

Exhibit B

[Redline of Revised Proposed Order]

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

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| In re: | : | Chapter 11 |
| | : | |
| Wordsworth Academy, <i>et al.</i> , ¹ | : | Case No. 17- 14463 (AMC) |
| | : | |
| Debtors. | : | Jointly Administered |
| | : | |

**ORDER (I) AUTHORIZING THE DEBTORS TO OBTAIN
POSTPETITION FINANCING ON AN INTERIM BASIS, (II) GRANTING
ADEQUATE PROTECTION TO M&T BANK; (II) MODIFYING THE
AUTOMATIC STAY, (III) GRANTING RELATED RELIEF, PURSUANT
TO 11 U.S.C. SECTIONS 105, 361, 362, 363(C), (D) &(E), 364(C), 364(D)(1),
364(E) AND 507(B), AND (IV) SCHEDULING A FINAL HEARING
AUTHORIZING FINANCING ON A FINAL BASIS PURSUANT TO
BANKRUPTCY RULE 4001**

Upon the motion (the “**Motion**”), dated ~~August 23, 2017~~ [August 23, 2017](#), of the above captioned debtors and debtors-in-possession (each a “**Debtor**” and collectively, the “**Debtors**”) in the above-captioned Chapter 11 cases (collectively, the “**Cases**”), pursuant to Sections 105, 361, 362, 363, 364(c)(1), 364(c)(2), 364(c)(3), 364(d) and 507(b) of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “**Bankruptcy Code**”) and Rules 2002, 4001, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), seeking, among other things:

(1) authorization and approval for the Debtors to obtain post-petition loans, advances and other financial accommodations (the “**Post-Petition Financing**”) on an interim basis for a period through and including the date of the Final Hearing (as defined below) from Siena Lending Group LLC (the “**DIP Lender**”) in connection with the DIP Credit Agreement (as defined below), under or in connection with the debtor-in-possession revolving credit facility (the “**DIP Facility**”) in an interim aggregate amount up to \$1,500,000 and on a final

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are: Wordsworth Academy (9031); Wordsworth CUA 5, LLC (0983); and Wordsworth CUA 10, LLC (5980). Wordsworth Academy has an address at 3300 Henry Ave., Philadelphia, PA 19129.

basis in an aggregate amount up to \$5,000,000 and otherwise in accordance with this Interim Order and the Final Order (defined below); and for the Debtors to enter into that certain the Debtor-In-Possession Loan and Security Agreement with the DIP Lender, substantially in the form attached hereto as **Exhibit 2** (the “**DIP Credit Agreement**”), which shall reflect in all material respects the terms and conditions set forth in this Order; and for Public Health Management Corporation (“**PHMC**”) to provide a guaranty (the “**PHMC Guaranty**”) for the repayment of the DIP Facility (the DIP Credit Agreement, the PHMC Guaranty, this Interim Order and the Final Order (as defined below) together with all other agreements, documents and instruments to be executed or delivered in connection therewith, collectively, the “**DIP Financing Documents**”). The DIP Facility shall be used to finance certain administrative expenses in the Cases and for working capital purposes as set forth in the Budget (defined below);

(2) the grant to the DIP Lender, of superpriority administrative claim status pursuant to Sections 364(c)(1) and (d)(1) and 507(b) of the Bankruptcy Code in accordance with the terms of this Order;

(3) granting adequate protection to M&T Bank (“**M&T**”) under and in connection with the Prepetition Financing Documents in accordance with the terms of this Interim Order which shall be incorporated in the Final Order and in accordance with certain agreements entered into with M&T attached hereto;

(4) modification of the automatic stay to the extent hereinafter set forth and waiving the fourteen (14) day stay provisions of Federal Rule of Bankruptcy Procedure 4001(a)(3) and 6004(h); and

(5) the setting of a final hearing on the Motion (the “**Final Hearing**”) for entry of an order authorizing the financing and use of cash collateral on a final basis (the “**Final Order**”).

Notice of the Motion, the relief requested therein, and the Interim Hearing (as defined below) (the “**Notice**”) having been served by the Debtors in accordance with Rule 4001(c) on:

(i) the DIP Lender; (ii) the United States Trustee for the Eastern District of Pennsylvania (the “**U.S. Trustee**”); (iii) counsel to the Official Committee of Unsecured Creditors; (iv) M&T; (v) Play & Learn; (vi) all parties known to the Debtors who hold any liens or security interest in the Debtors’ assets who have filed UCC-1 financing statements against the Debtors, or who, to the Debtors’ knowledge, have asserted any liens on any of the Debtors’ assets; (vii) the Commonwealth of Pennsylvania, Department of Revenue; (viii) the Commonwealth of

Pennsylvania Department of Labor and Industry; (ix) the Office of the Attorney General of Pennsylvania; (x) the City of Philadelphia; (xi) the Internal Revenue Service and all relevant taxing authorities of Pennsylvania; (xii) all creditors known to the Debtors to be holding a judgment and (xiii) all other parties entitled to receive notice pursuant to the Federal Rules of Bankruptcy Procedure and the Local Rules of this Court (collectively, the “**Noticed Parties**”).

The initial hearing on the Motion having been held by this Court on _____, 2017 (the “**Interim Hearing**”).

Upon the record made by the Debtors at the Interim Hearing, including the Motion, and the filings and pleadings in the Case, and good and sufficient cause appearing therefor;

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW²:

A. Petition. On June 30, 2017 (the “**Petition Date**”), each Debtor filed a voluntary petition under Chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their property as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

B. Jurisdiction and Venue. The Court has jurisdiction of this proceeding and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. The Motion is a “core” proceeding as defined in 28 U.S.C. §§ 157(b)(2)(A), (D) and (M). Venue of the Cases and the Motion in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

² Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact pursuant to Fed. R. Bankr. P. 7052. Any statements of the Court from the bench at the Interim Hearing shall constitute additional findings of fact and conclusions of law as appropriate and are expressly incorporated by reference into this Interim order to the extent non inconsistent herewith.

C. Notice. Under the circumstances, the Notice given by the Debtors of the Motion, the Interim Hearing and the relief sought herein has been given to the Noticed Parties pursuant to Fed. R. Bankr. P. 4001(c)(2).

D. Debtors' Acknowledgments and Agreements. Each Debtor admits, stipulates, acknowledges and agrees, as of the Petition Date, that:

(i) On August 7, 2017, the Court entered its *Final Order Authorizing Debtors' Use of Cash Collateral and Granting Related Relief* [Dkt. No. 198] (the "**Final Cash Collateral Order**"). The Final Cash Collateral Order provides, in pertinent part: (a) pursuant to a Credit Agreement dated April 8, 2015 ("**Prepetition Credit Agreement**"), M&T made loans to the Debtors, including a \$4,000,000 line of credit, which subsequently increased to \$5,000,000 and a \$6,000,000 term loan (collectively, the "**Prepetition Loans**"). To evidence the Debtors' obligations under the Prepetition Credit Agreement, the Debtors each executed and delivered to M&T, among other things, two promissory notes dated April 8, 2015 – a Daily Adjusting LIBOR Revolving Line Note in the maximum original principal amount of \$4,000,000, as amended or supplemented from time to time, including by that certain Third Amended and Restated Daily Adjusting Libor Revolving Line Note dated September 7, 2016 in the maximum principal amount of \$5,000,000 and a Term Note in the original principal amount of \$6,000,000 (as supplemented by a LIBOR Rate Rider dated April 8, 2015); (b) pursuant to a certain Mortgage dated April 8, 2015, in the original principal amount of \$10,000,000 (the "**Prepetition Mortgage**"), to secure all of Wordsworth's present and future indebtedness due and owing to M&T, Wordsworth granted M&T liens on and security interests in, the real property commonly known as (1) 100 Camp Hill Road, partly in Springfield Township and partly in Upper Dublin Township, Montgomery County, Pennsylvania (being known as Parcel Numbers 52-00-14044-007 and 54-

