IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

CHI-CHI'S, INC., et al.,	)	CHAPTER 11
	)	CASE NOS. 03-13063 (CGC)
Debtors.	)	(Jointly Administered)
	)	Related to Docket No. 11

FINAL ORDER GRANTING DEBTORS' MOTION UNDER 11 U.S.C. §§ 105, 361, 362, 363, AND 364 FOR APPROVAL OF: (A) INTERIM PRIMING DIP FACILITY; (B) FINAL PRIMING DIP CREDIT FACILITY, THROUGH ENTRY OF INTERIM AND FINAL ORDERS AND APPROVAL OF A STIPULATION: (1) AUTHORIZING THE DEBTORS TO OBTAIN SECURED POSTPETITION FINANCING, (2) GRANTING LIENS AND SUPER-PRIORITY CLAIMS, AND (3) GRANTING ADEQUATE PROTECTION; AND (C) SCHEDULING A FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001

Upon the Emergency Motion of the Debtors under 11 U.S.C. §§ 105, 361, 362, 363, 364, 507(b) and 552(b) for Approval of: (A) Interim Priming DIP Facility; (B) Final Priming DIP Credit Facility, through Entry of Interim and Final Orders and Approval of a Stipulation: (1) Authorizing the Debtors to Obtain Secured Postpetition Financing, (2) Granting Liens and Super-Priority Claims, and (3) Granting Adequate Protection; and (C) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001 (the "Motion"), dated October 8, 2003, of Chi-Chi's, Inc., a Delaware corporation ("Chi-Chi's"), Koo Koo Roo, Inc., a Delaware corporation, ("KKR"), CCMR of Catonsville, Inc., a Kentucky corporation ("Catonsville"), CCMR of Cumberland, Inc., a Kentucky corporation ("Cumberland"), CCMR of Frederick, Inc., a Kentucky corporation ("Frederick"), CCMR of Greenbelt, Inc., a Kentucky corporation ("Greenbelt"), CCMR of Harford

County, Inc., a Kentucky corporation ("Harford County"), CCMR of Maryland, Inc., a Delaware corporation ("Maryland"), CCMR of Ritchie Highway, Inc., a Kentucky corporation ("Ritchie Highway"), CCMR of Timonium, Inc., a Delaware corporation ("Timonium"), Chi-Chi's of West Virginia, Inc., a Kentucky corporation ("West Virginia"), CMM Dissolution, Inc., a California corporation ("Dissolution"), Koo Koo Roo Licensing Systems, Inc., a California corporation ("Licensing"), Maintenance Support Group, Inc., a Kentucky corporation ("MSG"), The Hamlet Group, Inc., a California corporation ("HGI"), H.H. of Maryland, Inc., a Maryland corporation ("H.H. of Maryland"), and H.H. of Virginia, Inc., a Virginia corporation ("H.H. of Virginia"); H.H. of Virginia, together with Chi-Chi's, KKR, Catonsville, Cumberland, Frederick, Greenbelt, Harford County, Maryland, Ritchie Highway, Timonium, West Virginia, Dissolution, Licensing, MSG, HGI, and H.H. of Maryland are referred to hereinafter each individually as a "Debtor," and individually and collectively, jointly and severally, as the "Debtors"), filed in the above-captioned cases (the "Cases"):

(a) requesting authority and approval, pursuant to Sections 105 and 361 through 364 of the Bankruptcy Code and Rules 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for the Debtors to obtain from Wells Fargo Foothill, Inc., for itself and as the DIP Lender (referred to herein as the "DIP Lender"), direct borrowings (the "Loans") and a subfacility for letters of credit (the "Letters of Credit") pursuant to that certain senior secured super-priority credit facility of up to $19,100,000 as set forth in that certain Amended and Restated Senior Secured, Super-Priority Debtor-In-Possession Loan and Security

Agreement, dated as of November 24, 2003 (the "DIP Loan Agreement")[1] by and among the Debtors and the DIP Lender (w) to fund ongoing working capital requirements of the Debtors during the pendency of their Cases as set forth in the DIP Loan Agreement and the other loan documents related thereto (collectively, with the DIP Loan Agreement, the "DIP Loan Documents"), (x) to fund the Debtors' reorganization, (y) subject to the terms of the DIP Loan Agreement and the Emergency Interim Order Granting Debtors' Motion under 11 U.S.C. §§ 105, 361, 362, 363, and 364 for approval of: (A) interim priming DIP facility; (B) final priming DIP credit facility, through entry of interim and final orders and approval of a stipulation: (1) authorizing the debtors to obtain secured postpetition financing, (2) granting liens and super-priority claims, and (3) granting adequate protection; and (C) scheduling a final hearing pursuant to Bankruptcy Rule 4001, dated October 9, 2003 (the "Interim Order"), to pay fees, costs, expenses, disbursements to professionals retained by the Debtors or any official committees subsequently appointed in the Cases pursuant to Section 1102 of the Bankruptcy Code (hereinafter, collectively, the "Committees"), and bankruptcy related charges as allowed by the Court and as permitted by the DIP Loan Documents (as such term is defined below), and (z) to pay fees and expenses (including, without limitation, reasonable attorneys' fees and expenses) owed to the DIP Lender under the DIP Loan Agreement and the other DIP Loan Documents (as such term is defined below);

(b) requesting, pursuant to Sections 364(c) and (d) of the Bankruptcy Code, that the financing under the DIP Loan Agreement (i) have priority over any and all administrative expenses, including without limitation, the kind specified in Sections 503(b) and 507(b) of the

[1] The DIP Loan Agreement was presented to this Court in substantially the form proposed to be executed by the Debtors and the DIP Lender on November 24, 2003, contemporaneously with the submission of this Final Order. Capitalized terms used but not defined herein have the meaning ascribed thereto in the DIP Loan Agreement.

Bankruptcy Code, except for the Carve-Out Expenses up to the Carve-Out Amount; (ii) be secured by a first priority security interest in, and lien upon, all existing and hereafter acquired property of the Debtors, and the Debtors' estates, of whatever kind or nature, real or personal, whether acquired prepetition or postpetition, including without limitation and by way of general description only, all real estate interests; all interests under leases, licenses or occupancy agreements covering personal or real property; all motor vehicles; all Accounts; Books; Chattel Paper; Documents; General Intangibles (including payment intangibles and Software); Goods (including Inventory, Equipment and Fixtures); Instruments; Investment Property; Negotiable Collateral; Securities Accounts, Deposit Accounts, including all Blocked Accounts, Concentration Accounts, Disbursement Accounts, and all other bank accounts and all deposits therein; money, cash or cash equivalents; Supporting Obligations; Letter-of-Credit Rights; commercial tort claims; all machinery, equipment, furniture, furnishings, fixtures and other personal property acquired for use in the Debtors' businesses; and Proceeds, tort claims, insurance claims and other rights to payments not otherwise included in the foregoing and products of the foregoing and all accessions to, substitutions and replacements for, and rents and profits of, each of the foregoing (including insurance proceeds) (all capitalized terms set forth in this sentence not otherwise defined in this final order (the "Final Order") shall have the meanings ascribed to such terms in Article 9 of the Uniform Commercial Code, as contained in the 2000 Official Text of the Uniform Commercial Code, as recommended by the National Conference of Commissioners on Uniform State Laws and the American Law Institute, together with any subsequent amendments or modifications to the Official Text); other personal property acquired for use in the Debtors' businesses; all causes of action, whether arising in contract, tort or otherwise; and all other claims and property recovered by or on behalf of the

Debtors or the estates of the Debtors (exclusive only of any avoidance actions (the "Avoidance Actions") available to the Debtors' bankruptcy estates pursuant to Sections 544, 545, 547, 548, 549, 550, 553(b) or 724(a) of the Bankruptcy Code and any proceeds thereof), and all substitutions, accessions and proceeds of all of the foregoing, including insurance related thereto or other proceeds (all of the foregoing, collectively, the "Collateral"), as provided for by Sections 364(c) and (d) of the Bankruptcy Code, subordinate to only (a) the Carve-Out Expenses up to the Carve-Out Amount, (b) the valid, perfected and unavoidable senior liens (if any) defined as "Permitted Liens" in the DIP Loan Agreement, and (c) at the DIP Lender's election, the DIP Lender's valid, perfected and unavoidable prepetition senior liens arising under the Prepetition Loan Agreement and Prepetition Loan Documents ((b) and (c) are together referred to herein as the "Senior Claims"); and (iii) be secured by a second priority security interest in and lien upon all Collateral otherwise encumbered by Senior Claims, all as provided by Sections 364(c) and (d) of the Bankruptcy Code;

(c) requesting that the Court find that an emergency need exists for the Debtors to obtain limited advances of additional funds under the DIP Loan Agreement to continue to operate on a going concern basis strictly in compliance with the budget attached to the Interim Order as Exhibit A (the "Interim Budget") and on a final basis in compliance with the budget attached hereto as Exhibit "A" (the "Final Budget") to generally conduct their business affairs so as to avoid immediate and irreparable harm to their estates and the going concern value of their assets;

(d) requesting that the Court enter this Final Order so as to provide for the authorization to obtain limited advances of additional funds under the DIP Loan Agreement to prevent immediate and irreparable harm to the Debtors' estates;

(e) seeking the Court's authorization pursuant to Sections 361(a), 363(c) and 364(d)(1) of the Bankruptcy Code to provide adequate protection to the DIP Lender, as the existing, prepetition, first priority secured lender of Debtors (the "Prepetition Lender"), pursuant to that certain Loan and Security Agreement, dated as of July 2, 2002, among Debtors, the DIP Lender and certain other parties thereto (as modified, amended or otherwise supplemented from time to time prior to the Petition Date, the "Prepetition Loan Agreement") on account of its claims under the Prepetition Loan Agreement that are to be "primed" by the financing provided for herein, until such claims are paid in full pursuant and subject to the terms of the Interim Order and the Final Order;

(f) requesting that the Court find, pursuant to Bankruptcy Rule 4001(c)(1), that priority mail notice of the final hearing with respect to the Motion (the "Final Hearing") was appropriately given to (i) the United States Trustee (the "U.S. Trustee"), (ii) counsel for the DIP Lender; (iii) the twenty largest unsecured creditors of each of the Debtors; (iv) the landlords of all property leased by the Debtors, or any of them; and (v) any other parties requesting such notice (collectively, the "Notice Parties"); and

(g) requesting that upon the Final Hearing held on November 24, 2003, and upon all of the pleadings filed with the Court and all of the proceedings held before the Court, and upon the record of the Final Hearing and after due deliberation and consideration and sufficient cause appearing therefor, the Court enter this Final Order.

