CE Sportz LLC (2009); and CES Gastonia LLC (0863). The location of the Debtors’ corporate headquarters is 4324 Wade Hampton Blvd., Suite B, Taylors, South Carolina 29687.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

herein is in the best interest of the Debtors, their estates, and creditors; and after due deliberation and sufficient cause appearing therefor, **IT IS HEREBY ORDERED THAT:**

1. The Motion is granted on a final basis as set forth herein.
2. Subject to the requirements of Bankruptcy Code §§ 507(a)(4) and (a)(5), the Debtors are authorized, but not directed, to pay and remit in accordance with the Debtors' prepetition policies and programs, Employee Obligations and all costs incident to the foregoing in accordance with the Debtors' customary policies, including, but not limited to (i) the Unpaid Wages; (ii) the obligations owed to the Independent Contractors; (iii) the rewards accrued and unpaid as part of the Monthly Performance Plan; (iv) PTO; (v) the Zurich Policy for workers' compensation; and (vi) the Employee Benefit Obligations.
3. The Debtors are authorized, but not directed, to maintain and continue to honor the Employee Programs as they were in effect as of the Petition Date, and as may be modified, amended or supplemented from time to time in the ordinary course of business, including, but not limited to (i) the 401(k) Plan; (ii) the HSA Program; (iii) the Payroll Deductions; (iv) the Employer Taxes and Fees; (v) the Reimbursement Obligations; (vi) the Credit Card Expenses; and (vii) the Miscellaneous Benefits.
4. The Debtors are authorized, but not directed, to pay all post-petition costs and expenses incidental to payment of the Employee Obligations and Employee Programs described in paragraphs 2 and 3 herein, including all administrative and processing costs.
5. All applicable banks and other financial institutions are hereby authorized to receive, process, honor, and pay any and all checks, drafts, wires, check transfer requests or automated clearing house transfers evidencing amounts paid by the Debtors under this Order whether presented prior to or after the Petition Date to the extent the Debtors have good funds

standing to their credit with such bank or other financial institution. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this Order without any duty of further inquiry and without liability for following the Debtors' instructions. The Debtors are authorized to issue post-petition checks, or to effect post-petition wire transfer requests, in replacement of any checks or transfers in respect of the payments authorized to be paid pursuant to this Order that are dishonored or rejected.

6. Nothing in this Order: (i) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors or their estates; (ii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors or their estates to contest the validity, priority, or amount of any claim against the Debtors or their estates; (iii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors or their estates with respect to any and all claims or causes of action against any third party; or (iv) shall be construed as a promise to pay a claim or continue any applicable program post-petition, which decision shall be in the discretion of the Debtors. Any payment made pursuant to this Order is not intended to be nor should it be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

7. Notice of the Motion satisfies the requirements set forth in Bankruptcy Rule 6004(a).

8. The terms and conditions of this Order are immediately effective and enforceable upon its entry.

9. The Debtors are authorized to take all such actions as are necessary or appropriate to effectuate the relief requested in this Order in accordance with the Motion.

10. The Motion is granted on an interim basis; provided, however, that the interim relief granted herein shall be deemed final in 30 days without further action or order, unless a party in interest files an objection to the relief granted herein within 30 days from the entry of this Order. Any objection to the relief granted in this Order becoming final must be filed with the Court and served upon the proposed counsel to the Debtors at the following address: Haynes and Boone, LLP, Attn: Ian T. Peck, 2323 Victory Avenue, Suite 700, Dallas, Texas 75219.

11. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

12. Notwithstanding anything to the contrary herein, any payments authorized to be made pursuant to this Order shall be made only to the extent authorized under the cash collateral and debtor-in-possession financing budget approved by the Court in effect as of the time such payment is to be made.

AND IT IS SO ORDERED.