

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
	§	
UTEX INDUSTRIES, INC., et al.,	§	Case No. 20-34932 (DRJ)
	§	
Debtors.¹	§	(Joint Administration Requested)
	§	(Emergency Hearing Requested)

**EMERGENCY MOTION OF DEBTORS FOR AN ORDER
(I) AUTHORIZING DEBTORS TO HONOR CERTAIN PREPETITION
OBLIGATIONS TO CUSTOMERS AND CONTINUE CUSTOMER PROGRAMS
IN ORDINARY COURSE OF BUSINESS; AND (II) GRANTING RELATED RELIEF**

EMERGENCY RELIEF HAS BEEN REQUESTED. A HEARING WILL BE CONDUCTED ON THIS MATTER ON OCTOBER 9, 2020, AT 12:00 P.M. (CENTRAL TIME) BY AUDIO AND VIDEO COMMUNICATIONS AS SET FORTH BELOW. IF YOU OBJECT TO THE RELIEF REQUESTED OR YOU BELIEVE THAT EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST EITHER APPEAR AT THE HEARING OR FILE A WRITTEN RESPONSE PRIOR TO THE HEARING. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

RELIEF IS REQUESTED NOT LATER THAN OCTOBER 9, 2020.

PLEASE NOTE THAT THROUGH ENTRY OF GENERAL ORDER 2020-19 ON AUGUST 7, 2020, THE COURT HAS EXTENDED THE USE OF THE PROTOCOL FOR EMERGENCY PUBLIC HEALTH OR SAFETY CONDITIONS (ADOPTED BY GENERAL ORDER 2020-4; INVOKED BY GENERAL ORDERS 2020-10 AND 2020-10A AND AS EXTENDED AND MODIFIED BY GENERAL ORDERS 2020- 11, 2020-17 AND 2020-18) THROUGH NOVEMBER 1, 2020.

IT IS ANTICIPATED THAT ALL PERSONS WILL APPEAR TELEPHONICALLY AND ALSO MAY APPEAR VIA VIDEO AT THIS HEARING.

AUDIO COMMUNICATION WILL BE BY USE OF THE COURT'S DIAL-IN FACILITY. YOU MAY ACCESS THE FACILITY AT (832) 917-1510. YOU WILL BE RESPONSIBLE FOR YOUR OWN LONG-DISTANCE CHARGES. ONCE CONNECTED, YOU WILL BE ASKED TO ENTER THE CONFERENCE ROOM NUMBER. JUDGE JONES CONFERENCE ROOM NUMBER IS 205691.

YOU MAY VIEW VIDEO VIA GOTOMEETING. TO USE GOTOMEETING, THE COURT RECOMMENDS THAT YOU DOWNLOAD THE FREE GOTOMEETING APPLICATION. TO

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: UTEX Industries, Inc. (9867), RSH Utex Holdings, LLC (4048), Industrial Sealing Solutions Holdings Inc. (0104), UI Sealing Technologies Intermediate Holdings, Inc. (9553), UTEX Holding, Inc. (8260), Applied Rubber Technology, Inc. (1790), CAM Specialty Intermediate Holdings, Inc. (9099), CAM Specialty Products, Inc. (8342), Duraquest, Inc. (7017), Work Manufacturing, L.L.C. (5341), Energy Products LLC (8160), and Arefco Seals, Inc. (5258). The Debtors' mailing address is 10810 Katy Freeway, Suite 100, Houston, TX 77043.

CONNECT, YOU SHOULD ENTER THE MEETING CODE “JUDGEJONES” IN THE GOTOMEETING APP OR CLICK THE LINK ON JUDGE JONES’ HOME PAGE ON THE SOUTHERN DISTRICT OF TEXAS WEBSITE. ONCE CONNECTED, CLICK THE SETTINGS ICON IN THE UPPER RIGHT CORNER AND ENTER YOUR NAME UNDER THE PERSONAL INFORMATION SETTING.