IT IS HEREBY ORDERED, ADJUDGED, DECREED AND, AS APPLICABLE, STIPULATED:

1. **Disposition**. The Motion is granted in its entirety in accordance with the terms of this Final Order, and any objections thereto that have not previously been withdrawn are overruled. This Final Order is valid immediately and is fully effective upon its entry.

2. **Jurisdiction and Venue**. This Court has jurisdiction over these proceedings and the parties and property affected hereby pursuant to 28 U.S.C. § 1334 and this is a core proceeding pursuant to 28 U.S.C. § 157. Venue is proper in this Court pursuant to 28 U.S.C. § 1408.

3. **Purpose and Necessity of Financing.**

(a) The Debtors require immediate additional financing, among other things, to finance the ongoing working capital needs of the Debtors. The Debtors are unable to obtain adequate unsecured credit allowable under Section 503(b)(1) of the Bankruptcy Code as an administrative expense and are unable to obtain, within the time required by their needs to avoid immediate and irreparable harm, other financing under Sections 364(c) and (d) of the Bankruptcy Code on equal or more favorable terms than the DIP Loan Agreement and the other DIP Loan Documents. A facility in the amount provided by the DIP Loan Agreement and the other DIP Loan Documents is unavailable to the Debtors without the Debtors granting to the DIP Lender, pursuant to Sections 364(c) and (d) of the Bankruptcy Code, (i) priority claims, with respect to all Loans advanced postpetition, all reimbursement obligations with respect to Letters of Credit, and all other obligations of the Debtors under the DIP Loan Agreement and the other DIP Loan Documents (collectively, the "Postpetition Obligations"), having priority over any and all administrative expenses, including, without limitation, the kind specified in Sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b) and 726 of the Bankruptcy Code (subject to the Carve-Out Expenses

up to the Carve-Out Amount and except as otherwise provided herein), and (ii) as security for all such Postpetition Obligations, (x) a first priority senior security interest in and lien upon the Collateral that is not otherwise encumbered by any allowed perfected and unavoidable secured claims with priority over the Senior Claims, and (y) a second priority security interest in and lien upon all Collateral otherwise encumbered by any allowed perfected and unavoidable secured claims with priority over the Senior Claims and in each of (x) and (y), subject to the Carve-Out Expenses up to the Carve-Out Amount except as expressly provided herein. The DIP Loan Agreement and the DIP Loan Documents are hereby approved, except as modified by this Final Order.

(b) The Debtors' collective execution of the DIP Loan Agreement, and the collective procurement of the Loans and Letters of Credit to finance the working capital needs of the Debtors is necessary due to the consolidation of all loans and other financial accommodations under the DIP Loan Agreement, will enhance the aggregate borrowing power of the Debtors and will facilitate the administration of the Cases. The DIP Lender's willingness to extend financial accommodations to the Debtors is done solely in consideration, and in furtherance, of the Debtors' mutual and collective enterprise.

4. **Exigency.** The ability of the Debtors to obtain sufficient working capital and liquidity through the incurrence of new indebtedness for borrowed money and other financial accommodations under the DIP Loan Agreement is vital to the Debtors' estates and creditors thereof, so that, among other things, the business need for the Debtors to be operating under normal business terms may be met. The preservation and maintenance of the going concern value of the Debtors is integral to a successful reorganization, or maximization of a sale or liquidation, of the

Debtors pursuant to the provisions of Chapter 11 of the Bankruptcy Code. Absent entry of this Final Order, the Debtors' estates will be immediately and irreparably harmed.

5. **Good Faith Bargaining.** The DIP Loan Agreement and the other DIP Loan Documents have been negotiated in good faith and at arm's-length between the Debtors, on the one hand, and the DIP Lender, on the other, and any Loan extended, Letters of Credit issued, and other financial accommodations made to the Debtors by the DIP Lender pursuant to this Final Order and the DIP Loan Agreement shall be deemed to have been extended by the DIP Lender in good faith, as that term is used in Section 364(e) of the Bankruptcy Code.

6. **Borrowing Authorization**. Upon finalizing and executing the DIP Loan Agreement and the other DIP Loan Documents and provided that the Debtors are not in default under the terms of this Final Order, the Debtors are immediately authorized to borrow or obtain Loans and Letters of Credit pursuant to the DIP Loan Agreement and the other DIP Loan Documents up to an aggregate amount of $19,100,000 principal in accordance with the availability and terms and conditions under the DIP Loan Agreement and the other DIP Loan Documents. Available financing under the DIP Loan Agreement will be made to repay in full on the date of entry of this Final Order the outstanding Obligations under the Prepetition Loan Agreement and to fund the Debtors' ordinary working capital and general corporate needs as set forth in the Final Budget and to fund other amounts required or allowed to be paid under the DIP Loan Agreement — all in accordance with this Final Order and the DIP Loan Documents.

7. **Stipulations.** In providing for the postpetition financing under the DIP Loan Agreement, the Debtors and the DIP Lender stipulate and agree that:

As to Debtors' Prepetition Obligations to the DIP Lender

(a) Before the Petition Date, the DIP Lender, as a lender and as agent for the lender group, was the Prepetition Lender and provided financing to Debtors pursuant to the Prepetition Loan Agreement;

(b) The Prepetition Loan Agreement and Prepetition Loan Documents (including any and all guaranties, pledge agreements, and security agreements executed in connection therewith) are in all respects valid and binding agreements and obligations of Debtors and the Obligors (as defined in the Prepetition Loan Agreement);

(c) The Debtors agree and acknowledge that the Prepetition Lender has no obligation to provide ongoing financing to the Debtors, or any of them, under the Prepetition Loan Agreement, as a result of the Debtors' acknowledged and continuing defaults under the terms of the Prepetition Loan Agreement; provided, however, that all other terms and conditions thereunder shall remain in full force and effect;

(d) The balance of the loans outstanding under the Prepetition Loan Agreement as of the Petition Date was approximately $14,100,000 under the revolving credit facility (all such indebtedness, including the fees, costs and legal and other expenses, being collectively referred to as the "Prepetition Obligations," such term including all "Obligations" owing under and as defined in the Prepetition Loan Agreement);

(e) The liens and security interests held by the Prepetition Lender under the Prepetition Loan Agreement and related documents (the "Prepetition Liens") are valid, enforceable, properly perfected, first priority and non-avoidable. The Prepetition Lender may continue to charge to the account of the Debtors and to pay in accordance with the Prepetition Loan Agreement

all fees, expenses and other costs owing as of the Petition Date and which may arise in the normal course of the Debtors' businesses during the Cases;

(f) The Debtors are not aware of any claim, counterclaim, setoff or defense of any kind or nature which would in any way (i) affect the validity, enforceability and nonavoidability of the Prepetition Obligations, the Prepetition Loan Agreement, or any of the Prepetition Liens, or (ii) reduce or affect the obligations of the Debtors or the other Obligors to pay any of the Prepetition Obligations.

(g) The Debtors hereby acknowledge and agree that they have no offsets, defenses, claims, or counterclaims against the Prepetition Lender or the Prepetition Lender's officers, directors, employees, attorneys, representatives, parent, affiliates, predecessors, successors, or assigns with respect to the Prepetition Obligations, the Prepetition Liens, the Prepetition Loan Documents, or otherwise, and further acknowledge and agree that if the Debtors now have or ever did have, any offsets, defenses, claims, or counterclaims against the Prepetition Lender, or its respective officers, directors, employees, attorneys, representative, parent, affiliate, predecessors, successors or assigns, whether known or unknown, at law or in equity, as of the Petition Date, all of them are hereby expressly waived, and each of the Debtors hereby releases the Prepetition Lender and its respective officers, directors, employees, attorneys, representatives, parent, affiliates, predecessors, successors, and assigns from any liability thereunder;

As to Debtors' Postpetition Obligations to the DIP Lender

(h) Each of the DIP Loan Agreement and the DIP Loan Documents is in all respects a valid and binding agreement and obligation of the Debtors;

(i) The Debtors are not aware of any claim, counterclaim, setoff or defense of any kind or nature which would in any way (i) affect the validity, enforceability and nonavoidability of the Postpetition Obligations, the DIP Loan Agreement, or any of the liens and security interests held by the DIP Lender under the DIP Loan Documents, the Interim Order, or this Final Order, or (ii) reduce or affect the obligations of the Debtors to pay any of the Postpetition Obligations;

(j) The Debtors hereby acknowledge and agree that they have no offsets, defenses, claims, or counterclaims against the DIP Lender or the DIP Lender's officers, directors, employees, attorneys, representatives, parent, affiliates, predecessors, successors, or assigns with respect to the Postpetition Obligations, the DIP Credit Agreement, the other DIP Loan Documents, or otherwise, and further acknowledge and agree that if the Debtors now have or ever did have, any offsets, defenses, claims, or counterclaims against the DIP Lender, or its respective officers, directors, employees, attorneys, representative, parent, affiliate, predecessors, successors or assigns, whether known or unknown, at law or in equity, as of the date the Court enters of this Final Order, all of them are hereby expressly waived, and each of the Debtors hereby releases the DIP Lender and its respective officers, directors, employees, attorneys, representatives, parent, affiliates, predecessors, successors, and assigns from any liability thereunder;

(k) In entering into the DIP Loan Documents, the Debtors acknowledge that they will receive substantial direct and indirect benefits by reason of the making of the DIP Loan and other financial accommodations provided to the Debtors in the DIP Loan Agreement;

(l) The Debtors' entry into and performance under the DIP Loan Documents does not conflict with or constitute a violation or breach of any contract, mortgage, lease,

agreement, indenture, or instrument to which the Debtors are a party or which is binding upon the Debtors. In entering into the DIP Loan Documents, the Debtors have obtained all authorizations, consents and approvals necessary from, and made all filings with and given all notices to, all federal, state and local governmental agencies, authorities and instrumentalities required to be obtained, made or given by the Debtors in connection with the execution, delivery, performance, validity and enforceability of the DIP Loan Documents to which the Debtors are a party and none of the transactions contemplated by the DIP Loan Agreement (including, without limitation, the use of the proceeds of the Loans or other extensions of credit thereunder), will violate or result in a violation of Section 7 of the Securities Exchange Act of 1934, as amended, any regulations pursuant thereto, or Regulations T, U or X of the Board of Governors of the Federal Reserve System;