00-03541-00-5); and (2) Wenner Way, Upper Dublin Township, Montgomery County, Pennsylvania (being known as Parcel Number 54-00-03552-00-3), together with all buildings, structures, improvements, fixtures, equipment, easements, rights appurtenances, leases, rents contract rights erected, situate or installed upon, or used in the operation or maintenance thereof, and the proceeds thereof (collectively, as more particularly described in the Mortgage, the **“Prepetition Real Property Collateral”**). The Prepetition Mortgage was recorded in the office of the Recorder of Deeds for Montgomery County Pennsylvania on April 10, 2015, as Instrument Number: 2015024142, in Mortgage Book 13926, at pages 02908-02926; (c) Pursuant to a General Security Agreement dated April 8, 2015, to secure all of the Debtors’ present and future indebtedness due and owing to M&T, the Debtors granted to M&T liens on and security interests in, among other things, all of the Debtors’ personal property and fixtures, including, without limitation, all accounts, chattel paper, deposit accounts, documents, goods and equipment, general intangibles, inventory and all proceeds and products thereof (collectively, as more particularly described in the Security Agreement, the **“Prepetition Personal Property Collateral”** and together with the Prepetition Real Property Collateral, the **“Prepetition Collateral”**); (c) in addition to the Prepetition Loans, pursuant to a certain Agreement for Visa® Charge Cards and Card Products dated May 28, 2015 by and among M&T and Wordsworth as supplemented by that certain Commercial Card Restriction Addendum to Visa Charge Card Agreement, M&T made available to Wordsworth a purchase card facility in the maximum amount of \$50,000 (together with the Prepetition Loans, the **“Prepetition Credit Facilities”**). Pursuant to a General Security Agreement dated May 28, 2015 by Wordsworth in favor of M&T, the Prepetition Purchase Card Facility is secured by the Prepetition Personal Property Collateral. Pursuant to the Prepetition Mortgage the Prepetition Purchase Card Facility also is secured by the Prepetition

Real Property Collateral; (d) as of the Petition Date, the total amount due and owing to M&T by the Debtors under the Prepetition Credit Facilities was \$4,806,508.01 (the “**Prepetition Claim Amount**”), which is comprised of principal, interest, fees and costs in amounts set forth in the Final Cash Collateral Order. In addition to the Prepetition Claim Amount, the Debtors are obligated to pay additional interest, fees, and expenses, including but not limited to attorneys’ fees and expenses, incurred in connection with the enforcement and collection of the Prepetition Credit Facilities, which accrued before or may accrue after the Petition Date (together with the Prepetition Claim Amount, the “**Prepetition Indebtedness**”).

(ii) The Prepetition Indebtedness is secured by liens and security interests (collectively, the “**Prepetition Liens**”) in the Prepetition Collateral, including any cash or proceeds of the Prepetition Collateral. The value of the Prepetition Collateral is presently in excess of the Prepetition Indebtedness and M&T is oversecured based on current market values. Subject to the Final Cash Collateral Order, the Prepetition Indebtedness is not subject to defense, offset or counterclaim of any kind or nature and the Prepetition Indebtedness is and shall constitute an allowed, secured claim under Sections 506(a) and 502 of the Bankruptcy Code.

(iii) As set forth in the Final Cash Collateral Order, an immediate and critical need exists for the Debtors to obtain funds and use cash collateral to continue the operation of the business. The Final Cash Collateral approves on a Final Basis the Debtors’ usage of “cash collateral,” as defined by section 363(a) of the Bankruptcy Code and including any and all prepetition, and subject to section 552 of the Bankruptcy Code, postpetition proceeds of the Prepetition Collateral (“**Cash Collateral**”) with respect to M&T on the terms and conditions set forth in the Final Cash Collateral Order. However, the use of M&T’s Cash Collateral alone would be insufficient to meet the Debtors’ immediate post-petition liquidity needs.

(iv) On July 26, 2017, the Court entered its *Final Order Pursuant to 11 U.S.C. Sections 105, 361, 362, 363 and 364 and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (I) Authorizing Debtors to Obtain Post-Petition Financing, (II) Authorizing Them to Enter Into the DIP Credit Agreement, (III) Granting Liens and Administrative Priority Claims To Dip Lender, and (IV) Modifying the Automatic Stay* [Dkt. No. 149] (the “**Final Play and Learn DIP Order**”). The Final Play and Learn DIP Order authorized the Debtors to obtain loans and advances and other financial accommodations (“**Play and Learn DIP Facility**”) on the terms and conditions set forth therein for the purposes of (a) funding certain working capital requirements, operating expenses and capital expenditures of the Debtors in the ordinary course of the Debtors’ business, including fees and expenses allowed in the Cases at any time by final order of the Court under Sections 328, 330, 331 of the Bankruptcy Code, including pursuant to any interim compensation procedures order, as applicable (the “**Allowed Professional Fees**”), (b) to fund the payment of interest accrued on the Play and Learn DIP Facility and interest to M&T on account of the Prepetition Facility and (c) for other allowable costs and expenses, all in accordance with a DIP/cash collateral budget attached thereto. The Final Play and Learn DIP Order secured the post-petition financing advances made by Play and Learn with a subordinated, second lien in the Prepetition Real Property Collateral (the “**Play and Learn DIP Lien**”). However, the loans and advances provided by the Play and Learn DIP Facility, together with the Debtors’ permissive usage of Cash Collateral as provided by the Final Cash Collateral Order are insufficient to meet the Debtors’ immediate post-petition liquidity needs.

E. Adequate Protection.

(i) Adequate Protection Obligations. The Debtors acknowledge and agree that M&T is entitled to adequate protection resulting from the (a) provisions of this Interim Order granting first priority, priming liens on the Prepetition Personal Property Collateral to the DIP Lender, for the benefit of the DIP Lender, with respect to the DIP Facility and (b) third priority liens on the Prepetition Real Property Collateral (collectively, hereafter the “**Adequate Protection Obligations**”). Play ~~&~~and Learn has consented to the DIP Facility and placement of a subordinated third lien in the Prepetition Real Property Collateral in favor of the DIP Lender: on the express condition that the DIP Lender agrees to a subordination agreement acceptable to Play and Learn with respect to the Prepetition Real Property Collateral as between Play and Learn and the DIP Lender (the “Siena/Play and Learn Subordination Agreement”). Such Siena/Play and Learn Subordination Agreement was agreed to by counsel for the DIP Lender and Play and Learn on August 28, 2017. In the event that M&T and the DIP Lender subsequently enter into any subordination agreement with respect to the Prepetition Real Property Collateral (the “Siena/M&T Subordination Agreement”), the Siena/Play and Learn Subordination Agreement shall, at Play and Learn’s reasonable discretion, be modified so that the same shall be on substantially similar terms and conditions of such Siena/M&T Subordination Agreement.

(ii) Adequate Protection Liens. Pursuant to sections 361, 363 and 507(b) of the Bankruptcy Code, as adequate protection for the Adequate Protection Obligations, the Debtors have agreed to provide M&T with the Adequate Protection (as defined below).

(iii) Necessity for Adequate Protection. The adequate protection and other treatment proposed to be provided by the Debtors pursuant to this Interim Order are authorized by the Bankruptcy Code, will minimize disputes and litigation over subordination of

liens, the use of Cash Collateral and the DIP Facility, and facilitate the Debtors' ability to continue to operate until confirmation of its plan of reorganization in these Cases.

F. Adequate Protection for Financing/Cash Collateral/Non-Impairment. The security interests and liens granted hereunder to (i) the DIP Lender, under section 364(c) and (d) of the Bankruptcy Code, and (ii) to M&T under sections 105, 361 and 363 of the Bankruptcy Code, are appropriate because, among other things: (a) while M&T does not consent to the placement of first priority priming liens on and security interests in the Prepetition Personal Property Collateral granted to the DIP Lender or the placement of a subordinated third lien on and security interest in the Prepetition Real Property Collateral granted to the DIP Lender on the terms set forth herein, (1) the fair market value of the Prepetition Real Property Collateral substantially exceeds the amount of the Prepetition Indebtedness owed to M&T (by approximately \$4.7 million), (2) Play and Learn ~~has agreed to~~may negotiate for the purchase of a portion of the Prepetition Real Property Collateral ~~for fair market value, following PHMC's acquisition of same in connection with a chapter 11 plan in these Cases~~, and (3) M&T is presently receiving payment of current interest owed under the Prepetition Credit Facilities pursuant to the Final Cash Collateral Order and the Final Play and Learn DIP Order; and (b) Play and Learn has consented to the placement of a subordinated, third priority lien on and security interest in the Prepetition Real Property Collateral, junior to the Play and Learn DIP Lien, in favor of the DIP Lender pursuant to the terms and conditions of ~~that certain Subordination Agreement between the~~Siena/Play and Learn and the DIP Lender (the "Subordination Agreement") and/or this Interim Order.