HEARING APPEARANCES MUST BE MADE ELECTRONICALLY IN ADVANCE OF THE HEARING. TO MAKE YOUR ELECTRONIC APPEARANCE, GO TO THE SOUTHERN DISTRICT OF TEXAS WEBSITE AND SELECT “BANKRUPTCY COURT” FROM THE TOP MENU. SELECT “JUDGES’ PROCEDURES,” THEN “VIEW HOME PAGE” FOR JUDGE JONES. UNDER “ELECTRONIC APPEARANCE” SELECT “CLICK HERE TO SUBMIT ELECTRONIC APPEARANCE”. SELECT THE CASE NAME, COMPLETE THE REQUIRED FIELDS AND CLICK “SUBMIT” TO COMPLETE YOUR APPEARANCE.

UTEX Industries, Inc. and its debtor affiliates in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), respectfully represent as follows in support of this motion (the “**Motion**”):

Relief Requested

1. By this Motion, pursuant to sections 105(a), 363(b) and 507(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), the Debtors request (i) authority to, in the ordinary course of business and consistent with past practice, maintain and administer customer-related programs, promotions, and practices, and pay and otherwise honor their obligations to customers relating thereto, whether arising prior to or after the Petition Date and (ii) related relief.

2. A proposed form of order granting the relief requested herein is annexed hereto as **Exhibit A** (the “**Proposed Order**”).

Jurisdiction

3. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

4. On the date hereof (the “**Petition Date**”), the Debtors each commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases.

5. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of their chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

6. On October 1, 2020, the Debtors executed a restructuring support agreement (the “**RSA**”) with (i) certain of their secured lenders (collectively, with other creditors that may sign joinders to the RSA, the “**Consenting Creditors**”) that hold approximately 81.6% of the outstanding principal amount of the First Lien Loans (as defined in the RSA) and approximately 90.4% of the outstanding principal amount of the Second Lien Loans (as defined in the RSA) and (ii) Riverstone Gamma Holdings LP, the direct and indirect holder of 100% of the equity interests in the Debtors (the “**Consenting Investor**”). Pursuant to the RSA, the Consenting Creditors and Consenting Investor agreed to vote in favor of and support confirmation of the *Joint Prepackaged Chapter 11 Plan of UTEX Industries, Inc. and Its Affiliated Debtors* (the “**Prepackaged Plan**”).

7. Prior to the Petition Date, on October 1, 2020, the Debtors commenced the solicitation of votes on the Prepackaged Plan from the holders of First Lien Loans and Second Lien Loans on the basis of the *Disclosure Statement for Joint Prepackaged Chapter 11 Plan of UTEX Industries, Inc. and Its Affiliated Debtors* pursuant to sections 1125(g) and 1126(b) of the Bankruptcy Code. Consistent with their obligations under the RSA, the Debtors are seeking to emerge from chapter 11 on an expedited basis.

8. Additional information regarding the Debtors' business and capital structure and the circumstances leading to the commencement of these chapter 11 cases is set forth in the *Declaration of Pete T. Sanchez in Support of the Debtors' Chapter 11 Petitions and First Day Relief*, sworn to on the date hereof (the "**Sanchez Declaration**"),² filed contemporaneously herewith and incorporated herein by reference.

Debtors' Customer Programs

9. The Debtors' businesses involve the design, manufacturing, and selling of custom-engineered and specialty sealing components, primarily for oil and gas extraction market targeting drilling, completions, and production activities for a diversified base of customers. These businesses depend upon the loyalty of their customers, as well as its ability to attract new customers. To maximize customer loyalty, the Debtors provide certain warranties, rebates, and benefits to their customers, including: (i) the Customer Warranty Program, (ii) the Discount Program, (iii) the Customer Rebate Program, and the (iv) Customer Prepayment Program (each as defined herein and, collectively, the "**Customer Programs**").