The Final Budget, Cash Management and Reporting

(m) In entering into the DIP Loan Documents, and as consideration therefor, the Debtors hereby agree that until such time as all Prepetition Obligations and all Postpetition Obligations are indefeasibly paid in full in cash, all cash, checks, drafts and other funds received by the Debtors from any person shall be deposited on a daily basis into the Concentration Account (as defined in the DIP Loan Agreement) provided for in the DIP Loan Agreement and related DIP Loan Documents;

(n) In entering into the DIP Loan Documents, and as consideration therefore, the Debtors hereby agree that until such time as all Prepetition Obligations and all Postpetition Obligations are indefeasibly paid in full in cash, the Debtors will not make payments or incur any obligations other than those necessary to conduct the Debtors' businesses as set forth in the Final

Budget. The Debtors warrant and represent that the Final Budget includes all reasonable, necessary and foreseeable expenses to be incurred in the ordinary course of business in connection with the operation of their businesses for the period set forth in the Final Budget;

(o) Each of the Debtors also agrees not to incur any administrative expenses other than as set forth in the Final Budget, including any permitted variances thereof, exclusive of professional fees whose engagements are approved by the Court pursuant to 11 U.S.C. § 327 and fees payable pursuant to 28 U.S.C. § 1930 (as set forth in the Final Budget) without the prior consent of the DIP Lender or approval by the Court after notice to the DIP Lender and a hearing;

(p) The Debtors and the DIP Lender may modify the Final Budget, to take effect upon five (5) business days written notice to the Committees and the United States Trustee, without further order of this Court, and all loans made pursuant to such modified Budget shall be and hereby are expressly authorized hereunder;

(q) In entering into the DIP Loan Documents, and as consideration therefor, the Debtors hereby agree that until such time as all Postpetition Obligations and all Prepetition Obligations are indefeasibly paid in full in cash, the Debtors agree to deliver to the DIP Lender on the first Wednesday of each month an updated Final Budget setting forth projected cash receipts and disbursements for the thirteen (13) week period commencing on the date that it shall be delivered; provided, however, that for the month of December 2003 only, the Debtors shall deliver to the DIP Lender a Budget on the date of entry of this Final Order and on December 17, 2003. Commencing on November 26, 2003, and each Wednesday thereafter, Debtors shall deliver to the DIP Lender (i) an analysis of the weekly budget to the actual cash receipts for the week then ended; (ii) an itemized list of cash disbursements; (iii) a list of variances from the Final Budget for the

week then ended; (iv) projected Availability as defined in the DIP Loan Agreement for the week then ended; and (v) cumulative cash flow from the Petition Date to the week then ended. The Debtors further agree to provide the DIP Lender, or as may be more appropriate its counsel, such financial and other information as the DIP Lender shall reasonably request including, but not limited to the following: (x) any financial information and pleadings filed with the Court; (y) all other financial information and reports prepared by the Debtors, including any financial information required by the Court or by the Operating Guidelines and Reporting Requirements of the United States Trustee's Office; and (z) all other reports and financial information required by the Prepetition Loan Agreement and the DIP Loan Agreement; and

No Priming

(r) In allowing for the Debtors to enter into the DIP Loan Documents, and as consideration therefor, the Debtors hereby agree that until such time as all Postpetition Obligations and all Prepetition Obligations are indefeasibly paid in full in cash, the Debtors shall not in any way prime the liens provided to the DIP Lender under the terms of this Final Order by offering a subsequent DIP lender or a party-in-interest a superior or pari passu lien or claim pursuant to Section 364(d) of the Bankruptcy Code.

The foregoing stipulations shall be binding on the Debtors and the Debtors' estates, and each of their successors and assigns for all purposes in these Cases, but shall not bind any statutory Committee which may be appointed in these Cases unless and until further order of the Court after notice and a hearing or the passing of the Investigation Termination Date (as defined below) with no objection, adversary proceeding or appropriate litigation being initiated in accordance with Paragraph 9 of this Final Order.

8. **Power to Execute Necessary Documents.** The Debtors are expressly authorized and empowered to enter into and deliver, among other documents, the DIP Loan Agreement and the other DIP Loan Documents in substantially the form presented at the initial hearing to consider the Motion, subject to additional modifications and changes as may be mutually agreed by the Debtors and the DIP Lender. The Debtors are authorized, empowered and directed to perform all of their obligations under the DIP Loan Agreement and the other DIP Loan Documents and such other agreements as may be required by the DIP Lender to give effect to the terms of the financing provided for in this Final Order. The Debtors are authorized to perform and do all acts that may be required in connection with the DIP Loan Agreement and the other DIP Loan Documents, including, without limitation, the payment of fees and the reimbursement of present and future reasonable costs and expenses, including but not limited to attorneys' fees and legal expenses paid or incurred by the DIP Lender as provided in this Final Order, the DIP Loan Agreement and the other DIP Loan Documents, all of which unpaid fees, commissions, costs and expenses shall be and are included as part of the principal amount of the Postpetition Obligations, and secured by a first priority lien and security interest in all of the Collateral, as provided for in this Final Order, the DIP Loan Agreement and the other DIP Loan Documents. The DIP Loan Documents shall constitute valid and binding obligations of the Debtors enforceable against the Debtors, and their respective successors and assigns, in accordance with their terms, subject to the terms of this Final Order. Following execution, the Debtors may enter into any non-material amendments or modifications to the DIP Loan Agreement and the other DIP Loan Documents without the need of further notice and hearing or Order of this Court; provided that such modifications or amendments do not materially and adversely affect the rights of any creditor, equity holder or party-in-interest. For purposes of

this Final Order, non-material amendments or modifications to the DIP Loan Agreement and the DIP Loan Documents shall include, without limitation, clarifications of procedures and reporting requirements, insertions of incomplete information, corrections of any errors, any waivers or consents that the DIP Lender may exercise at its discretion or to the extent authorized by the DIP Loan Agreement or the other DIP Loan Documents, or any amendments to any budget to the extent authorized in the DIP Loan Agreement or the other DIP Loan Documents, and to the extent that such amendments or modifications do not cause an increase in the maximum amount available to be borrowed pursuant to the DIP Loan Agreement and the other DIP Loan Documents.

9. **Investigation Rights.** Notwithstanding anything herein to the contrary, for a period of seventy-five (75) days from the Petition Date, and with respect to any duly appointed creditors' committee, the earlier of (x) sixty (60) days from the date of its formation or (y) seventy-five days from the Petition Date (each such applicable date, the "Investigation Termination Date"), the creditors, and all other non-Debtor parties in interest shall be entitled to investigate and challenge the amount, validity, perfection, enforceability, priority and nonavoidability of the Prepetition Liens, the Prepetition Obligations, and the Prepetition Loan Agreement and related documents (collectively, the "Prepetition Loan Documents") and to assert any other claims or causes of action against the Prepetition Lender. If any of the creditors, or other non-Debtor parties in interest determine that there may be a challenge to the Prepetition Liens, the Prepetition Obligations, or the Prepetition Loan Documents, by the Investigation Termination Date, any such party authorized or permitted under applicable law to do so may file and prosecute an objection or claim related thereto, and shall have only until the Investigation Termination Date to file such objection or otherwise initiate an appropriate action or adversary proceeding setting forth

the basis of any such challenge, claim or cause of action. If such action is not filed on or before the Investigation Termination Date, the stipulations contained in Paragraph 7 of this Final Order, and the validity, perfection, enforceability, priority and nonavoidability of the Prepetition Liens, the Prepetition Obligations, and the Prepetition Loan Documents shall be irrevocably binding on the Committees, their respective successors and assigns, creditors of the estates, and all other parties in interest without further action by any party or this Court. The Investigation Termination Date may not be extended, except with the DIP Lender's prior written consent. The Prepetition Lenders hereby consent to the lien priorities set forth herein.

10. Lien Status and Priority.

(a) As adequate protection for all of the Postpetition Obligations, the DIP Lender is hereby granted pursuant to Sections 363(c), 364(c), and 364(d) of the Bankruptcy Code an allowed claim having administrative priority and senior secured status over any and all other costs and administrative expenses, including, without limitation, the kind specified in Sections 105, 326, 330, 331, 503(b), 506(c), 507(a), 507(b) and 726 of the Bankruptcy Code, all as more fully set forth herein below, subject only to the Carve-Out Expenses up to the Carve-Out Amount (as those terms are defined herein), all as more fully set forth below. The respective administrative priorities, liens and security interests granted herein to the DIP Lender in the Collateral and the Prepetition Liens previously granted to the Prepetition Lender, or, as the case may be, the priorities accorded to the Postpetition Obligations as set forth in this Final Order, shall be subject only to the Senior Claims, the Carve-Out Expenses (which Carve-Out Expenses shall have a priority superior to that of the DIP Lender and the Prepetition Lender) up to the Carve-Out Amount, and the fees payable to the United States Trustee, and shall otherwise have the priority and senior secured status afforded

by Sections 364(c) and 364(d)(1) of the Bankruptcy Code, as applicable. So long as no Event of Default under the DIP Loan Agreement shall have occurred and be continuing, the Debtors shall be permitted to pay court-approved administrative expenses of the kind specified in Section 503(b) of the Bankruptcy Code incurred in the ordinary course of business of the Debtors or otherwise permitted hereunder, and court-approved administrative expenses related to compensation and reimbursement of expenses allowed and payable under Section 330 and 331 of the Bankruptcy Code, as the same may be due and payable, within the parameters of this Final Order and the amounts to be advanced pursuant to the DIP Loan Agreement, and further provided such amounts are included in the Final Budget and/or paid from any prepetition retainer paid by the Debtors without reducing the Carve-Out Amount. As used in the preceding sentence, "court-approved administrative expenses" shall include payments made pursuant to any Court approved procedure for monthly or other payment of administrative expenses to which the DIP Lender may consent and/or paid from any prepetition retainer paid by the Debtors; provided that nothing contained herein shall be read to exempt those persons hereafter receiving interim compensation payments or reimbursement of expenses pursuant to any such Court approved procedure for monthly or other payment of administrative expenses from otherwise applicable provisions of bankruptcy law, including but not limited to, requirements that such compensation or reimbursement be allowed on a final basis; provided further that nothing contained herein shall be construed as consent to the allowance of any fees and expenses referred to above and shall not affect any right of the DIP Lender to object to the reasonableness of such amounts; and provided further that the Debtors shall not be permitted hereunder to pay any fees or expenses incurred by any party, including the Debtors or the Committees, in connection with the filing, prosecution or defense of any claims,

causes of action, adversary proceedings or other litigation against the DIP Lender, including, without limitation, challenging the amount, validity, priority or enforceability of, or asserting any defense, counterclaim, or offset to, the Postpetition Obligations and/or the Prepetition Obligations or the security interests or liens of the DIP Lender in respect thereof. No other liens or priority status, other than the Senior Claims, Carve-Out Expenses up to the Carve-Out Amount, and the fees payable to the United States Trustee, having a lien or administrative priority superior to or pari passu with that granted by this Final Order to the DIP Lender, shall be granted while any portion of the Postpetition Obligations or the Prepetition Obligations remains outstanding, absent the DIP Lender's prior written consent.