G. Preliminary Findings Regarding the Postpetition Financing.

(i) Postpetition Financing. The Debtors have requested from the DIP Lender, and the DIP Lender is willing to extend, certain loans, advances and other financial accommodations, as more particularly described, and on the terms and conditions set forth, in this Interim Order and the DIP Financing Documents.

(ii) Fair and Reasonable. Based on the record presented to the Court by the Debtors, it appears that the terms of the DIP Credit Agreement, the DIP Financing Documents and the DIP Facility are fair and reasonable and reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties and constitute reasonably equivalent value and fair consideration.

(iii) Need for Post-Petition Financing. The Debtors do not have sufficient available sources of working capital to operate the Debtors' business in the ordinary course without the Post-Petition Financing as described in this Interim Order. The Debtors' ability to maintain and maximize the value of the operations until confirmation of its plan of reorganization, to pay its employees, and to otherwise fund its operations is essential to the Debtors' continued viability. The ability of the Debtors to obtain sufficient working capital and liquidity through the proposed Post-Petition Financing on the terms set forth in the DIP Financing Documents and this Interim Order is vital to the preservation and maximization of the going concern value of the Debtors' currently operating businesses pending a sale of the Debtors' assets. Accordingly, the Debtors have an immediate need to obtain the Post-Petition Financing in order to, among other things, permit the orderly continuation of the operation of their operating businesses, preserve jobs for their employees, maintain vendor support, minimize the disruption of their business operations, and manage and preserve the assets of the Debtors' bankruptcy estates

(as defined under Section 541 of the Bankruptcy Code, the “Estates”) in order to maximize the recoveries to creditors of the Estates.

(iv) No Credit Available on More Favorable Terms. The Debtors are unable to procure financing in the form of unsecured credit allowable under Section 503(b)(1) of the Bankruptcy Code, as an administrative expense under Section 364(a) or (b) of the Bankruptcy Code, or in exchange for the grant of an administrative expense priority pursuant to Section 364(c)(1) of the Bankruptcy Code, without the grant of liens on all or substantially all of Debtors’ assets, pursuant to Section 364(c) and Section 364(d) of the Bankruptcy Code. The Debtors have been unable to procure the necessary financing on terms more favorable than the financing offered by the DIP Lender pursuant to the DIP Financing Documents and this Interim Order.

(v) Budget. Based on the record presented to the Court by the Debtors, it appears that the Debtors have prepared and delivered to the DIP Lender the Budget (as defined in the DIP Credit Agreement). A copy of the Budget is annexed hereto as Exhibit 1. The Budget has been thoroughly reviewed by the Debtors and their management and sets forth, among other things, the projected cash receipts and disbursements for the periods covered thereby. The Debtors believe in good faith that the Budget is achievable and will allow the Debtors to operate in Chapter 11 without the accrual of unpaid administrative expenses during the term of the Budget. The DIP Lender is relying upon the Debtors’ compliance with the Budget in determining to consent to the use of Cash Collateral for the limited purposes expressly set forth herein and to enter into the Post-Petition Financing provided for herein.

(vi) Business Judgment and Good Faith Pursuant to Section 364(e) and Section 363(m). Based on the record presented to the Court by the Debtors, it appears that the terms of the DIP Financing Documents and this Interim Order are fair, just, reasonable and

appropriate under the circumstances, reflect the Debtors' exercise of their prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration. Based on the record before this Court, it appears (and the Debtors have stipulated) that the Debtors, ~~Play and Learn~~ and the DIP Lender have negotiated at arms' length and in good faith regarding the terms of the DIP Financing Documents, and the DIP Facility, subject to the terms of this Interim Order. Any credit extended under the terms of this Interim Order shall be deemed to have been extended in "good faith" as that term is used in Section 364(e) and 363(m) of the Bankruptcy Code.

(vii) No Objection of Play and Learn. Play and Learn has no objection to the DIP Facility solely on the terms and conditions set forth in this Interim Order. Play and Learn consented to the terms of financing.

(viii) Good Cause. The relief requested in the Motion is necessary, essential and appropriate, and is in the best interest of and will benefit the Debtors and their Estates, as its implementation will, among other things, provide the Debtors with the necessary liquidity to (a) minimize disruption to the Debtors' on-going businesses and on-going operations and to permit the Debtors to sell their assets, (b) preserve and maximize the value of the Debtors' Estates, and (c) avoid immediate and irreparable harm to the Debtors, their business, their employees and their assets.

(ix) Immediate Entry. Sufficient cause exists for immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(c)(2). No party appearing in the Cases has filed or made an objection to the relief sought in the Motion or the entry of this Interim Order, or any objections that were made (to the extent such objections have not been withdrawn) are hereby overruled.

Based upon the foregoing, and after due consideration and good cause appearing therefor;
IT IS HEREBY ORDERED, ADJUDGED AND DECREED, that:

Section 1. Authorization and Conditions to Financing.

1.1 Motion Granted. The Motion is granted in accordance with Bankruptcy Rule 4001(c)(2) to the extent provided in this Order. This Order shall be referred to herein as the **“Interim Order.”**

1.2 Authorization to Borrow and Use of Loan Proceeds. The Debtors are hereby authorized and empowered to immediately borrow and obtain Revolving Loans (as defined in the DIP Credit Agreement) and the Debtors are hereby authorized and empowered to incur indebtedness and obligations owing to the DIP Lender on the terms and subject to the conditions set forth in the DIP Financing Documents and this Interim Order, during the period commencing on the date of this Interim Order through and including the date of the Final Hearing as set forth in Section 7 of this Interim Order (the **“Interim Financing Period”**) as set forth in the Budget during such period and up to the maximum amount of \$1,500,000; in such amounts as may be made available to the Debtors by the DIP Lender in accordance with all of the lending formulae, sublimits, terms and conditions set forth in the DIP Financing Documents. Each Debtor may only use the proceeds of the Revolving Loans and any other credit accommodations provided pursuant to the terms and conditions of the DIP Financing Documents and this Interim Order; *provided however*, that upon entry of the Interim Order, M&T’s liens on the Prepetition Personal Property shall be primed and subordinated to the DIP Lender’s liens on the DIP Collateral.

1.3 Financing Documents.

1.3.1 Authorization. Each Debtor is hereby authorized to enter into, execute, deliver, perform, and comply with all of the terms, conditions and covenants of the DIP Financing

Documents and other related agreements, including without limitation, the DIP Credit Agreement referred to herein.

1.3.2 Approval. The DIP Financing Documents and each term set forth therein are approved to the extent necessary to implement the terms and provisions of this Interim Order.

1.3.3 Amendment of DIP Financing Documents. The Debtors and the DIP Lender are hereby authorized to implement, in accordance with the terms of the DIP Financing Documents, any non-material modification of the DIP Financing Documents without further order of this Court or any other modification to the DIP Financing Documents; provided however, that notice of any material modification or amendment to the DIP Financing Documents shall be provided to: (a) counsel to any official committee (the “Committee”); (b) counsel to M & T; (c) counsel to Play and Learn; and (d) the U.S. Trustee, each of whom shall have five (5) business days from the date of such notice within which to object in writing to such modification or amendment unless all such parties agree in writing to a shorter period. If any Committee, M & T, Play and Learn or the U.S. Trustee timely objects to any material modification or amendment to the DIP Financing Documents, such modification or amendment shall only be permitted pursuant to an order of this Court.

