

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF SOUTH CAROLINA**

In re:

CAFE HOLDINGS CORP., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 18-\_\_\_\_ (\_\_\_\_)

(Jointly Administered)

**ORDER AUTHORIZING DEBTORS (I) TO MAINTAIN THEIR  
INSURANCE PROGRAMS AND SURETY BOND PROGRAM;  
(II) TO HONOR ALL OBLIGATIONS WITH RESPECT THERETO; AND  
(III) TO CONTINUE THE INSURANCE PREMIUM FINANCING PROGRAM**

---

Upon consideration of the motion (the “**Motion**”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”), for the entry of an order (this “**Order**”), (a) authorizing, but not directing, the Debtors to continue and, to the extent necessary, renew, supplement, or purchase new liability, property, and other insurance programs as well and the surety bond program, to pay all policy premiums and obligations arising thereunder or in connection therewith, including all such prepetition obligations arising in the ordinary course of business, and to continue the Debtors’ insurance premium financing program, and (b) granting related relief, all as more fully set forth 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

---

<sup>1</sup> 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.

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

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 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 as set forth herein.
2. The Debtors are authorized, but not directed, to maintain, continue, renew, modify, cancel, or extend (including through obtaining comparable “tail” coverage) the Insurance Programs and the coverage thereunder, without interruption, on the same basis, and in accordance with the same practices and procedures as were in effect prior to the commencement of the Debtors’ chapter 11 cases; provided, however, that the Debtors will consult with the DIP Agent prior to renewing any insurance policies currently included within the Insurance Programs, modifying any insurance coverage, or acquiring new insurance policies or coverage not currently within the Insurance Programs as of the Petition Date.
3. The Debtors are authorized, but not directed, to honor all Surety Bond Obligations, including, without limitation, any new Surety Bond Obligations, whether or not such Surety Bond Obligation is listed on **Exhibit B** to the Motion and regardless of whether accruing or relating to the period before or after the Petition Date; provided, that the Debtors are authorized, but not directed, to pay only amounts due and payable as of the Petition Date and amounts that are or become due and payable between the Petition Date and the date that a final order on the Motion is entered, unless otherwise ordered by the Court.
4. The Debtors are authorized, but not required, to pay all Insurance Obligations, Surety Bond Obligations, and Premium Financing Obligations, including those Insurance Obligations, Surety Bond Obligations, and Premium Financing Obligations that (a) were due and payable or related to the period before the commencement of these chapter 11 cases, and (b) are,

or become, due and payable or related to the period after the commencement of these chapter 11 cases.

5. Pursuant to sections 363 and 364 of the Bankruptcy Code, the Debtors are authorized, but not directed, to enter into new PFAs, to the extent consistent with the Debtors' ordinary course prepetition practices, and to continue, in the ordinary course of business, their current PFA.

6. The Debtors are authorized to continue utilizing the Broker and the Administrator in the ordinary course of business on a post-petition basis.

7. Nothing in this Order or the Motion shall be construed as prejudicing any rights the Debtors may have to dispute or contest the amount of or basis for any claims asserted against the Debtors arising in connection with the Insurance Programs, the Insurance Obligations, or the Premium Financing Obligations or as an admission as to the validity or priority of any claim against the Debtors.

8. Nothing in the Motion or this Order shall be deemed or construed as an approval of an assumption or rejection of any contract pursuant to section 365 of the Bankruptcy Code and all such rights are reserved.

9. Any parties receiving payment from the Debtors are authorized and directed to rely upon the representations of the Debtors as to which payments are authorized by this Order. The Banks on which checks were drawn or electronic payment requests made in payment of the obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such Banks are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.

10. The Debtors are authorized to take such actions as may be necessary and appropriate to implement the terms of this Order.

11. 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.

12. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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

14. 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.

15. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

**AND IT IS SO ORDERED.**