(b) All Mortgages (as defined in the Prepetition Loan Agreement) which secure the Prepetition Obligations shall and hereby are deemed amended and modified to provide that the DIP Lender, as the mortgagee, and that the Mortgages secure the Postpetition Obligations, with the same lien priority which such Mortgages enjoyed as of the Petition Date without the necessity of filing any amendments and/or modifications to the Mortgages. If the DIP Lender chooses to file or record any additional financing statements, mortgages or to modify or amend any existing mortgages or financing statements or notice of lien or similar instruments, or otherwise confirm perfection of such security interests, mortgages or liens, all such documents shall be deemed to have been filed as of the date of the Interim Order, whether or not so filed or recorded on such date, and the automatic stay of § 362 of the Bankruptcy Code is hereby vacated and modified to permit the filing of any of the foregoing; provided that, any new or amended mortgages or deeds of trust recorded shall enjoy the same lien priority that the Mortgages securing the Prepetition Obligations enjoyed as of the Petition Date.

11. **Limitation Upon Additional Surcharges.**

(a) Except as otherwise permitted by the DIP Loan Agreement, neither the Collateral nor the DIP Lender shall be subject to surcharge, pursuant to Section 506(c) of the Bankruptcy Code or otherwise, by the Debtors or any other party in interest, until all Post-Petition Obligations and Pre-Petition Obligations are indefeasibly paid in full in cash 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 in this proceeding, including, but not limited to, funding of the Debtors' ongoing operation by the DIP Lender. In no event shall the DIP Lender be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the Collateral.

(b) As used in this Final Order and the DIP Loan Agreement, Carve-Out Expenses shall mean: (i) from the Petition Date through the date which is the earlier to occur of the Maturity Date (as defined in the DIP Loan Agreement) or the DIP Lender terminating its obligations under the DIP Loan Agreement pursuant thereto (the "Commitment Termination Date"), the unpaid fees and expenses incurred by professionals retained in the Cases by the Debtors under Sections 327 or 328 of the Bankruptcy Code and incurred by professionals retained under Section 1103 of the Bankruptcy Code by any Committee (collectively, the "Bankruptcy Professionals") to the extent allowed by the Court and to the extent such allowed fees and expenses do not exceed the amount set forth in the Final Budget (collectively the "Budgeted Allowed Fees"); (ii) after the Commitment Termination Date, the Budgeted Allowed Fees (only to the extent incurred prior to the Commitment Termination Date and allowed but not yet paid) plus an amount of up to $750,000 for fees and expenses allowed to the Bankruptcy Professionals by the Court; plus

(iii) any statutorily mandated costs and fees of the Clerk of the Court and the U.S. Trustee with respect to the Cases (the sum of (i), (ii), and (iii) is referred to as the "Carve-Out Amount"); provided, however, that the Carve-Out Amount shall not be available to pay (x) any other claims that are or may be senior to or pari passu with any of the Carve-Out Expenses or any professional fees and expenses of a Chapter 7 or Chapter 11 trustee, or (y) any fees and/or disbursements of the Bankruptcy Professionals incurred in connection with or related to the filing or prosecution of any claims or proceedings of any kind against the DIP Lender or the Prepetition Lender challenging the extent, validity, perfection, enforceability, amount or priority of the Postpetition Obligations or Prepetition Obligations or the security interests and liens of the DIP Lender and Prepetition Lender in respect thereof.

12. Lien to Secure Postpetition Obligations.

(a) As security for all of the Postpetition Obligations, and as adequate protection, the DIP Lender is hereby granted (effective immediately and without the necessity of the execution or filing by the Debtors of a security agreement, financing statements, trademark, copyright, tradename or patent assignment filings with the United States Patent and Trademark Office or Copyright Office, mortgages, landlord lien waivers, licensee consents or otherwise), pursuant to Sections 364(c) and (d) of the Bankruptcy Code, a first priority security interest in and lien upon all of the Collateral, senior in all respects to any and all present and future liens or claims, if any, that encumber the Collateral (including, without limitation, liens and security interests, if any, of prepetition and postpetition landlords, and liens and security interests, if any, granted in favor of any governmental authority for any liability under federal or state environmental laws or regulations or for damages arising from or costs incurred by such governmental authority in

response to a release or threatened release of a hazardous or toxic waste, substance or constituent, or other substance into the environment or otherwise) and subject only to the Senior Claims, fees payable to the United States Trustee and future tax liens, and a second priority security interest in and lien upon all Collateral otherwise encumbered by allowed Senior Claims, subject in each instance only to the Carve-Out Expenses up to the Carve-Out Amount. The security interests and liens in the Collateral granted to the DIP Lender hereunder include, but are not limited to: (i) those items and types of collateral in which security interests may be created under Article 9 of the Uniform Commercial Code and all Collateral in which the DIP Lender has a security interest pursuant to the Pre-Petition Loan Agreement; (ii) those items and types of collateral not governed by Article 9 of the Uniform Commercial Code, including, without limitation, licenses issued by any federal or state regulatory authority and any leasehold or other real property interests; and (iii) the products and proceeds of any of the foregoing. Notwithstanding anything to the contrary herein, the Collateral shall not include any Avoidance Actions available to the Debtors' bankruptcy estates under Sections 544, 545, 547, 548, 549, 550, 553(b) or 724(a) of the Bankruptcy Code and any proceeds thereof. Said liens and security interests discussed herein shall not be (i) subject to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under Section 551 of the Bankruptcy Code, or (ii) except as set forth herein, subordinated to or made pari passu with any other lien or security interest under Section 364(d) of the Bankruptcy Code or otherwise. The security interest arising hereunder shall be and hereby is a fully perfected, first priority security interest, such that no additional steps need be taken by the DIP Lender to perfect said interest. Pursuant to Sections 363(b)(1) and 364(c)(2) of the Bankruptcy Code, any provision of any lease or other license, contract or other agreement that requires the consent or approval of

one or more landlords or other parties in order for the Debtors to pledge, grant, sell, transfer or otherwise transfer any such leasehold interest or the proceeds thereof or other Collateral are and shall be deemed to be inconsistent with the provisions of the Bankruptcy Code and are and shall have no force and effect with respect to the transactions granting the DIP Lender a priority security interest in the proceeds of such leasehold interest or the proceeds of any assignment and/or sale thereof by the Debtors in favor of the DIP Lender in accordance with the terms of the DIP Loan Agreement.

(b) Furthermore, as additional adequate protection to the DIP Lender, but subject to the provisions of Paragraph 6 of this Final Order, Debtors hereby agree that until such time as all Prepetition Obligations are indefeasibly paid in full in cash, collections received by the Debtor on account of the Collateral in which the DIP Lender shall have a first priority security interest shall be applied to the Prepetition Obligations, including specifically to pay current interest, fees and expenses on the Prepetition Obligations as adequate protection payments to the DIP Lender, all as set forth in the DIP Loan Agreement. All such payments are adequate protection payments and are to be afforded the full and complete protection given to such payments under the Bankruptcy Code. These payments are to be made to the DIP Lender because, among other things, the Debtors will continue to use the prepetition collateral that secures the claims and obligations owing under the Prepetition Loan Agreement and continue to use their ongoing businesses. Such payments are being made for the purpose of, among other things, protecting the DIP Lender's prepetition claims and collateral interest from such use and the potential depreciation and deterioration of the collateral as a result thereof.

(c) For purposes of clarity, nothing set forth in any order entered by this Court with respect to the First Day Pleadings (as hereinafter defined) shall be deemed to affect the super-priority administrative priority and senior secured status granted in favor of the DIP Lender pursuant to this Final Order, and any claims which may arise from or on account of any orders entered with respect to the First Day Pleadings are and shall be subordinate to the claims and interests of the DIP Lender. "First Day Pleadings" shall include, but not be limited to:

(1) Motion for the Entry of an Order (1) Restraining Utilities from Altering, Refusing or Discontinuing Service, and (2) Establishing Procedures for Determining Requests for Additional Insurance;

(2) Debtors' Motion for Order (A) Scheduling the Date, Time and Place for a Hearing on the Proposed Sale Motion; (B) Approving the Form and Manner of Notice Thereof; and (C) Approving (i) Bidding Procedures; and (ii) Break-Up Fees and Expense Reimbursements;

(3) Motion for Entry of an Order (A) Authorizing, But Not Requiring, the Debtors to (1) Pay Certain Accrued Prepetition Wages, (2) Permit Employees to Use Accrued Prepetition Vacation, (3) Pay Employees' Prepetition Reimbursable Business Expenses, (4) Make Accrued Prepetition Contributions to Employee Benefit Plans, and (5) Continue Employee Benefit Plans Post-Petition; and (B) Authorizing the Debtors' Banks and Other Financial Institutions, Including But Not Limited to Automatic Data Processing, to Receive, Process, Honor and Pay All Checks Presented for Payment and to Honor All Funds Transfer Requests Made by the Debtors as to the Foregoing; and

(4) Motion for Order Under 11 U.S.C. Sections 363, 1107 and 1108 Authorizing (1) Maintenance of Existing Bank Accounts, (2) Continued Use of Existing Business Forms and (3) Continued Use of Existing Cash Management System.

13. **Approval of Fees**. The fees to be paid to the DIP Lender as provided in the DIP Loan Agreement are reasonable, fully-earned when due, and non-refundable when paid, and the Debtors are authorized and directed to pay to the DIP Lender any unpaid fees that are currently due pursuant to all of the foregoing.