1.4 Payments and Application of Payments. The Debtors are authorized and directed to make all payments and transfers of Debtors’ Estate property to the DIP Lender as provided, permitted and/or required under the DIP Financing Documents, which payments and transfers, subject to Section 5.1 herein, shall not be avoidable or recoverable from the DIP Lender under Section 547, 548, 550, 553 or any other section of the Bankruptcy Code, or subject to any other claim, charge, assessment, or other liability, whether by application of the Bankruptcy Code, other

law or otherwise. The DIP Lender shall apply the proceeds of the DIP Collateral (as defined below), and any other amounts or payments received by the DIP Lender in respect of the obligations arising under the DIP Financing Documents, (collectively, the “**DIP Obligations**”) in accordance with the DIP Financing Documents and this Interim Order, in such order and manner determined by the DIP Lender in the DIP Lender’s sole and absolute discretion. Without limiting the generality of the foregoing, the Debtors are authorized and directed, without further order of this Court, to pay or reimburse the DIP Lender, in accordance with the DIP Financing Documents, for all present and future costs and expenses, including, without limitation, all reasonable professional fees, consultant fees and legal fees and expenses paid or incurred by the DIP Lender in connection with the financing transactions as provided in the DIP Financing Documents and this Interim Order, all of which shall be and are included as part of the principal amount of the DIP Obligations and secured by the DIP Collateral (as defined below)~~),~~ provided, however, copies of any invoices for fees and expenses sought to be paid hereunder shall be provided by the DIP Lender to counsel to the Debtors, the Committee and the U.S. Trustee, subject to any redactions for privileged and/or confidential information.

1.5 Interest and Fees. The rate of interest to be charged for the Revolving Loans under the DIP Obligations pursuant to the DIP Credit Agreement shall be the rates set forth in the DIP Credit Agreement and shall be payable at the times set forth in the DIP Credit Agreement. The fees charged under the DIP Facility shall be those set forth in the DIP Credit Agreement and shall be payable at the times set forth in the DIP Credit Agreement, including without limitation the \$150,000 Closing Fee (as defined in the DIP Credit Agreement), which is fully earned, payable and non-refundable upon the entry of this Interim Order.

Section 2. Collateralization, Adequate Protection and Superpriority Administrative Claim Status.

2.1 DIP Collateral.

2.1.1 DIP Lien Grant. To secure the prompt payment and performance of any and all DIP Obligations of the Debtors to the DIP Lender of whatever kind, nature or description, absolute or contingent, now existing or hereafter arising, the DIP Lender shall have and is hereby granted, effective as of the ~~Petition~~ date [of the entry of this Interim Order](#), valid and perfected first priority, priming security interests and liens in and upon (such security interests and liens collectively, the “**DIP Liens**”) all present and after-acquired personal property of the Debtors of any nature whatsoever, including without limitation, all accounts receivable, inventory, general intangibles, chattel paper, leaseholds, fixtures, machinery, equipment, deposit accounts, cash and cash equivalents, investments, patents, trademarks, trade names, copyrights, rights under license agreements and other intellectual property, inter-company notes or receivables due to the Debtors, all of the Collateral (as defined in the DIP Credit Agreement), and all causes of action whether pursuant to federal or state law and all proceeds thereof and property received thereby whether by judgment, settlement or otherwise, of the Debtors or their estates, and as to all of the foregoing, all rents, issues, products, proceeds and profits generated by any of the foregoing (collectively, the “**Personal Property DIP Collateral**”) together with a subordinated third priority security interest in and lien upon the Debtors’ real property, including the Prepetition Real Property Collateral [subject to the Siena/Play and Learn Subordination Agreement](#) (together with the Personal Property DIP Collateral, collectively, the “**DIP Collateral**”); provided however, that the DIP Collateral shall not include claims and causes of action under Chapter 5 of the Bankruptcy Code. The DIP Obligations shall also include all indemnification obligations of the

Debtors to the DIP Lender arising under the DIP Facility Documents. Subject to the provisions of Section 2.3, the DIP Liens shall be:

a. Priming Liens on Encumbered Assets. Pursuant to section 364(d) of the Bankruptcy Code, valid, enforceable, fully perfected, security interests in and liens upon all of the Debtors' right, title and interest in, to and under all DIP Collateral, including, without limitation, first priority senior priming security interests and priming liens which are senior to the security interests in and liens on the Prepetition Personal Property Collateral and Personal Property DIP Collateral (if any) held by M&T and a subordinated, third priority security interest in and lien upon the Prepetition Real Property Collateral, subject to the [Siena/Play and Learn Subordination Agreement](#); and (ii) the Adequate Protection Liens (as defined below).

b. Liens on Unencumbered Assets. Pursuant to Section 364(c)(2) of the Bankruptcy Code, continuing valid, perfected, enforceable, first priority, and fully perfected liens on and security interests in all of the Debtors' right, title, and interest in and to and under all DIP Collateral that is not otherwise encumbered by a validly perfected security interest on or lien on the date of the Interim Hearing Date.

2.1.2 Post-Petition Lien Perfection. This Interim Order shall be sufficient and conclusive evidence of the priority, perfection and validity of the post-petition liens and security interests granted herein, effective as of the date of this Interim Order Date, without any further act and without regard to any other federal, state or local requirements or law requiring notice, filing, registration, recording or possession of the DIP Collateral, or other act to validate or perfect such security interest or lien, including without limitation, control agreements with any financial institution(s) holding any deposit account of any Debtor (a "**Perfection Act**"). Notwithstanding the foregoing, if the DIP Lender shall, in its sole discretion, elect for any reason to file, record or

otherwise effectuate any Perfection Act, the DIP Lender is authorized to perform such act, and then the Debtors are authorized to perform such act to the extent necessary or required by the DIP Lender, which act or acts shall be deemed to have been accomplished as of the Petition Date notwithstanding the date and time actually accomplished, and in such event, the subject filing or recording office is authorized to accept, file or record any document in regard to such act in accordance with applicable law. The DIP Lender may choose to file, record or present a certified copy of this Interim Order in the same manner as a Perfection Act, which shall be tantamount to a Perfection Act, and, in such event, the subject filing or recording office is authorized to accept, file or record such certified copy of this Interim Order in accordance with applicable law. Should the DIP Lender so choose and attempt to file, record or perform a Perfection Act, no defect or failure in connection with such attempt shall in any way limit, waive or alter the validity, enforceability, attachment, or perfection of the post-petition liens and security interests granted herein by virtue of the entry of this Interim Order.

2.2 Superpriority Administrative Expense. For all DIP Obligations now existing or hereafter arising pursuant to this Interim Order, the DIP Financing Documents or otherwise, the DIP Lender is granted an allowed, superpriority administrative claim in each Debtor's Estate pursuant to Section 364(c)(1) of the Bankruptcy Code, having priority in right of payment over any and all other obligations, liabilities and indebtedness of each Debtor, whether now in existence or hereafter incurred by such Debtor, and over any and all administrative expenses, adequate protection claims or priority claims of the kind specified in, or ordered pursuant to the Bankruptcy Code, including without limitation, inter alia, Sections 105, 326, 328, 330, 331, 503(b), 506(c), 507, 364(c)(1), 546(c), 726 or 1114 of the Bankruptcy Code (the "**DIP Superpriority Claim**"), subject only to the Carve Out; and provided, further, that in the case where the Prepetition

Indebtedness is not satisfied in full from the proceeds of the Prepetition Real Property Collateral, then such deficiency claim, if any, shall be treated as a superpriority administrative claim that is pari passu with the DIP Superpriority Claim granted hereunder.