10. Each of the Customer Programs enjoys robust participation from the Debtors' customers. For example, all goods sold to customers are included in the Customer Warranty Program, Discount Program and Customer Rebate Program and these programs enjoy more than 25% customer participation. The uninterrupted continuation of the Debtors' business depends upon the continued support of such customers, as well as the Debtors' ability to attract new customers. Without the ability to pay or otherwise honor its prepetition obligations under the Customer Programs (collectively, the "**Customer Program Obligations**") and continue the Customer Programs in the ordinary course, the Debtors risk (i) a significant decline in their current

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Sanchez Declaration.

market share, (ii) losing the hard-earned trust, loyalty, and goodwill of their customers, and (iii) the loss of valuable and continuing customer referrals, all of which would irreparably damage the value of their business. Indeed, the costs associated with honoring the Customer Program Obligations and maintaining the Customer Programs on a postpetition basis will be significantly offset by the revenue earned by keeping such programs in place. Accordingly, the Debtors seek authorization to continue administering the Customer Programs and to honor the Customer Program Obligations in the ordinary course and consistent with past practice.

11. A chart outlining the Customer Programs and approximate amounts due in connection therewith is set forth below.

Customer Programs	Amount Due within 30 days of Petition Date	Annualized Relief Requested
Customer Warranty Program	\$50,000	\$800,000
Customer Rebate Program	\$80,000	\$1,500,000
Discount Program	N/A	N/A
Customer Prepayment	N/A	N/A
Total	\$130,000	\$2,300,000

A. Customer Warranty Program

12. Customary with industry standards, the Debtors' provide their customers with limited warranties in connection with the purchase of certain of the Debtors' products, in each case subject to the terms of a written agreement (the "**Customer Warranty Program**"). The average warranty covers a 90-day period from the date the applicable customer purchases a product covered by a warranty, which generally obligates the Debtors to pay for manufacturing defects in workmanship and defects in materials contained in the purchased product. Typically, only the

original purchaser of the product is the sole beneficiary of each warranty. Upon submission of a claim under the Customer Warranty Program, the Debtors may, at their option, (i) repair or replace the defective product, (ii) provide the customer with a credit against future purchases based upon an approved claim, or (iii) in some circumstances, refund the total purchase price to the customer, in each case subject to the terms of the applicable warranty. If the Debtors fail to honor their obligations under the Customer Warranty Program, many repeat customers, on which the Debtors' business relies, may discontinue their business with the Debtors.

13. Over the last twelve months, the Debtors' obligations under the Customer Warranty Program have ranged from approximately \$50,000 to \$450,000 per month, depending on when the applicable customer submits a warranty claim. As of the Petition Date, based on historical estimates, the Debtors estimate that they may credit customers up to \$800,000, over the next 12 months, on account of the Customer Warranty Program relating to claims arising prior to the Petition Date, of which the Debtors' estimate approximately \$50,000 may come due within 30 days of the Petition Date. The Debtors seek authority to honor their obligations under the Customer Warranty Program in the ordinary course of business.

B. Discount Program

14. For a select few customers, the Debtors offer set price reductions on products and tiered incentive programs (the "**Discount Programs**") based on the volume purchased by a particular customer (the "**Discount Program Participants**"). Generally, the more that a Discount Program Participant spends on the Debtors' products, the larger discount such participant receives with respect to the Debtors' base price. The tiered pricing structure allows Discount Program Participants who purchase more of the Debtors' products and services to receive a discounted price for the balance of the current year. The Discount Program Participants consider such arrangements to be essential and integral components of their commercial relationships with

the Debtors. The Debtors seek authority to continue the Discount Program in the ordinary course of business and to credit Discount Program Participants with respect to products and services purchased prior to the Petition Date for the purposes of calculating the applicable discount.

C. Customer Rebate Program

15. The Debtors provide rebates to a select few customers (the “**Rebate Program Participants**”) who purchase significant volumes of the Debtors’ products (the “**Customer Rebate Program**”). Generally, rebates under the Customer Rebate Program are tied to either (i) the volume of the customer’s order or (ii) the incremental business that was previously lost, but awarded back to the Debtors. Such rebates incentivize customers to purchase significant volumes of additional products and thereby obtain a greater rebate, resulting in larger net revenue for the Debtors. Customers can redeem rebates through check reimbursement or a credit from the Debtors for use on future invoices. The Debtors accrue liability under the Customer Rebate Program as customers obtain certain sales targets that entitle such customers to rebates thereunder.