14. **Additional Perfection Measures.**

(a) The liens and priority granted to the DIP Lender pursuant to this Final Order and the DIP Loan Agreement shall be deemed perfected by operation of law as of the date of the Interim Order. The DIP Lender shall not be required to enter into or to obtain landlord waivers, mortgagee waivers, bailee waivers, or warehouseman waivers or to file or record financing statements, mortgages, deeds of trust, leasehold mortgages, notices of lien or similar instruments in any jurisdiction, or obtain consents from any licensor or similar party-in-interest, or take any other action in order to validate and to perfect the security interests and liens granted to the DIP Lender pursuant to this Final Order. If the DIP Lender, in its sole discretion, chooses to obtain consents from any licensor or similar party-in-interest, to file such financing statements, notices of lien or similar instruments or to otherwise confirm perfection of such security interests and liens: (i) all such documents shall be deemed to have been recorded and filed as of the time and on the date of entry of this Final Order, and (ii) no defect in any such act shall affect or impair the validity, perfection and enforceability of the liens granted hereunder. In lieu of obtaining such consents or filing such financing statements, notices of lien or similar instruments, the DIP Lender may, at its sole discretion, choose to file a certified copy of this Final Order in any place at which any such instruments would or could be filed, together with a description of Collateral located within the geographic area covered by such place of filing, and such filing by the DIP Lender shall have the same effect as if such financing statements, notices of lien or similar instruments had been filed or recorded at the time and on the date of entry of this Final Order.

(b) If the DIP Lender chooses to file or record a certified copy of this Final Order or financing statements, mortgages, deeds of trusts, leasehold mortgages, notices of lien or

similar instruments in any jurisdiction, or obtain consents from a licensor or similar party in interest, or take any other action in order to validate and perfect the security interests and liens granted to it pursuant to this Final Order in accordance with applicable state law, no recording stamp, documentary stamp or mortgage fees, costs or taxes shall be imposed upon the Debtors or the DIP Lender.

15. **Access to Collateral – No Landlord's Liens**. Each landlord waiver, mortgagee waiver and bailee letter executed in connection with the Prepetition Loan Agreement shall continue to govern the rights of the respective parties thereto, and such waivers and letters shall also be equally applicable to, and shall govern the rights of such parties vis-à-vis the DIP Lender in connection with the DIP Loan Agreement.

16. **No Responsible Person**. In making the decision to make Loans and to extend other financial accommodations to the Debtors under the DIP Loan Agreement or to collect the indebtedness and obligations of the Debtors, the DIP Lender shall not be deemed to be in control of the operations of the Debtors or to be acting as a responsible person or owner or operator with respect to the operation or management of the Debtors (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation, and Liability Act, as amended, or any similar Federal or State statute).

17. **Release**. The Debtors (in their own right and on behalf of their respective estates, representatives, directors, officers, employees, independent contractors, attorneys and agents, and their successors and assigns) (the "Releasing Parties") hereby jointly and severally release, acquit, and forever discharge the DIP Lender and its representatives, directors, officers, employees,

independent contractors, attorneys and agents, and their successors and assigns (the "Released Parties") from any and all acts and omission of the Released Parties, and from any and all claims, causes of action, avoidance actions, counterclaims, demand, controversies, costs, debts, sums of money, accounts, reckonings, bonds, bills, damages, obligations, liabilities, objections, legal proceedings, equitable proceedings, and executions of any nature, type, or description which the Releasing Parties, or any of them, have or may have against the Released Parties, or any of them, whether directly, indirectly or derivatively, whether or not in connection with or related to the Prepetition Liens, the Prepetition Loan Documents, the DIP Loan Documents, or the Loans, or any matter or document related thereto, at law or in equity, by statute or common law, in contract, in tort, whether the law of the United States or any other country, union, organization of foreign countries or otherwise, known or unknown, suspected or unsuspected, but excluding the DIP Lender's obligations under the DIP Loan Documents (collectively, the "Released Claims"). The Debtors further covenant not to sue the Released Parties, or any of them, on account of any Released Claim. This Paragraph is in addition to and shall not in any way limit any other release, covenant not to sue, or waiver by the Releasing Parties. Notwithstanding anything contained in this provision, the Released Parties shall exclude any current or former representative, director, officer, employee, independent contractor, attorney and agent of the Debtors or their successors assigns or affiliates provided that nothing in this sentence shall in any way create, acknowledge or ratify any claim against or liability of the Released Parties or limit the release of the Released Parties in this Final Order. The release shall be for Released Claims, known or unknown, that exist as of the effective date of the release.

18. **Fees.** Pursuant to this Final Order, the Debtors are authorized to pay the fees contemplated in the DIP Loan Agreement and DIP Loan Documents ("DIP Facility Fees") as follows (i) a closing fee of $191,000 on the date of entry of this Final Order (the "Final Order Fee") provided, however, that $95,500 of the Final Order Fee shall be credited back to the Debtors by the DIP Lender if the outstanding amount of Obligations and the Total Commitment as of December 31, 2003 is no greater than $14,000,000 and, provided, further, that $191,000 of the Final Order Fee shall be credited back to the Debtors by the DIP Lender if the outstanding amount of Obligations and the Total Commitment as of December 31, 2003 are no greater than $9,000,000, each such calculation being made without giving effect to the reduction in the Obligations arising from such credit; (ii) an unused commitment fee equal to the unused Revolver Commitment multiplied by 1% on a per annum basis paid monthly, in arrears, on the first day of each month (the "Unused Commitment Fee") and (iii) an agency fee commencing on the date that the Interim Order was entered and thereafter on the monthly anniversary of the date of entry of the Interim Order, and thereafter so long as any obligations are outstanding in an amount equal to $6,250.00. The DIP Facility Fees paid by Debtors to the DIP Lender for providing the debtor-in-possession financing are reasonable, fully earned and is hereby approved to be paid at closing, without the necessity of the DIP Lender filing any further application with the Court. The Unused Commitment Fee is authorized and shall be paid by the Debtors to the DIP Lender as the fees come due under this Final Order. .

19. **Enabling Clause**. The Debtors are authorized to perform all acts, to make, execute and deliver all instruments and documents and to pay fees, which may be required or necessary for their performance under the DIP Loan Agreement and the other DIP Loan Documents including,

without limitation, the execution and delivery of the DIP Loan Agreement and the other DIP Loan Documents.

20. Automatic Stay Modified. Subject only to the provisions of the DIP Loan Agreement, the automatic stay provisions of Section 362 of the Bankruptcy Code are vacated and modified to the extent necessary so as to permit the DIP Lender:

(a) whether or not an Event of Default has occurred, to require all cash, checks or other collections or proceeds from Collateral received by the Debtors to be deposited in accordance with Section 2.8 of the DIP Loan Agreement, and to apply amounts deposited in any such account and other amounts paid to or received by the DIP Lender under the DIP Loan Agreement and the other DIP Loan Documents as provided therein and in this Final Order;

(b) upon the occurrence of an Event of Default and subject to five (5) business days' written notice to the Debtors and the Committees, to exercise all rights and remedies provided for in the DIP Loan Agreement and the other DIP Loan Documents, pursuant and subject to the provisions of Article 9 of the DIP Loan Agreement without requiring prior authorization of this Court in order to exercise such rights and remedies. The automatic stay shall be deemed terminated as provided herein without the necessity of any further action by the Court, the Debtors, the Committees, the DIP Lender or any of them, in the event that the Debtors and the Committees have not obtained an Order from this Court to the contrary within five (5) business days after receiving written notice from the DIP Lender pursuant to this Paragraph. The Debtors and/or the Committees shall have the burden of proof at any hearing on any request by the Debtors and/or the Committees to re-impose or continue the automatic stay as provided for herein; and

(c) this Court shall retain exclusive jurisdiction to hear and resolve any disputes and enter any orders required by the provisions of this Subsection and relating to the application, re-imposition or continuance of the automatic stay as provided hereunder.

21. **Covenants; Sale of Assets**. The Debtors covenant and agree that, as a condition to DIP Lender's obligations hereunder, each of the following shall occur:

(a) On or before December 3, 2003, the Debtors shall deliver to the DIP Lender Schedule 5.17 to the DIP Loan Agreement in form and substance satisfactory to the DIP Lender;

(b) On or before December 15, 2003, an order of the court shall be entered setting forth the bidding procedures for the sale of all or substantially all of the assets of HGI (the "HGI Asset Sale") pursuant to Section 363 of the Bankruptcy Code on terms and conditions satisfactory to the DIP Lender;

(c) On or before January 15, 2004, a letter of intent for the sale of the Headquarters Property (the "Headquarters Property Asset Sale") shall have been entered into on terms and conditions satisfactory to the DIP Lender;

(d) On or before February 20, 2004, an order of the court shall be entered setting forth the bidding procedures for the sale of all or substantially all of the assets of Chi-Chi's (the "Chi-Chi's Asset Sale") pursuant to Section 363 of the Bankruptcy Code on terms and conditions satisfactory to the DIP Lender;

(e) At the earliest convenience of the Court, but in no event later than December 15, 2003, a final order approving the KKR Asset Sale (as defined in the Original DIP Loan Agreement; the KKR Asset Sale, the Hamlet Asset Sale, the Headquarters Property Asset Sale and the Chi-Chi's Asset Sale, collectively, the "Asset Sales") shall be entered by the Court;

(f) On or before December 31, 2003, the transactions contemplated by the KKR Asset Sale shall be closed including payment to the DIP Lender of the proceeds of such Asset Sales;

(g) On or before January 30, 2004, an auction shall be concluded with respect to the HGI Asset Sale;

(h) On or before February 10, 2004, the transactions contemplated by the Hamlet Asset Sale shall be closed including payment to the DIP Lender of the proceeds of such Asset Sales;

(i) On or before March 24, 2004, an auction shall be concluded with respect to the Chi-Chi's Asset Sale;

(j) On or before February 28, 2004, the transactions contemplated by the Headquarters Property Asset Sale shall be closed including payment to the DIP Lender of the proceeds of such Asset Sales;

(k) On or before March 31, 2004, the transactions contemplated by the Chi-Chi's Asset Sale shall be closed including payment to the DIP Lender of the proceeds of such Asset Sales; and

(l) On or before April 7, 2004, the Pre-Petition Obligations and the Post-Petition Obligations shall have been paid off in full in cash.

22. **Successors and Assigns**. The DIP Loan Agreement and the other DIP Loan Documents and the provisions of this Final Order shall be binding upon the DIP Lender, the Debtors and their respective successors and assigns, and any trustee appointed in the Cases, and the

same shall inure to the benefit of the DIP Lender and the Debtors and their respective successors and assigns.