2.3 Carve Out.

~~2.3.2.3.1~~ ~~Carve Out.~~ The DIP Liens, DIP Superpriority Claims, Adequate Protection Liens and Adequate Protection Claims shall be subject only to the right of payment of the following expenses (collectively, the “Carve-Out”):

a. statutory fees payable to the U.S. Trustee pursuant to 28 U.S.C. §§ 1930(a)(6) with respect to the Debtors (~~collectively, the “Carve-Out”~~); up to a maximum of \$30,000.00 in the aggregate; and

b. upon the occurrence of an Event of Default (as hereinafter defined), the aggregate sum of the previously accrued and unpaid Allowed Professional Fees, in an amount not to exceed the Carve-Out Cap, which aggregate sum shall be shared by and among each of the following parties: Dilworth Paxson LLC as Debtors’ counsel; Donlin Recano & Company, Inc. as Debtors’ claims and noticing agent; Getzler Henrich & Associates LLC as financial advisors for the Debtors; CliftonLarsonAllen LLP as Accountants for the Debtors; Weir & Partners LLP as co-counsel to the Committee; Cullen and Dykman LLP as co-counsel to the Committee; and Walker Nell Partners, Inc. as financial advisor to the Committee (collectively, the “Designated Professionals”). For purposes of the foregoing, “Carve-Out Cap” shall mean: (i) from the date of the entry of the Interim Order through and including September 29, 2017, the aggregate sum of \$50,000; (ii) from September 30, 2017 through and including October 14, 2017, the aggregate sum of \$100,000; (iii) from October 15, 2017 through and including October 27, 2017, the aggregate sum of \$150,000; and (iv) from and after October 28, 2017, the aggregate sum of

\$175,000. To the extent that, upon an Event of Default, the Carve-Out Cap is insufficient to pay the accrued and unpaid Allowed Professional Fees of the Designated Professionals, the Carve-Out Cap, will be allocated and paid proportionately in a manner acceptable to the Designated Professionals, or as otherwise ordered by the Court. For the avoidance of doubt, prior to the occurrence of an Event of Default, the Debtors may use the proceeds of Revolving Loans to fund Allowed Professional Fees strictly in accordance with the Budget, the DIP Financing Documents and the terms of this Interim Order.

2.4 Excluded Professional Fees. Notwithstanding anything to the contrary in this Interim Order, neither the Carve Out, nor the proceeds of any Revolving Loans or DIP Collateral shall ~~not~~ be used to pay any Allowed Professional Fees or any other fees or expenses incurred by any Professional in connection with any of the following: (a) an assertion or joinder in any claim, counter-claim, action, proceeding, application, motion, objection, defense or other contested matter seeking any order, judgment, determination or similar relief: (i) challenging the legality, validity, priority, perfection, or enforceability of the DIP Obligations, (ii) invalidating, setting aside, avoiding or subordinating, in whole or in part, the DIP Obligations or the DIP Lender's liens on and security interests in the DIP Collateral, or (iii) preventing, hindering or delaying the DIP Lender's assertion or enforcement of any lien, claim, right or security interest or realization upon any in accordance with the terms and conditions of this Interim Order, (b) a request to use Cash Collateral (as such term is defined in Section 363 of the Bankruptcy Code) without the prior written consent of the DIP Lender, except to the extent expressly permitted herein, (c) a request for authorization to obtain Debtor-in-Possession financing or other financial accommodations pursuant to Section 364(c) or (d) of the Bankruptcy Code, other than from the DIP Lender, without the prior written consent of the DIP Lender, (d) the commencement or prosecution of

any action or proceeding of any claims, causes of action or defenses against the DIP Lender, or any of them, or any of their respective officers, directors, employees, agents, attorneys, affiliates, successors or assigns, including, without limitation, any attempt to recover or avoid any claim or interest from the DIP Lender.

2.5 Carve Out Reserve. At the DIP Lender's sole discretion, the DIP Lender may at any time establish (and adjust) a reserve against the amount of Revolving Loans or other credit accommodations that would otherwise be made available to the Debtors pursuant to the lending formulae contained in the DIP Credit Agreement in respect of the ~~Allowed Professional Fees~~Carve Out. Nothing contained herein shall limit, modify or restrict in any way the DIP Lender's rights to establish (and adjust) any other reserves in accordance with the DIP Financing Documents.

2.6 Subordination of M&T. M&T's (or any other creditor's) security interests in and liens upon the Prepetition Personal Property Collateral, as well as the Adequate Protection Liens (as such term is defined in the Final Cash Collateral Order) and any claims in favor of M&T arising under the Final Cash Collateral Order, including superpriority claims arising under section 507(b) of the Bankruptcy Code, or otherwise shall be subordinated in all respects and subject to the DIP Liens and the priority granted herein to the DIP Obligations. Without limiting the generality of the foregoing, and notwithstanding any contrary provision in the Final Cash Collateral Order (or any modification thereof or any future orders entered in the Cases involving M&T and one or more of the Debtors and implicating the DIP Obligations or the rights or protections of the DIP Lender under this Interim Order or any of the other DIP Financing Documents) or the Prepetition Financing Documents (the provisions of each which are overridden

to the extent in conflict herewith) and notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any security interests or liens:

2.6.1 Any and all DIP Liens on the DIP Collateral securing any DIP Obligations now or hereafter held by or on behalf of the DIP Lender or any agent or trustee therefor, regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects and prior to any security interest in or lien on the Prepetition Personal Property Collateral securing any Prepetition Indebtedness;

2.6.2 Any and all DIP Liens on the DIP Collateral securing any DIP Obligations shall be and remain senior in all respects and prior to all security interests in or liens on the Prepetition Personal Property Collateral securing any Prepetition Financing Obligations for all purposes, whether or not such DIP Liens securing any DIP Obligations are subordinated to any security interest in or lien on any property securing any other obligation of the Debtors;

2.6.3 Until the DIP Obligations have been indefeasibly paid in full and the commitments of the DIP Lender to make loans and otherwise extend credit under the DIP Financing Documents have been terminated:

a. M&T shall not exercise or seek to exercise any rights or remedies with respect to any of the Prepetition Personal Property Collateral (including the exercise of any right of setoff) or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure);

b. M&T shall not contest, protest or object to any foreclosure proceeding or action brought by the DIP Lender or any other exercise by the DIP Lender of any rights and remedies relating to the Prepetition Personal Property Collateral under this Interim Order or any of the other DIP Financing Documents, or otherwise;

c. M&T shall not object to the forbearance by the DIP Lender from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Prepetition Personal Property Collateral;

d. The DIP Lender shall have the right to enforce rights, exercise remedies (including set-off and the right to credit bid its debt) and make determinations regarding the release, disposition, or restrictions with respect to the Prepetition Personal Property Collateral in a commercially reasonable manner, but without any consultation with or the consent of M&T. In the event that any Prepetition Personal Property Collateral is sold or otherwise disposed of (i) as permitted under this Interim Order or the other DIP Financing Documents (including the exercise of the DIP Lender's rights and remedies hereunder or thereunder) or (ii) in connection with any sale or other disposition that is consented to by the DIP Lender, M&T shall be deemed to have consented to such sale or other disposition and to have released all liens in such Prepetition Personal Property Collateral. In connection with any such sale or other disposition, such Prepetition Personal Property Collateral shall be sold or otherwise disposed of free and clear of all Prepetition Liens, and M&T shall not be entitled to receive any proceeds (cash or noncash) until the DIP Obligations have been indefeasibly paid in full and the commitments of the DIP Lender to make loans and otherwise extend credit under the DIP Financing Documents have been terminated;

e. In exercising rights and remedies with respect to the Prepetition Personal Property Collateral, the DIP Lender may enforce the provisions of the DIP Financing Documents and exercise remedies thereunder, all in such order and in such manner as the DIP Lender may determine in the exercise of its sole discretion. Such exercise and enforcement shall include the rights of the DIP Lender or its representative to exercise all the rights and remedies of

a secured creditor under applicable law and under the Bankruptcy Code and to incur expenses in connection with such exercise;

f. Prepetition Personal Property Collateral or proceeds thereof received in connection with the sale or other disposition thereof or the collection thereof:

- (1) so long as an Event of Default (as hereinafter defined) shall not have occurred, shall be utilized by the Debtors or applied to the DIP Obligations, in each case in accordance with the terms of the DIP Financing Documents; provided, that if an Event of Default occurs, such proceeds shall promptly be disbursed, without need of exercise of remedies by the DIP Lender or further order of this Court, first to the DIP Lender, to be applied by the DIP Lender to permanently reduce the DIP Obligations, and, thereafter, delivered to M&T in the same form as received, with any necessary endorsement (without recourse), or as the Court may otherwise direct, to be applied to the Prepetition Financing Obligations in accordance with the Prepetition Financing Documents;
- (2) upon the exercise of remedies by the DIP Lender, shall, first, be applied by the DIP Lender to permanently reduce the DIP Obligations and, thereafter, delivered to M&T in the same form as received, with any necessary endorsement (without recourse), or as the Court may otherwise direct, to be applied to the Prepetition Financing Obligations in accordance with the Prepetition Financing Documents; and
- (3) if received by M&T, in connection with the exercise of any right or remedy (including set-off) relating to the Prepetition Personal Property Collateral in contravention of this Interim Order or otherwise, shall be segregated and held in trust and forthwith paid over to the DIP Lender in the same form as received, with any necessary endorsement (without recourse), or as the Court may otherwise direct;

g. Notwithstanding the foregoing, M&T may:

- (1) file a claim or statement of interest with respect to the Prepetition Financing Obligations to the extent not inconsistent with the provisions of this Interim Order;
- (2) take any action (not adverse to the priority status of the DIP Liens on the Prepetition Personal Property Collateral or the rights of the DIP Lender to exercise remedies in respect thereof) in order to create, perfect, preserve or protect its security interests in and liens on the Prepetition Personal Property Collateral;

- (3) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims of M&T;
- (4) file any pleadings, objections, motions or agreements which assert rights or interests available to creditors of the Debtors to the extent not inconsistent with the provisions of this Interim Order;
- (5) vote on any plan of reorganization, file any proof of claim, make other filings and make any arguments and motions to the extent, in each case, not inconsistent with the provisions of this Interim Order;
- (6) exercise any of its rights or remedies with respect to the Prepetition Personal Property Collateral after the DIP Obligations have been indefeasibly paid in full and the commitments of the DIP Lender to make loans and otherwise extend credit under the DIP Financing Documents have been terminated; and
- (7) exercise any of its rights or remedies with respect to any of its collateral other than the Prepetition Personal Property Collateral, i.e. the Prepetition Real Property Collateral (acknowledging that such exercise, or the default giving rise to such exercise, may result in an Event of Default under the DIP Financing Documents and this Interim Order); provided, however, that M&T shall provide the DIP Lender with at least five (5) business days' advance written notice of any proceeding or action to enforce the provisions of the Prepetition Financing Documents and shall provide the DIP Lender with access to the Debtors' facilities for a commercially reasonable period of time in order to permit the DIP Lender to protect and preserve the Prepetition Personal Property Collateral and to enforce the DIP Lender's rights and remedies with respect thereto.

h. The provisions of this Section 2.6 shall continue to apply in the event that all or any portion of any payment in respect of the DIP Obligations is rescinded or otherwise caused to be returned to the Debtors or turned over to any other party in interest by the DIP Lender, for any reason, and, in such event (a "**Turn Over Event**"), M&T shall immediately, upon delivery by DIP Lender of written notice to M&T's counsel, remit to the DIP Lender, to the extent of the amount so rescinded, returned or turned over, any proceeds of the Prepetition Personal Property Collateral that M&T may have received prior to such event. For avoidance of

doubt, during the existence of a Turn Over Event, the proceeds of the Prepetition Personal Property Collateral shall be applied in accordance with clause 2.6.3(f) above.

Section 3. Authorization to Use Cash Collateral. Subject to the terms and conditions of this Interim Order, pursuant to sections 363(c)(2) of the Bankruptcy Code, the Debtors are authorized to use Cash Collateral in accordance with the DIP Financing Documents. Absent entry of the Final Order by the Court, the Debtors shall no longer be authorized to use Cash Collateral at the expiration of the Interim Period. Nothing in this Interim Order shall be deemed to authorize the use, sale, lease, encumbrance, or disposition of any assets of the Debtors or the Estates outside the ordinary course of business, or any Debtors' use of any Cash Collateral or other proceeds resulting therefrom, except as provided for herein.

3.1 Adequate Protection. As adequate protection for the interests of M&T, on account of the Adequate Protection Obligations in respect of M&T, M&T is being provided with adequate protection (collectively, the "**M&T Adequate Protection**").

3.1.1 M&T Adequate Protection Liens. M&T is hereby granted subordinated, second-priority replacement security interests in, and liens (the "**M&T Adequate Protection Liens**") on the Personal Property DIP Collateral to the extent of the Adequate Protection Obligations, which shall be junior solely to the DIP Liens and the Carve Out.

a. The M&T Adequate Protection Liens shall be deemed to be valid, binding, enforceable and fully perfected as of the Petition Date and, subject to the Final Cash Collateral Order, not subject to subordination or avoidance, for all purposes in the Cases and subject only to the DIP Liens and the Carve Out.

b. Except for the DIP Liens, and the Carve Out, the M&T Adequate Protection Liens shall not be made subject to or *pari passu* with any lien or security interest by

any court order heretofore or hereafter entered in the Cases (unless with the consent of M&T). The M&T Adequate Protection Liens shall not be subject to sections 506(c) (upon entry of the Final Order), 510, 549, or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of any estate pursuant to section 551 of the Bankruptcy Code shall be made *pari passu* with or senior to the M&T Adequate Protection Liens.

3.2 M&T Adequate Protection Claims. As further adequate protection, M&T is hereby granted an allowed administrative claim (the “**M&T Adequate Protection Claim**”) against the Debtors’ Estates under sections 503 and 507(b) of the Bankruptcy Code to the extent that the M&T Adequate Protection Liens do not adequately protect the diminution in the value of the liens and security interests of M&T in the Prepetition Personal Property Collateral, which M&T Adequate Protection Claim shall be subject and subordinate only to the DIP Superpriority Claim and the Carve Out and shall have priority over all other administrative expense claims and unsecured claims against the Debtors or its Estates, which are now existing, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 364, 365, 503(a), 503(b), 506(c) (upon entry of the Final Order), 507(a), 507(b), 546(c), 546(d), 726 (to the extent permitted by law), 1113 and 1114 of the Bankruptcy Code.

3.2.1 Interest. As further adequate protection, pursuant to the terms of the Final Cash Collateral Order and the Final Play and Learn DIP Order, M&T shall continue to receive payments of interest on account of the outstanding Prepetition Indebtedness.

3.3 Excepting the Carve Out, in the event that any party (including without limitation M&T) who holds a lien or security interest in any of the DIP Collateral that is junior and/or subordinate to the liens and claims of the DIP Lender in such DIP Collateral, receives or is paid

proceeds of the DIP Collateral, as applicable, prior to the infeasible payment and satisfaction in full of all DIP Obligations, such junior or subordinate lienholder (and including any financial institution where Debtors maintain their bank accounts) shall be deemed to have received, and shall hold, such proceeds in trust for the DIP Lender, as applicable, and shall immediately turnover to the DIP Lender, as applicable, such proceeds for application to the DIP Obligations in accordance with the DIP Financing Documents.

Section 4. Default; Rights and Remedies; Relief from Stay.

4.1 Events of Default. The occurrence of any Event of Default as defined and under the DIP Credit Agreement shall constitute an “**Event of Default**” under this Interim Order.

4.2 Rights and Remedies upon Event of Default/Relief from Stay.

4.2.1 Upon the occurrence of and during the continuance of an Event of Default, after written notice to the Debtors and Debtors’ counsel (and Committee’s Counsel), and without the necessity of seeking relief from the automatic stay or any further Order of the Bankruptcy Court (i) the DIP Lender shall no longer have any obligation to make any advances or Revolving Loans under the DIP Facility, (ii) the DIP Lender may continue to apply proceeds received in any lockbox or collection account to reduce the DIP Obligations, (iii) the DIP Lender may declare all DIP Obligations to be immediately due and payable and (iv) the Debtors’ right to use Cash Collateral shall be terminated upon notice to the Debtor, M&T, the Committee and the U.S. Trustee.

