IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
BARCALOUNGER CORPORATION, et al.,[1]	)	Case No. 10-11637 (BLS)
	)	
Debtors.	)	Jointly Administered
	)	
		RE: Docket No. 313, 348

ORDER REJECTING THE DEBTORS' REDD LEVEL LEASE AS OF OCTOBER 31, 2010

Upon the Debtors'[2] Motion for Entry of an Order Rejecting the Debtors' Redd Level Lease as of October 31, 2010 (the "Motion"); and upon consideration of the Chapman Declaration; and the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and (c) notice of the Motion was due and proper under the circumstances; and it appearing that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and after due deliberation, and good and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted.

2. The Redd Level Lease is hereby rejected as of October 31, 2010. Any amendments, assignments, modifications, or subleases associated with the Redd Level Lease or the Premises are hereby rejected as of October 31, 2010. The Lessor is entitled to possession of the Premises as of October 31, 2010.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are Barcalounger Corporation (9018); and American of Martinsville, Inc. (6836). The location of the Debtors' corporate headquarters and service address is: 128 East Church Street, Martinsville, Virginia 24112.
[2] Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Motion.

3. Pursuant to section 365(g) of the Bankruptcy Code, any damages resulting from the rejection of the Redd Level Lease (a "Rejection Damages Claim") shall constitute prepetition claims against the Debtors. The holder of a Rejection Damages Claim must submit a proof of claim to the Debtors' claims, noticing, and balloting agent, BMC Group, Inc. ("BMC"), at one of the following addresses, no later than 4:00 p.m. prevailing Eastern time on November 4, 2010 (the "Rejection Claim Bar Date"):

BY MAIL TO:
BMC Group, Inc
Attn: Barcalounger Corporation Claims Processing
PO Box 3020
Chanhassen, MN 55317-3020

BY HAND OR OVERNIGHT DELIVERY TO:
BMC Group, Inc
Attn: Barcalounger Corporation Claims Processing
18750 Lake Drive East
Chanhassen, MN 55317

Any holder of a Rejection Damages Claim that is required to file a proof of claim in these chapter 11 cases but that fails to do so by the Rejection Claim Bar Date shall be forever barred, estopped, and enjoined from asserting a Rejection Damages Claim against the Debtors.

4. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Wilmington, Delaware
Dated: December 1, 2010

The Honorable Brendan L. Shannon
United States Bankruptcy Judge