23. **Cash Management Systems**. Subject to the liens, claims and interests granted to the DIP Lender hereunder, and subject to the Carve-Out Expenses up to the Carve-Out Amount, the Debtors are authorized and directed to establish and maintain the cash management system provided for in Section 2.8 of the DIP Loan Agreement. The cash management system set forth in the DIP Loan Agreement, including all accounts established in relation thereto, shall be used for the purposes and on the terms and conditions set forth in the DIP Loan Agreement and the other DIP Loan Documents without the necessity of any further action by the DIP Lender or the Debtors. The Debtors are authorized to enter into any additional appropriate agreements providing for ongoing lockboxes, blocked accounts or similar arrangements in favor of the DIP Lender for purposes of facilitating cash collections in accordance with the financing provided for by this Final Order and as required by the DIP Lender or under terms of the DIP Loan Agreement. It shall be a condition to the obligations of DIP Lender under the DIP Loan Agreement and this Final Order that the Court shall have entered an order that (a) the Court shall have taken and exercised jurisdiction over any account in the name of FRI-MRD Corporation, a Delaware corporation, which contains any funds that are property, or derived from property, of any of the Debtors, and (b) the DIP Lender shall have a first priority, perfected security interest in such accounts and all funds contained therein, and (c) such order shall not be thereafter reversed, modified, vacated or stayed.

24. **Binding Nature of Agreement**. Each of the DIP Loan Documents to which the Debtors are and will become a party shall constitute legal, valid and binding obligation of the

Debtors, enforceable in accordance with their respective terms. The DIP Loan Documents, upon execution, will have been duly executed and delivered to the DIP Lender by the Debtors. The rights, remedies, powers, privileges, liens and priorities of the DIP Lender provided for in this Final Order and in any other DIP Loan Documents shall not be modified, altered or impaired in any manner by any subsequent order (including a confirmation order) or by any plan of reorganization or liquidation in these Cases or in any subsequent case under the Bankruptcy Code unless the Postpetition Obligations have first been paid in full and completely satisfied.

25. **Replacement Liens and Adequate Protection.**

(a) Until all of the Prepetition Obligations have been paid and the Investigation Termination Date has passed with no action taken or challenge made to the Prepetition Liens or the Prepetition Obligations in accordance with Paragraph 9 of this Final Order, and in an effort to provide adequate protection, pursuant to Bankruptcy Code Section 361, of the interests of the Prepetition Lender under the Prepetition Loan Agreement, the Prepetition Lender is hereby granted, a valid, perfected and enforceable security interest in and replacement liens upon all of the assets of the Debtors created after the Petition Date, including, without limitation, the Collateral, and all of the Debtors' accounts, contract rights, inventory, general intangibles and such other collateral in which the Prepetition Lender had an interest prior to the Petition Date and all improvements thereof, all books and records with respect thereto and all products and proceeds of the foregoing to the extent of any diminution in value of the Prepetition Lenders' Collateral, provided that any and all such replacement liens granted to the Prepetition Lender by operation of this Subsection shall be subordinate in all respects to the liens, claims and security interests granted to the DIP Lender under the terms of the DIP Loan Documents and this Final Order and shall be subordinate in all

respects to the Carve-Out Expenses up to the Carve-Out Amount. The security interests and liens granted to the Prepetition Lender in this Subsection shall be effective immediately and without the necessity of the execution or filing by the Debtors of a security agreement, financing statements, trademark, copyright, tradename or patent assignment filings with the United States Patent and Trademark Office or Copyright Office, mortgages, landlord lien waivers, licensee consents or otherwise.

(b) Subject to the provisions of the DIP Loan Documents and this Final Order, until all of the Prepetition Obligations have been paid in full and in cash and the Investigation Termination Date has passed with no action taken or challenge made to the Prepetition Liens or the Prepetition Obligations in accordance with Paragraph 9 of this Final Order, and in an effort to provide adequate protection, pursuant to Bankruptcy Code Section 361, of the interests of the Prepetition Lender under the Prepetition Loan Agreement, unless and until the occurrence of an Event of Default pursuant to and as defined in the DIP Loan Agreement, the Debtors are authorized and directed to pay to the Prepetition Lender for application to the Prepetition Obligations any and all collections on accounts and sales of inventory, including current interest on the Prepetition Obligations as adequate protection payments to the Prepetition Lender. All such payments are adequate protection payments and are to be afforded the full and complete protection given to such payments under the Bankruptcy Code. These payments may be made to the Prepetition Lender because, among other things, the Debtors will continue to use the prepetition collateral that secures the claims and obligations owing under the Prepetition Loan Agreement. Such payments are being made for the purpose of, among other things, protecting the Prepetition Lender's claims and

obligations, and collateral interest from such use and the potential depreciation and deterioration of the collateral as a result thereof.

(c) As adequate protection for each Debtor for the application of the proceeds of the Asset Sales, to the extent that any Debtor transfers property (including cash) following the Petition Date (the "Adequately Protected Debtor") to or for the benefit of any other Debtor (the "Beneficiary Debtor"), with an aggregate fair value in excess of the aggregate fair value of property (including cash) or benefit received by the Adequately Protected Debtor from the Beneficiary Debtor following the Petition Date, then (i) the Adequately Protected Debtor shall have (i) an allowed claim against the Beneficiary Debtor equal to the amount by which the fair value of property (including cash) or benefit transferred (net of any reasonable expenses for overhead or other services reasonably allocated or reasonably charged to the Adequately Protected Debtor), or repayment of such Beneficiary Debtors' Obligation under the DIP Loan Agreement exceeds the aggregate fair value of property (including cash), benefit received or repayment of such adequately protected Debtors' Obligations under the DIP Loan Agreement, under Sections 364(c)(1) and 507(b) of the Bankruptcy Code, having priority over any and all administrative expenses of the kind specified in Sections 503(b) and 507(b) of the Bankruptcy Code other than the claims of the DIP Lender, Senior Claims, and the Carve-Out Expenses up to the Carve-Out Amount, (defined collectively as the "Junior Reimbursement Claim"); (ii) a joint and several right of contribution against each Debtor other than the Beneficiary Debtor in an amount equal to the applicable Junior Reimbursement Claim to the extent that such claim is not paid in full.

26. **Subsequent Reversal or Modification**. This Final Order is entered pursuant to Sections 361, 363, 364 and 507 of the Bankruptcy Code. The DIP Lender is entitled to all of the

protection afforded by Sections 364(e) of the Bankruptcy Code. If any or all of the provisions of this Final Order are hereafter reversed, modified, vacated or stayed, such reversal stay, modification or vacation shall not affect: (y) the validity of any obligation, indebtedness or liability incurred postpetition hereunder by the Debtors to the DIP Lender prior to the date of receipt of written notice to the DIP Lender of the effective date of such reversal, stay, modification or vacation; or (z) the validity and enforceability of any lien or priority authorized or created hereby or pursuant to the DIP Loan Agreement or the other DIP Loan Documents. Notwithstanding any such reversal, stay, modification or vacation, any indebtedness, obligation or liability incurred post-petition hereunder by the Debtors to the DIP Lender prior to written notice to the Debtors of the effective date of such reversal, stay, modification or vacation shall be governed in all respects by the original provisions of this Final Order and the DIP Lender shall be entitled to all the rights, remedies, privileges and benefits granted herein and pursuant to the DIP Loan Agreement and the other DIP Loan Documents with respect to all such indebtedness, obligations or liability.

27. **No Waiver**. This Final Order shall not be construed in any way as a waiver or relinquishment of any rights that the DIP Lender may have to bring or be heard on any matter brought before this Court.

28. **No Dismissal; No Sale**. The Debtors shall not request any order dismissing or converting these Cases under Section 1112 unless: (i) each and every Postpetition Obligation of the Debtors to the DIP Lender shall have be paid indefeasibly in full in cash and completely satisfied prior to the entry thereof, (ii) an order is entered by this Court reaffirming the DIP Lender's priority, liens and security interests in the Collateral without the requirement of the filing,

recording, or noticing of any additional documentation by the DIP Lender or Debtors with any other jurisdiction, or (iii) the effectiveness of any order dismissing or converting these Cases shall not occur until sixty (60) days after it is entered in order to give the DIP Lender the opportunity to perfect its security interests and liens in the Collateral under non-bankruptcy law, including, without limitation, the filing or recording of financing statements, mortgages, deeds of trust, leasehold mortgages, notices of lien or similar instruments in any jurisdiction (including trademark, copyright, tradename or patent assignment filings with the United States Patent and Trademark Office, Copyright Office or any similar United States) and the procurement of waivers from any landlord, mortgagee, bailee or warehouseman and consents from any licensor or similar party-in-interest. No order providing for the sale of the Debtors or the sale of substantially all of any of the Debtors' assets under Section 363 of the Bankruptcy Code or otherwise shall be entered unless either: (i) all Postpetition Obligations due and owing to the DIP Lender shall have be paid indefeasibly in full in cash and completely satisfied as part of such transaction; or (ii) the DIP Lender expressly consents in writing to said transaction.

29. **Supremacy of Terms**. To the extent of any conflict between or among the express terms or provisions of any of the DIP Loan Documents, the Motion, any other order of this Court, or any other agreements and the express written terms and provisions of this Final Order, the terms and provisions of this Final Order shall govern. Notwithstanding any contrary provision within any order, document or agreement, except as expressly provided in this Final Order, the DIP Loan Agreement or the other DIP Loan Documents, or as consented to by the DIP Lender in writing; (i) no other liens or priority status, other than the Senior Claims, and the Carve-Out Expenses, up to the Carve-Out Amount, having a lien or administrative priority superior to or pari passu with that

granted by this Final Order to the DIP Lender, shall be granted while any portion of the Postpetition Obligations or the Prepetition Obligations remains outstanding, and (ii) the DIP Lender shall not have any obligation to make loans available to or for the benefit of the Debtors, to fund the Debtors' operations, or to pay expenses incurred by the Debtors prior or subsequent to the entry of this Final Order.

30. **Entire Agreement**. The DIP Loan Documents and this Final Order represent the final agreement among the DIP Lender and the Debtors with respect to the Loans and Letters of Credit and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of such parties. There are no unwritten oral agreements between such parties.