4.2.2 Subject to the notice requirement set forth below, the DIP Lender shall be entitled to take any act or exercise any other right or remedy as provided in this Interim Order, the DIP Financing Documents or applicable law, including, without limitation, setting off any DIP Obligations with DIP Collateral or proceeds wherever located, and enforcing any and all rights

with respect to the DIP Collateral, [provided, however, that with respect to the Prepetition Real Property Collateral, such rights are subject to the Siena/Play and Learn Subordination Agreement.](#)

4.2.3 Without further notice, application or order of this Court, upon the occurrence and during the continuance of an Event of Default, and after providing five (5) business days' prior written notice thereof to counsel for the Debtor, M&T, counsel for the Committee, and the U.S. Trustee, the DIP Lender shall be entitled to take any action and exercise all rights and remedies (including charging the default rate of interest) provided to them by this Interim Order or the DIP Financing Documents or applicable law as the DIP Lender may deem appropriate in its sole discretion to, among other things, proceed against and realize upon the DIP Collateral or any other assets or properties of the Debtors' Estates upon which the DIP Lender has been or may hereafter be granted liens or security interests to obtain the full and indefeasible payment of all the DIP Obligations, [provided, however, that with respect to the Prepetition Real Property Collateral, such rights are subject to the Siena/Play and Learn Subordination Agreement.](#)

4.2.4 Additionally, at the election of the DIP Lender and upon the occurrence and during the continuance of an Event of Default and the exercise by the DIP Lender of its rights and remedies under this Interim Order or the DIP Financing Documents, provided that the Debtors and the DIP Lender agree upon an acceptable wind down budget, the Debtors shall assist the DIP Lender in effecting any sale or other disposition of the DIP Collateral required by the DIP Lender, including any sale of DIP Collateral pursuant to section 363 of the Bankruptcy Code or assumption and assignment of DIP Collateral consisting of contracts and leases pursuant to section 365 of the Bankruptcy Code, in each case, upon such terms that are designed to maximize the proceeds obtainable from such sale or other disposition that are otherwise acceptable to the DIP Lender, and the Debtors shall fully cooperate with the DIP

Lender in its exercise of rights and remedies, provided that all of the foregoing is consistent with the Debtors' exercise of their fiduciary duties.

4.2.5 Upon and after the occurrence of an Event of Default, and subject to the five business day notice provision provided above, in connection with a liquidation of any of the DIP Collateral, the DIP Lender (or any of its employees, agents, consultants, contractors or other professionals) shall have the right with any fees and costs to be charged in accordance with the DIP Financing Documents, to: (i) upon the entry of the Final Order, enter upon, occupy and use any real or personal property, fixtures, equipment, or leasehold interests owned or leased by the Debtors; provided that prior to entry of the Final Order, the DIP Lender may be permitted to do so in accordance with the Debtors' prepetition landlords' waivers and (ii) use any and all trademarks, tradenames, copyrights, licenses, patents or any other similar assets of the Debtors, which are owned by or subject to a lien of any third party and which are used by the Debtors in their businesses. The DIP Lender will be responsible for the payment of any applicable fees, rentals, royalties or other amounts due such lessor, licensor or owner of such property (other than the Debtor) for the period of time that the DIP Lender actually uses the equipment or the intellectual property (but in no event for any accrued and unpaid fees, rentals or other amounts due for any period prior to the date that the DIP Lender actually occupies or uses such assets or properties).

4.2.6 The rights and remedies of the DIP Lender specified herein are cumulative and not exclusive of any rights or remedies that the DIP Lender may have under the DIP Financing Documents or otherwise. The fourteen day stay provisions of Federal Rules of Bankruptcy Procedure 6004(h) and 4001(a)(3) are hereby waived.

4.3 Expiration of Commitment/Relief from Stay. Upon the expiration of the Debtors' authority to borrow and obtain other credit accommodations from the DIP Lender pursuant to the terms of this Interim Order (except if such authority shall be extended with the prior written consent of the DIP Lender, which consent shall not be implied or construed from any action, inaction or acquiescence by the DIP Lender) or upon the earlier of the Maturity Date and the Termination Date (each as defined in the DIP Credit Agreement), unless an Event of Default occurs sooner and the automatic stay has been lifted or modified as provided herein, all of the DIP Obligations shall immediately become due and payable and the DIP Lender shall be automatically and completely relieved from the effect of any stay under Section 362 of the Bankruptcy Code, any other restriction on the enforcement of its liens upon and security interests in the DIP Collateral or any other rights granted to the DIP Lender pursuant to the terms and conditions of the DIP Financing Documents or this Interim Order, and the DIP Lender, shall be and is hereby authorized, in its sole discretion, to take any and all actions and remedies provided to it in this Interim Order, the DIP Financing Documents or applicable law which the DIP Lender may deem appropriate and to proceed against and realize upon the DIP Collateral or any other property of the Debtors' Estates.

Section 5. Representations; Covenants; and Waivers.

5.1 Debtors' Waivers. At all times during the Cases, and whether or not an Event of Default has occurred, unless otherwise consented to by the DIP Lender in writing in advance (and no such consent shall be implied from any other action, inaction or acquiescence by the DIP Lender), each Debtor irrevocably waives any right it may have to seek authority: (i) without the written consent of the DIP Lender; to use Cash Collateral of the DIP Lender under Section 363 of the Bankruptcy Code except as provided under the terms of the DIP Financing Documents and

this Interim Order; (ii) until all DIP Obligations are indefeasibly paid and satisfied in full, to obtain post-petition loans or other financial accommodations pursuant to Section 364(c) or (d) of the Bankruptcy Code, other than from the DIP Lender; (iii) upon entry of the Final Order, to challenge the application of any payments authorized by this Interim Order as pursuant to Section 506(b) of the Bankruptcy Code, or to assert that the value of the DIP Collateral is less than the DIP Obligations; (iv) to propose or support a plan of reorganization that does not provide for the indefeasible payment in full and satisfaction of all DIP Obligations on the effective date of such plan; or (v) to seek relief under the Bankruptcy Code, including without limitation, under Section 105 of the Bankruptcy Code, to the extent any such relief would in any way restrict or impair the rights and remedies of the DIP Lender as provided in this Interim Order or the DIP Financing Documents or the DIP Lender's exercise of such rights or remedies.

5.2 Section 506(c) Claims. Effective upon the entry of a Final Order approving the Motion, no costs or expenses of administration which have or may be incurred in the Cases at any time shall be charged against the DIP Lender, its respective claims or the DIP Collateral pursuant to Section 506(c) of the Bankruptcy Code without the prior written consent of the DIP Lender (and no such consent shall be implied from any other action, inaction or acquiescence by the DIP Lender).

5.3 Release. Upon the indefeasible payment in full of all DIP Obligations owed to the DIP Lender by the Debtors and termination of the rights and obligations arising under this Interim Order and the DIP Financing Documents (which payment and termination shall be on terms and conditions acceptable to the DIP Lender), the DIP Lender shall be released from any and all obligations, liabilities, actions, duties, responsibilities and causes of action arising or occurring in connection with or related to the DIP Financing Documents or this Interim Order, including,

without limitation, any obligation or responsibility whether direct or indirect, absolute or contingent, due or not due, primary or secondary, liquidated or unliquidated, on terms and conditions acceptable to the DIP Lender.

Section 6. Other Rights and Obligations.

6.1 No Modification or Stay of this Interim Order. Based upon the record presented to the Court by the Debtors, notwithstanding (i) any stay, modification, amendment, supplement, vacating, revocation or reversal of this Interim Order, the DIP Financing Documents or any term hereunder or thereunder, (ii) the failure to obtain a Final Order pursuant to Bankruptcy Rule 4001(c)(2), or (iii) the dismissal or conversion of the Case, the DIP Lender shall be entitled to all of the rights, remedies, privileges, and benefits in favor of the DIP Lender pursuant to Section 364(e) of the Bankruptcy Code and the Interim Order and DIP Financing Documents.

6.2 Power to Waive Rights; Duties to Third Parties. The DIP Lender shall have the right to waive any of the terms, rights and remedies provided or acknowledged in this Interim Order in respect of the DIP Lender (the "**Lender Rights**"), and shall have no obligation or duty to any other party with respect to the exercise or enforcement, or failure to exercise or enforce, any Lender Right(s). Any waiver by the DIP Lender of any Lender Rights shall not be or constitute a continuing waiver. Any delay in or failure to exercise or enforce any Lender Right shall neither constitute a waiver of such Lender Right, nor cause or enable any other party to rely upon or in any way seek to assert as a defense to any obligation owed by the Debtors to any Secured Party.

