

In re:)	
)	
ACR MANAGEMENT, L.L.C., <u>et al.</u> , ¹)	Case No. 04-0_____(____)
)	
)	Chapter 11
)	
Debtors.)	(Jointly Administered)
)	
)	Docket No. ____
ACR MANAGEMENT, L.L.C., et al.,)	
)	
Movants,)	
)	
v.)	
)	
TRAVELERS PROPERTY CASUALTY)	
GROUP)	
)	

Upon the motion (the “Motion”)² of the debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) seeking entry of an order authorizing the Debtors to maintain the existing surety bond program as a valid and binding

² Capitalized terms not defined herein shall have the same meaning ascribed in the Motion.

postpetition obligation of the Debtors and enter into an agreement with Travelers Casualty & Surety Company of America and its affiliates and subsidiaries (“Travelers”) for issuance of Additional Surety Bonds; and it appearing that the relief requested is essential to the continued operation of the Debtors’ business and is in the best interest of the Debtors’ estates and creditors; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this Motion is a core proceeding pursuant to 28 U.S.C. § 157; and adequate notice of the Motion having been given; and it appearing that no other notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby:

ORDERED that the Motion is granted in its entirety; and it is further

ORDERED that the Debtors’ are authorized to maintain the existing surety bond program as a valid and binding postpetition obligation of the Debtors and enter into an agreement for the issuance of Additional Surety Bonds from Travelers according to the terms as set forth in the Motion, in each case, subject to the DIP Orders and the DIP Budgets (as each such term is defined in the First Day Affidavit); and it is further

ORDERED that the Debtors are authorized to issue a standby letter of credit to Travelers to collateralize the Surety Bonds, subject to the DIP Orders and the DIP Budgets; and it is further

ORDERED that the Debtors are authorized to execute a new indemnity agreement, in form and substance acceptable to Travelers, that will ratify any and all existing indemnity agreements with Travelers; and it is further

ORDERED that Travelers shall have an administrative expense claim for any claim in excess of the standby letter of credit held by Travelers at the time of the claim, subject to the terms and condition of the DIP Orders; and it is further

ORDERED that Travelers shall not cancel any bonds for the duration of the Chapter 11 Cases, except for the certain limited circumstances as set forth in paragraph 11(xii) of the Motion under which it may cancel the bonds upon 10 days notice to the Company without further authorization of this Court; and it is further

ORDERED that the automatic stay shall be modified to permit Travelers to cancel any bonds upon ten (10) days written notice for the certain limited circumstances as provided for in section 11(xii) of the Motion and the enforcement of its remedies against the standby letter of credit held at the time of any such cancellation; and it is further

ORDERED that, notwithstanding the possible applicability of Bankruptcy Rules 6004(g), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry, and that any debt incurred hereunder be valid pursuant to section 364(e) of the Bankruptcy Code; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Pittsburgh, Pennsylvania

Dated: _____, 2004

United States Bankruptcy Judge