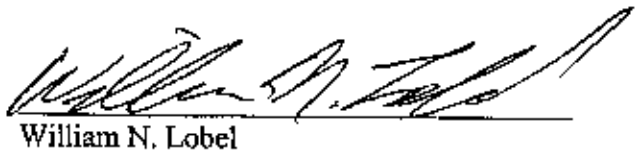
31. **Adequate Notice**. The notice given by the Debtors of the Final Hearing was given in accordance with Bankruptcy Rule 4001(c)(2).

SO ORDERED, ADJUDGED, DECREED and STIPULATED, this 17 day of December, 2003.

The Honorable Charles G. Case, II
United States Bankruptcy Judge

[Signatures Continued on Next Page]

Final Order Prepared and Consented to by:



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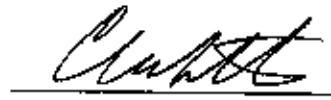

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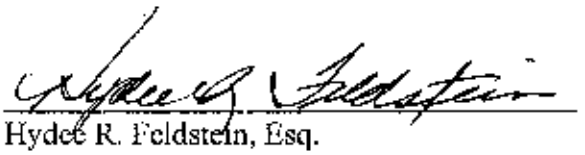

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PROPOSED ATTORNEYS FOR THE OFFICIAL
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EXHIBIT A

FINAL BUDGET

Prandium, Inc.
13-Week Cash Flow Budget
Consolidated Operations
(In 000's)

Week Ending	10/2/2003	10/9/2003	10/16/2003	10/23/2003	1 11/30/2003	2 12/7/2003	3 12/14/2003	4 12/21/2003	5 12/28/2003	6 1/4/2004	7 1/11/2004	8 1/18/2004	9 1/25/2004	10 2/1/2004	11 2/8/2004	12 2/15/2004	13 2/22/2004	13-week Total
	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Operating Receipts:																		
CC	$ 2,366	$ 2,301	$ 2,709	$ 1,946	$ 1,899	$ 1,936	$ 1,975	$ 2,096	$ 2,350	$ 2,323	$ 2,281	$ 2,281	$ 2,251	$ 2,349	$ 2,468	$ 2,458	$ 2,452	$ 29,102
KKR	520	678	538	546	447	429	156	-	-	-	-	-	-	-	-	-	-	1,033
HH	565	551	581	581	540	532	532	532	532	542	553	553	553	660	298	-	-	5,725
Total Operating Receipts	3,430	3,530	3,828	3,070	2,886	2,897	2,624	2,628	2,882	2,865	2,833	2,833	2,803	2,808	2,764	2,458	2,458	35,859
Operating Disbursements:																		
4-Wall Operating Expenses																		
Advertising	-	-	12	-	37	23	39	22	25	74	76	35	34	30	39	36	28	495
Cost of Sales	751	527	1,076	934	980	980	833	833	833	819	819	819	819	873	715	716	716	10,758
Other Shop Expenses	75	170	251	434	358	439	637	450	347	382	581	789	349	312	503	671	418	6,398
Payroll & Payroll-Related	1,425	1,564	1,094	1,566	1,002	1,545	926	1,495	288	1,378	1,029	1,416	1,011	1,400	1,005	1,635	1,041	15,858
Rent & CAM	-	1,290	3		-	1,367	-	-	-	1,017	-	-	-	824	242	-	-	3,371
Sales Tax	-	1,084	18	764	-	-	153	343	323	-	226	492	136	-	196	387	165	2,490
Subtotal	2,251	4,936	2,451	3,698	2,376	4,922	2,618	3,133	2,484	3,853	2,734	3,532	2,505	3,440	2,701	3,425	2,368	39,371
Other Expenses																		
Corp. Overhead Allocation	342	204	62	270	99	369	90	418	69	280	187	284	181	338	180	277	180	2,987
Capital Replacements	-	-	-	-	13	1*	11	11	11	11	11	11	11	31	0	8	8	132
Bank Fees & Interest	140	-	-	-	-	165	-	-	-	191	-	-	-	210	-	-	-	590
Subtotal	482	204	62	270	109	586	100	430	99	482	198	294	192	559	180	285	189	3,710
Restructuring																		
Deposits - Utilities	-	-	-	-	-	315	-	-	-	315	-	-	-	-	-	-	-	630
Legal / Professional Fees	-	-	-	-	-	-	-	1,196	-	-	-	556	-	-	-	473	-	2,325
US Trustee's Fee	-	-	-	-	-	-	-	-	-	-	10	-	30	-	-	-	-	40
Subtotal	-	-	-	-	-	315	-	1,796	-	315	10	556	30	-	-	473	-	2,995
Total Operating Disbursements	2,733	5,140	2,513	3,968	2,482	6,226	2,719	4,759	2,583	4,446	2,942	4,433	2,830	3,999	2,890	4,183	2,556	46,076
Operating Cash Flow	$ 697	$ (1,610)	$ 1,315	$ (898)	$ 404	$ (2,329)	$ (95)	$ (2,131)	$ 298	$ (1,581)	$ (108)	$ (1,599)	$ 3	$ (1,191)	$ (126)	$ (1,725)	$ (98)	$ (10,217)
Non-Recurring Items																		
Receipts:																		
Proceeds from Asset Sale / Other	-	-	-	-	-	5,100	-	-	-	-	-	-	-	10,000	-	-	-	15,100
Total Receipts	-	-	-	-	-	5,100	-	-	-	-	-	-	-	10,000	-	-	-	15,100
Disbursements:																		
Disbursements	-	-	-	-	83	83	83	83	83	83	-	-	-	-	-	-	-	500
Total Disbursements	-	-	-	-	83	83	83	83	83	83	-	-	-	-	-	-	-	500
Cash Flow before DIP / Restricted Funds	$ 697	$ (1,610)	$ 1,315	$ (898)	$ 321	$ 2,688	$ (178)	$ (2,214)	$ 216	$ (1,665)	$ (108)	$ (1,599)	$ 3	$ 8,809	$ (126)	$ (1,725)	$ (98)	$ 4,383
DIP Borrowing/(Repayment)	140	-	-	-	-	-	-	575	-	1,429	105	1,047	-	-	-	-	-	3,768
Restricted Funds	-	-	-	-		(4,718)	-	-	-	-	-	-	-	(9,410)	-	-	-	(14,129)
Net Cash Flow	$ 837	$ (1,610)	$ 1,315	$ (898)	$ 321	$ (2,030)	$ (178)	$ (1,639)	$ 216	$ (236)	$ -	$ (2)	$ 3	$ (601)	$ (126)	$ (1,725)	$ (98)	$ (5,985)
Beginning Cash Balance	3,881	4,718	3,108	4,423	3,526	3,846	1,817	1,639	-	236	-		(2)	2	(599)	(826)	(2,552)	3,526
Net Cash Flow	837	(1,610)	1,315	(898)	321	(2,030)	(178)	(1,639)	236	(236)	-	(2)	3	(601)	(126)	(1,725)	(98)	(5,985)
Ending Cash Balance	$ 4,718	$ 3,108	$ 4,423	$ 3,526	$ 3,846	$ 1,817	$ 1,639	$ -	$ 236	$ -	$ -	$ (2)	$ 2	$ (599)	$ (826)	$ (2,552)	$ (2,650)	$ (2,459)
DIP Loan Balance	15,339	15,339	15,339	15,339	15,339	15,339	15,339	15,915	15,915	17,344	17,453	19,100	19,100	19,100	19,100	19,100	19,100	19,100
Wtd. Avg. Borrowing Rate (5.90%)																		
DIP Interest	111	-	-	-	-	111	-	-	-	118	-	-	-	135	-	-	-	365
Restricted Funds, Cumulative	$ -	$ -	$ -	$ -	$ -	$ 4,718	$ 4,718	$ 4,718	$ 4,718	$ 4,718	$ 4,718	$ 4,718	$ 4,718	$ 14,129	$ 14,129	$ 14,129	$ 14,129	$ 14,129

Chi-Chi's, Inc.
Cash Flow Budget
Period: 13 Weeks
(in 000's)

Week Ending	11/2/2003	11/9/2003	11/16/2003	11/23/2003	1 11/30/2003	2 12/7/2003	3 12/14/2003	4 12/21/2003	5 12/28/2003	6 1/4/2004	7 1/11/2004	8 1/18/2004	9 1/25/2004	10 2/1/2004	11 2/8/2004	12 2/15/2004	13 2/22/2004	13-week Total
	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Operating Unit Receipts	$ 2,355	$ 2,301	$ 2,700	$ 1,948	$ 1,699	$ 1,935	$ 1,935	$ 2,098	$ 2,360	$ 2,323	$ 2,281	$ 2,281	$ 2,281	$ 2,349	$ 2,458	$ 2,458	$ 2,458	$ 28,192
Operating Disbursements:																		
4-Wall Operating Expenses																		
Advertising	-	-	12	-	22	17	23	19	22	67	73	32	31	27	31	28	28	425
Cost of Sales	663	512	882	553	685	685	685	885	685	663	666	666	666	718	718	718	718	8,957
Other Shop Expenses	65	110	209	356	354	353	525	350	283	235	491	682	494	251	413	586	478	5,401
Payroll & Payroll-Related	1,329	901	1,062	909	997	877	921	894	934	974	1,027	1,008	1,008	987	1,002	1,327	1,041	12,994
Rent & CAM	-	396	3	-	-	812	-	-	-	924	-	-	-	824	-	-	-	2,461
Sales Tax	-	609	15	448	-	-	100	220	58	-	198	396	66	-	172	344	57	1,788
Subtotal	1,956	3,027	2,003	2,283	1,969	2,745	2,312	2,269	1,967	2,868	2,455	2,788	2,266	2,905	2,340	3,008	2,258	32,002
CF from 4-Wall Operations	398	(726)	697	(317)	(270)	(810)	(378)	(172)	393	(545)	(174)	(508)	14	(456)	117	(551)	199	(2,901)
Other Expenses																		
Corp. Overhead Allocation	250	149	45	197	70	235	81	373	80	254	188	254	161	231	100	277	180	2,598
Capital Replacements	-	-	-	-	3	3	3	8	8	8	8	8	8	5	8	8	5	109
Subtotal	250	149	45	197	72	301	89	381	88	259	175	262	169	239	108	285	185	2,705
CF (Before Restructuring)	148	(875)	652	(514)	(143)	(1,111)	(468)	(554)	304	(752)	(349)	(770)	(155)	(695)	(71)	(836)	10	(5,606)
Restructuring																		
Deposits - Utilities	-	-	-	-	-	263	-	-	-	263	-	-	-	-	-	-	-	525
Legal / Professional Fees	-	-	-	-	-	-	-	666	-	-	-	396	-	-	-	327	-	1,388
US Trustee's Fee	-	-	-	-	-	-	-	-	-	-	-	-	23	-	-	-	-	23
Subtotal	-	-	-	-	-	263	-	666	-	263	-	396	23	-	-	327	-	1,936
Total Operating Disbursements	2,206	3,176	2,048	2,480	2,041	3,309	2,404	3,315	2,046	3,348	2,630	3,446	2,428	3,044	2,529	3,621	2,447	36,643
CF(Before Non-Recurring)	149	(875)	652	(514)	(143)	(1,373)	(468)	(1,220)	304	(1,025)	(349)	(1,166)	(177)	(695)	(71)	(1,164)	10	(7,541)
Non-Recurring Items																		
Proceeds from Asset Sale / Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disbursements	-	-	-	-	(83)	(83)	(83)	(83)	(83)	(83)	-	-	-	-	-	-	-	(500)
Restricted Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Recurring Items	-	-	-	-	(83)	(83)	(83)	(83)	(83)	(83)	-	-	-	-	-	-	-	(500)
Net Cash Flow	$ 149	$ (875)	$ 652	$ (514)	$ (232)	$ (1,457)	$ (552)	$ (1,303)	$ 221	$ (1,108)	$ (349)	$ (1,166)	$ (177)	$ (695)	$ (71)	$ (1,164)	$ 10	$ (8,041)