6.3 Disposition of Collateral. Other than allowable under the terms of the Budget and this Interim Order, the Debtors shall not sell, transfer, lease, encumber or otherwise dispose of any portion of the DIP Collateral without an order of this Court and the consent of the DIP

Lender, except as otherwise permitted in the DIP Credit Agreement, and nothing contained herein shall affect the option to purchase a portion of the Prepetition Real Property Collateral previously granted to Play and Learn. The proceeds of the sale of any Personal Property DIP Collateral shall be remitted to the DIP Lender for application to the DIP Obligations: and the proceeds of the Prepetition Real Property Collateral shall be remitted as follows: first, to M&T to satisfy the Prepetition Indebtedness; second, to Play and Learn to satisfy the obligations arising from the Play and Learn DIP Facility; and third, to the DIP Lender to satisfy the DIP Obligations.

6.4 Reservation of Rights. The terms, conditions and provisions of this Interim Order are in addition to and without prejudice to the rights of the DIP Lender to pursue any and all rights and remedies under the Bankruptcy Code, the DIP Financing Documents, or any other applicable agreement or law, including, without limitation, rights to seek adequate protection and/or additional or different adequate protection, to seek relief from the automatic stay, to seek an injunction, to oppose any request for use of cash collateral or granting of any interest in the DIP Collateral or priority in favor of any other party, to object to any sale of assets, and to object to applications for allowance and/or payment of compensation of any professionals appointed under Section 327 or 1103(a) of the Bankruptcy Code or other parties seeking compensation or reimbursement from the Estates.

6.5 Modification of the Automatic Stay. The automatic stay under Section 362(a) of the Bankruptcy Code is hereby modified as necessary to effectuate all of the terms and provisions of this Interim Order and the DIP Financing Documents, including without limitation the application of collections, authorization to make payments, granting of liens and perfection of liens.

6.6 Binding Effect.

6.6.1 The provisions of this Interim Order, the DIP Financing Documents, the DIP Obligations, the DIP Superpriority Claim, M&T Adequate Protection Liens, M&T Adequate Protection Claims and any and all rights, remedies, privileges and benefits in favor of the DIP Lender provided or acknowledged in this Interim Order, and any actions taken pursuant thereto, shall be effective immediately upon entry of this Interim Order pursuant to Bankruptcy Rules 6004(g) and 7062, shall continue in full force and effect, and shall survive entry of any such other order, including without limitation any order which may be entered confirming any plan of reorganization, converting the Cases to any other chapter under the Bankruptcy Code, or dismissing the Case.

6.6.2 Any order dismissing the Cases under Section 1112 or otherwise shall be deemed to provide (in accordance with Sections 105 and 349 of the Bankruptcy Code) that (a) the DIP Lender's liens on and security interests in the DIP Collateral shall maintain their priority and continue in full force and effect notwithstanding such dismissal until the DIP Obligations are indefeasibly paid and satisfied in full, and (b) this Court shall retain jurisdiction, to the extent permissible under applicable law, notwithstanding such dismissal, for the purposes of enforcing the DIP Superpriority Claim and DIP Liens of the DIP Lender in the DIP Collateral.

6.6.3 In the event this Court modifies any of the provisions of this Interim Order or the DIP Financing Documents following a Final Hearing; (a) the Final Order shall provide such modifications shall not affect the rights or priorities of any portion of the DIP Obligations which arises or is incurred or is advanced prior to such modifications; and (b) this Interim Order shall remain in full force and effect except as specifically amended or modified at such Final Hearing.

6.6.4 This Interim Order shall be binding upon the Debtors, their Estates, all parties in interest in the Cases and their respective successors and assigns, including any trustee or

other fiduciary appointed in the Cases or any subsequently converted bankruptcy case(s) of the Debtors (collectively, the “**Successor Case**”) and shall inure to the benefit of the DIP Lender, the Debtors and their successors and assigns.

6.7 Marshalling. In no event shall the DIP Lender be subject to the equitable doctrine of “marshalling” or any similar doctrine with respect to the DIP Collateral.

6.8 Credit Bidding Rights. The DIP Lender shall have the right to credit bid the DIP Obligations in connection with any sale of the assets.

6.9 Waiver of Bankruptcy Rule 4001(a)(3), 6003(b), 6004(a) and 6004(h). The 21 day provision of Bankruptcy Rule 6003(b), the notice requirements of Bankruptcy Rule 6004(a) and the 14 day stay of 4001(a)(3) and 6004(h) are hereby waived.

6.10 Conflicts Between This Interim Order ~~Controls~~ and Other Documents. Unless this Interim Order specifically provides otherwise, in the event of a conflict between (a) the terms and provisions of the DIP Financing Documents or (b) the terms and provisions of this Interim Order, then in each case the terms and provisions of this Interim Order shall govern. Notwithstanding anything to the contrary in this Interim Order, in the event of any conflict between this Interim Order and the Siena/Play and Learn Subordination Agreement regarding the Prepetition Real Property Collateral, the terms and provisions of the Siena/Play and Learn Subordination Agreement shall govern.

6.11 Objections Overruled. All objections to the entry of this Interim Order are, to the extent not withdrawn, hereby overruled.

6.12 No Third Party Rights. Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect, or incidental beneficiary.

6.13 Terms of the DIP Financing Documents. Notwithstanding any provision of this Interim Order to the contrary, the term of the financing arrangements among the Debtors and the DIP Lender authorized by this Interim Order may be terminated pursuant to the terms of the DIP Financing Documents.

Section 7. Final Hearing and Response Dates.

The Final Hearing on the Motion pursuant to Bankruptcy Rule 4001(c)(2) is scheduled for _____, 2017 before this Court beginning at _____ .m., prevailing Eastern time. The Debtors shall promptly mail copies of this Interim Order to the Noticed Parties, and to any other party that has filed a request for notices with this Court and to counsel to the creditors committee. Any party in interest objecting to the relief sought at the Final Hearing shall serve and file written objections, which objections shall be served upon (a) counsel for the Debtor, Dilworth Paxson LLP, 1500 Market Street, Philadelphia, PA, 19102, Attn: Lawrence G. McMichael, Esq. and Peter C. Hughes, Esq.; (b) counsel for the DIP Lender, Blank Rome LLP, One Logan Square, 130 N. 18th Street, Philadelphia, PA 19103, Attn: Joel Charles Shapiro, Esq. and Josef W. Mintz, Esq.; (c) counsel to the Creditors' Committee, Cullen and Dykman LLP, One Riverfront Plaza, Newark, NJ 07102, Attn: S. Jason Teele, Esq. and Bonnie Pollack, Esq.; (d) counsel to M&T, Reed Smith LLP, Three Logan Square, 1717 Arch Street, Suite 3100, Philadelphia, PA 19103, Attn: Peter S. Clark, II, Esq. and Jennifer P. Knox, Esq.; (e) Counsel to Play and Learn, Flaster/Greenberg, P.C., 1835 Market Street, Suite 1050, Philadelphia, PA 19103, Attn: William J. Burnett, Esq.; and (f) the U.S. Trustee; and shall be filed with the Clerk of the United States Bankruptcy Court for the Eastern District of Pennsylvania, in each case, to allow actual receipt of the foregoing no later than _____, 2017.

Dated: _____
Philadelphia, PA

HON. ASHELY M. CHAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

BUDGET

EXHIBIT 2

DIP CREDIT AGREEMENT

| Summary report: | |
|---|-----------|
| Litéra® Change-Pro TDC 10.1.0.300 Document comparison done on 8/29/2017 5:54:49 PM | |
| Style name: Default Style | |
| Intelligent Table Comparison: Active | |
| Original DMS: iw://FIRMDOCS/BRMATTERS/106019053/3 | |
| Modified DMS: iw://FIRMDOCS/BRMATTERS/106019053/6 | |
| Changes: | |
| Add | 35 |
| Delete | 22 |
| Move From | 1 |
| Move To | 1 |
| Table Insert | 0 |
| Table Delete | 0 |
| Table moves to | 0 |
| Table moves from | 0 |
| Embedded Graphics (Visio, ChemDraw, Images etc.) | 0 |
| Embedded Excel | 0 |
| Format changes | 0 |
| Total Changes: | 59 |