16. The Debtors obligations under the Customer Rebate Program for the year 2020 are projected to be approximately \$1,500,000. During the first 30 days of these chapter 11 cases, the Debtors estimate that approximately \$80,000 will become due.

D. Customer Prepayment Program

17. As of the Petition Date, several of the Debtors customers have prepaid the Debtors for certain products and services (each, a “**Customer Prepayment**”). In the ordinary course of business, if there is an outstanding balance in the customer’s account at the time the applicable customer orders a product or service from the Debtors, the Customer Prepayment is applied against that amount (the “**Customer Prepayment**”). If the Customer Prepayment exceeds the amount owed, a check is issued for any remaining deposit. The Customer Prepayments range from approximately \$300 to \$35,000. As of the Petition Date, the Debtors hold approximately

\$65,000 in Customer Prepayments on behalf of approximately 10 customers (the “**Customer Prepayment Participants**”). The Debtors seek authority to continue the Customer Prepayment Program in the ordinary course of business without regard to when the Customer Prepayment was posted to the Debtors.

Relief Requested Should Be Granted

18. The Court may grant the relief requested herein pursuant to section 363 of the Bankruptcy Code, which provides, in relevant part, that “[t]he [debtor], after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Courts in the Fifth Circuit have granted a debtor’s request to use property of the estate outside of the ordinary course of business pursuant to section 363(b) of the Bankruptcy Code upon a finding that such use is supported by sound business reasons. *See, e.g., In re BNP Petroleum Corp.*, 642 F. App’x 429, 435 (5th Cir. 2016); *In re Cont’l Air Lines*, 780 F.2d 1223, 1226 (5th Cir. 1986) (“[F]or a debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.”); *see also In re Crutcher Res. Corp.*, 72 B.R. 628, 631 (Bankr. N.D. Tex. 1987) (“A Bankruptcy Judge has considerable discretion in approving a § 363(b) sale of property of the estate other than in the ordinary course of business, but the movant must articulate some business justification for the sale.”); *In re Terrace Gardens Park P’ship*, 96 B.R. 707, 714 (Bankr. W.D. Tex. 1989).

19. In addition, under section 1107(a) of the Bankruptcy Code, a debtor has, among other things, the “implied duty of the debtor-in-possession to ‘protect and preserve the estate, including an operating business’ going-concern value.” *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)). Under section 105(a) of the Bankruptcy Code, “[t]he court may issue

any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” *See CoServ*, 273 B.R. at 497 (holding that sections 105 and 1107 of the Bankruptcy Code provide authority for a debtor-in-possession to pay prepetition claims); *see also In re Tusa-Expo Holdings, Inc.*, Case No. 08-45057-DML-11, 2008 WL 4857954, at *1 (Bankr. N.D. Tex. Nov. 7, 2008); *CEI Roofing*, 315 B.R. at 56; *In re Mirant Corp.*, 296 B.R. 427 (Bankr. N.D. Tex. 2003). Moreover, Bankruptcy Rule 6003 itself implies that the payment of prepetition obligations may be permissible within the first 21 days of a case where doing so is “necessary to avoid immediate and irreparable harm.” Accordingly, the Bankruptcy Code authorizes the postpetition payment of prepetition claims where, as here, such payments are critical to preserving the going-concern value of a debtor’s estate.

20. The relief requested by this Motion represents a sound exercise of the Debtors’ business judgment, and is necessary to avoid immediate and irreparable harm to the Debtors’ estates. The ability to continue administering the Customer Programs without interruption is critical to the Debtors’ valuable customer relationships and goodwill, which will inure to the benefit of all of the Debtors’ stakeholders. If the Debtors are unable to continue the Customer Programs or honor obligations thereunder, the Debtors risk alienating certain customer constituencies (which then could form relationships with the Debtors’ competitors) and could suffer corresponding losses in customer loyalty and goodwill that will harm their prospects for continuing as a competitive going concern and maximizing the value of their estates. Such harm would amplify the negative effect of customer uncertainty that may arise from these chapter 11 filings, which could erode the Debtors’ good reputation. Additionally, the Customer Programs are essential for attracting new customers and expanding the Debtors’ business.