Beginning Cash Balance	2,004	2,153	1,278	1,930	1,415	1,183	(273)	(825)	(2,128)	(1,907)	(3,015)	(3,364)	(4,529)	(4,706)	(5,401)	(5,473)	(6,636)	1,415
Net Cash Flow	149	(875)	652	(514)	(232)	(1,457)	(552)	(1,303)	221	(1,108)	(349)	(1,166)	(177)	(695)	(71)	(1,164)	10	(8,041)
Ending Cash Balance	$ 2,153	$ 1,278	$ 1,930	$ 1,415	$ 1,183	$ (273)	$ (825)	$ (2,128)	$ (1,907)	$ (3,015)	$ (3,364)	$ (4,529)	$ (4,706)	$ (5,401)	$ (5,473)	$ (6,636)	$ (6,626)	$ (6,626)

Koo Koo Roo, Inc.
Cash Flow Budget
Period: 13 Weeks
(In 000's)

Week Ending	11/2/2003	11/9/2003	11/16/2003	11/23/2003	1 11/30/2003	2 12/7/2003	3 12/14/2003	4 12/21/2003	5 12/28/2003	6 1/4/2004	7 1/11/2004	8 1/18/2004	9 1/25/2004	10 2/1/2004	11 2/8/2004	12 2/15/2004	13 2/22/2004	13-week Total
	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Operating Unit Receipts	$ 529	$ 676	$ 536	$ 544	$ 447	$ 429	$ 156	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,033
Operating Disbursements:																		
4-Wall Operating Expenses																		
Advertising	-	-	-	-	12	3	-	-	-	-	-	-	-	-	-	-	-	15
Cost of Sales	91	159	249	171	147	147	-	-	-	-	-	-	-	-	-	-	-	294
Other Shop Expenses	8	36	22	56	50	42	42	42	41	-	-	-	-	-	-	-	-	217
Payroll & Payroll-Related	36	283	6	282	2	304	2	189	-	-	-	-	-	-	-	-	-	490
Rent & CAM	-	226	-	-	-	274	-	-	-	-	-	-	-	-	-	-	-	274
Sales Tax	-	288	-	184	-	-	-	-	161	-	-	68	-	-	-	-	-	229
Subtotal	131	1,010	277	671	212	769	44	224	202	-	-	68	-	-	-	-	-	1,519
CF from 4-Wall Operations	398	(333)	261	(128)	235	(340)	113	(224)	(202)	-	-	(68)	-	-	-	-	-	(486)
Other Expenses																		
Corp. Overhead Allocation	66	40	12	60	17	70	-	-	-	-	-	-	-	-	-	-	-	87
Capital Replacements	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	2
Subtotal	66	40	12	60	19	70	-	-	-	-	-	-	-	-	-	-	-	89
CF (Before Restructuring)	321	(373)	249	(181)	216	(410)	113	(224)	(202)	-	-	(68)	-	-	-	-	-	(575)
Restructuring																		
Deposits - Utilities	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
Legal / Professional Fees	-	-		-	-	-	-	308	-	-	-	100	-	-	-	-	-	408
US Trustee's Fee	-	-	-	-	-	-	-	-	-	-	10	-	-	-	-	-	-	10
Subtotal	-	-	-	-	-	-	-	308	-	-	10	100	-	-	-	-	-	418
Total Operating Disbursements	199	1,051	289	725	231	839	44	532	202	-	10	169	-	-	-	-	-	2,027
CF(Before Non-Recurring)	321	(373)	249	(181)	216	(410)	113	(532)	(202)	-	(10)	(169)	-	-	-	-	-	(985)
Non-Recurring Items																		
Proceeds from Asset Sale / Other	-	-	-	-	-	5,100	-	-	-	-	-	-	-	-	-	-	-	5,100
Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Funds	-	-	-	-	-	(4,718)	-	-	-	-	-	-	-	-	-	-	-	(4,718)
Non-Recurring Items	-	-	-	-	-	382	-	-	-	-	-	-	-	-	-	-	-	382
Net Cash Flow	$ 321	$ (373)	$ 249	$ (181)	$ 216	$ (28)	$ 113	$ (532)	$ (202)	$ -	$ (10)	$ (169)	$ -	$ -	$ -	$ -	$ -	$ (603)

Beginning Cash Balance	513	834	261	509	328	544	516	629	96	(106)	(106)	(116)	(285)	(285)	(285)	(285)	(285)	328
Net Cash Flow	321	(373)	249	(181)	216	(28)	113	(532)	(202)	-	(10)	(169)	-	-	-	-	-	(603)
Ending Cash Balance	$ 834	$ 461	$ 509	$ 328	$ 544	$ 516	$ 629	$ 96	$ (106)	$ (106)	$ (116)	$ (285)	$ (285)	$ (285)	$ (285)	$ (285)	$ (285)	$ (285)

The Hamlet Group, Inc
Cash Flow Budget
Period: 13 Weeks
(In 000's)

Week Ending	11/2/2003	11/9/2003	11/16/2003	11/23/2003	1 11/30/2003	2 12/7/2003	3 12/14/2003	4 12/21/2003	5 12/28/2003	6 1/4/2004	7 1/11/2004	8 1/18/2004	9 1/25/2004	10 2/1/2004	11 2/8/2004	12 2/15/2004	13 2/22/2004	13-week Total
	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Operating Unit Receipts	$ 555	$ 581	$ 591	$ 581	$ 540	$ 632	$ 532	$ 532	$ 532	$ 542	$ 553	$ 553	$ 553	$ 559	$ 280	$ -	$ -	$ 6,725
Operating Disbursements:																		
4-Wall Operating Expenses																		
Advertising	-	-	-	-	3	3	17	3	3	7	3	3	3	3	3	-	-	56
Cost of Sales	97	117	149	210	148	148	148	148	148	153	153	152	153	157	-	-	-	1,607
Other Shop Expenses	5	25	21	25	43	44	70	58	42	87	98	77	54	61	55	85	-	780
Payroll & Payroll-Related	61	369	6	375	2	412	2	408	2	404	2	415	2	413	2	308	-	2,874
Rent & CAM	-	188	-	-	-	201	-	-	-	192	-	-	-	-	242	-	-	635
Sales Tax	-	220	-	154	-	-	23	23	109	-	28	28	130	-	23	23	108	488
Subtotal	163	899	172	764	196	805	260	641	305	823	279	676	343	634	361	417	108	6,350
CF from 4-Wall Operations	392	(347)	419	(183)	344	(276)	272	(109)	226	(281)	274	(123)	210	(75)	(85)	(417)	(108)	(625)
Other Expenses																		
Corp. Overhead Allocation	25	15	4	20	6	26	9	45	9	30	21	30	20	109	-	-	-	304
Capital Replacements	-	-	-	-	2	2	2	2	2	2	2	2	2	2	-	-	-	21
Subtotal	25	15	4	20	8	28	11	49	11	32	23	32	22	110	-	-	-	325
CF (Before Restructuring)	367	(362)	414	(202)	337	(304)	261	(157)	217	(313)	251	(155)	188	(185)	(85)	(417)	(108)	(950)
Restructuring																		
Deposits - Utilities	-	-	-	-	-	53	-	-	-	53	-	-	-	-	-	-	-	106
Legal / Professional Fees	-	-	-	-	-	-	-	222	-	-	-	180	-	-	-	145	-	520
US Trustee's Fee	-	-	-	-	-	-	-	-	-	-	-	-	8	-	-	-	-	8
Subtotal	-	-	-	-	-	53	-	222	-	53	-	180	8	-	-	145	-	634
Total Operating Disbursements	188	913	176	783	203	838	272	911	316	908	302	868	372	744	361	562	108	8,315
CF(Before Non-Recurring)	367	(362)	414	(202)	337	(356)	261	(379)	217	(388)	251	(316)	181	(185)	(65)	(562)	(108)	(1,691)
Non-Recurring Items																		
Proceeds from Asset Sale / Other	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	-	-	-	10,000
Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,410)	-	-	-	(9,410)
Non-Recurring Items	-	-	-	-	-	-	-	-	-	-	-	-	-	590	-	-	-	590
Net Cash Flow	$ 367	$ (362)	$ 414	$ (202)	$ 337	$ (356)	$ 261	$ (379)	$ 217	$ (388)	$ 251	$ (316)	$ 181	$ 404	$ (65)	$ (562)	$ (108)	$ (501)

Beginning Cash Balance	(85)	282	(80)	335	132	469	113	374	(5)	211	(154)	96	(219)	(38)	366	301	(261)	132
Net Cash Flow	367	(362)	414	(202)	337	(356)	261	(379)	217	(366)	251	(316)	181	404	(65)	(562)	(108)	(501)
Ending Cash Balance	$ 282	$ (80)	$ 335	$ 132	$ 469	$ 113	$ 374	$ (5)	$ 211	$ (154)	$ 96	$ (219)	$ (38)	$ 366	$ 301	$ (261)	$ (369)	$ (369)