21. For the foregoing reasons, relief requested herein is necessary, appropriate, and in the best interests of the Debtors, their estates, and all other parties in interest in these cases. Accordingly, the Court should authorize the Debtors to continue the Customer Programs in the ordinary course of business and to pay and/or honor, as applicable, any prepetition obligations that may be outstanding with respect thereto.

**Applicable Financial Institutions
Should Be Authorized to Receive, Process, Honor, and
Pay Checks Issued and Transfers Requested to Pay Any
Obligations With Respect to the Customer Programs**

22. The Debtors further request that the Court authorize applicable financial institutions (the “**Banks**”) to receive, process, honor, and pay any and all checks issued, or to be issued, and electronic funds transfers requested, or to be requested, by the Debtors relating to the Customer Programs, to the extent that sufficient funds are on deposit in available funds in the applicable bank accounts to cover such payment. The Debtors also seek authority to issue new postpetition checks or effect new postpetition electronic funds transfers in replacement of any checks or fund transfer requests on account of obligations owed with respect to the Customer Programs dishonored or rejected as a result of the commencement of the Debtors’ chapter 11 cases.

Bankruptcy Rule 6003(b) Has Been Satisfied

23. Pursuant to Rule 9013-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of Texas (the “**Local Rules**”), the Debtors respectfully request emergency consideration of this Motion under Bankruptcy Rule 6003, which provides that the Court may grant relief within the first 21 days after the Petition Date to the extent such relief is necessary to avoid immediate and irreparable harm. As described herein and in the Sanchez Declaration, the relief requested is essential to avoid the immediate and irreparable harm

that would be caused by the Debtors' inability to transition smoothly into chapter 11. Accordingly, the Debtors submit that the requirements of Bankruptcy Rule 6003 are satisfied.

**Compliance with Bankruptcy Rule 6004(a)
and Waiver of Bankruptcy Rule 6004(h)**

24. To implement the foregoing successfully, the Debtors request that the Court find that notice of the Motion satisfies Bankruptcy Rule 6004(a) and that the Court waive the 14-day period under Bankruptcy Rule 6004(h).

Reservation of Rights

25. Nothing contained herein is intended to be or shall be deemed as (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver or limitation of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim, (iii) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable nonbankruptcy law, or (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy under section 365 of the Bankruptcy Code. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

Notice

26. Notice of this Motion will be provided to (i) the Office of the United States Trustee for the Southern District of Texas; (ii) the holders of the 30 largest unsecured claims against the Debtors on a consolidated basis; (iii) Milbank LLP, 55 Hudson Yards, New York, NY 10001-2163 (Attn: Evan Fleck, Esq., Matthew Brod, Esq., and Daniel Porat, Esq.), counsel to the Ad Hoc Group of First Lien Lenders; (iv) Akin Gump Strauss Hauer & Feld LLP, Bank of America Tower, 1 Bryant Park, New York, NY 10036 (Attn: Ira Dizengoff, Esq., Daniel Fisher, Esq., and

Jason Rubin, Esq.), counsel to certain First Lien and Second Lien lenders; (v) Shearman & Sterling LLP, 599 Lexington Avenue, Lexington Ave, New York, NY 10022 (Attn: Fredrick Sosnick, Esq. and Michael Guippone, Esq.), counsel to the First Lien Administrative Agent; (vi) the Internal Revenue Service; (vii) the United States Attorney's Office for the Southern District of Texas; (viii) the Securities and Exchange Commission; (ix) the Banks; and (x) any other party entitled to notice pursuant to Local Rule 9013-1(d).

No Previous Request

27. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

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WHEREFORE the Debtors respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: October 8, 2020
Houston, Texas

/s/ Alfredo R. Pérez
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-and-

WEIL, GOTSHAL & MANGES LLP
Matthew S. Barr (*pro hac vice* pending)
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*Proposed Attorneys for Debtors
and Debtors in Possession*

Certificate of Service

I hereby certify that on October 8, 2020, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas, and will be served as set forth in the Affidavit of Service to be filed by the Debtors' proposed claims, noticing, and solicitation agent.

/s/ Alfredo R. Pérez
Alfredo R. Pérez

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§ § § § § § §	Chapter 11
UTEX INDUSTRIES, INC., et al.,		Case No. 20-34932 (DRJ)
Debtors.¹		(Jointly Administered)
		Re: Docket No. ____

**ORDER (I) AUTHORIZING DEBTORS TO HONOR
CERTAIN PREPETITION OBLIGATIONS TO CUSTOMERS
AND CONTINUE CUSTOMER PROGRAMS IN THE ORDINARY
COURSE OF BUSINESS; AND (II) GRANTING RELATED RELIEF**

Upon the motion, dated October 8, 2020 (the “**Motion**”)² of UTEX Industries, Inc. and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), for entry of an order pursuant to sections 105(a), 363(b), and 507(a) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004 (i) authorizing the Debtors to, in the ordinary course of business and consistent with past practice, maintain and administer customer-related programs, promotions, and practices, and pay and otherwise honor their obligations to customers relating thereto, whether arising prior to or after the Petition Date, and (ii) granting related relief, all as more fully set forth in the Motion; and upon consideration of the Sanchez Declaration; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: UTEX Industries, Inc. (9867), RSH Utex Holdings, LLC (4048), Industrial Sealing Solutions Holdings Inc. (0104), UI Sealing Technologies Intermediate Holdings, Inc. (9553), UTEX Holding, Inc. (8260), Applied Rubber Technology, Inc. (1790), CAM Specialty Intermediate Holdings, Inc. (9099), CAM Specialty Products, Inc. (8342), Duraquest, Inc. (7017), Work Manufacturing, L.L.C. (5341), Energy Products LLC (8160), and Arefco Seals, Inc. (5258). The Debtors’ mailing address is 10810 Katy Freeway, Suite 100, Houston, TX 77043.

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

venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion; and this Court having held a hearing to consider the relief requested in the motion; and all objections, if any, to the Motion having been withdrawn, resolved, or overruled; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003 and is in the best interests of the Debtors and their respective estates and creditors; and upon all of the proceedings had before this Court 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, pursuant to sections 105(a), 363(b), and 507(b) of the Bankruptcy Code, to (i) maintain and administer their Customer Programs in the ordinary course of business and consistent with past practice and (ii) honor and pay any prepetition obligations owed with respect thereto.
3. The Banks are authorized to receive, process, honor, and pay any and all checks issued, or to be issued, and electronic funds transfers requested, or to be requested, by the Debtors relating to such obligations, to the extent that sufficient funds are on deposit in available funds in the applicable bank accounts to cover such payments. The Banks are authorized to accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or

any other order of this Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise.

4. The Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds transfers, and to replace any prepetition checks or electronic fund transfer requests that may be lost or dishonored or rejected as a result of the commencement of the Debtors' chapter 11 cases with respect to any prepetition amounts that are authorized to be paid pursuant to this Order.

5. Notwithstanding anything to the contrary contained in the Motion or this Order, any payment to be made and any relief or authorization granted hereunder shall not be inconsistent with, and shall be subject to, the requirements imposed on the Debtors in any orders entered by this Court authorizing the Debtors to obtain debtor-in-possession financing and authorizing the use of cash collateral (any such order, a "**DIP Order**"). To the extent that there may be any inconsistency between the terms of this Order and the terms of any DIP Order, the terms of the DIP Order will govern.

6. Nothing contained in the Motion or this Order or any payment made pursuant to the authority granted by this Order is intended to be or shall be deemed as (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim, (iii) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable nonbankruptcy law, or (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy under section 365 of the Bankruptcy Code.

7. Notice of the Motion is adequate under Bankruptcy Rule 6004(a).

8. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

9. Notwithstanding the provisions of Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry.

10. The Debtors are authorized to take all actions necessary or appropriate to carry out the relief granted in this Order.

11. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: _____, 2020
Houston, Texas

UNITED STATES BANKRUPTCY JUDGE