

ENTERED ON DOCKET
5-28-04

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION

In re:) Chapter 11
)
DAN RIVER INC., *et al.*,) Case Nos. 04-10990 through 04-10993
) Jointly Administered
Debtors.)
) Judge Drake
)

**ORDER GRANTING MOTION OF THE DEBTORS FOR SUPPLEMENTAL ORDER
PURSUANT TO 11 U.S.C. §§ 105(a) AND 363(b) AUTHORIZING
PAYMENT OF PREPETITION CUSTOMS DUTIES**

This matter is before the Court on the motion of Dan River Inc. and its affiliated debtors in possession (the "Debtors") for supplemental authority to pay an additional \$117,055.55 in certain prepetition claims of the Customs Brokers (the "Motion"). (Capitalized terms not defined in this Order shall have the meanings ascribed to them in the Motion.)

The Court has considered the Motion, the Declaration of Barry F. Shea in Support of First-Day Applications and Motions, the Debtors' Motion for Order Pursuant to 11 U.S.C. §§ 105(a) and 363(b) Authorizing Payment of Prepetition Customs Duties and Claims of Common Carriers and Warehousemen filed on March 31, 2004, which requested similar authority in an amount not to exceed \$35,000 (the "First Customs Motion"), and the matters reflected in the record of the hearing held on the Motion. It appears that the Court has jurisdiction over this proceeding; that this is a core proceeding; that notice of the First Customs Motion was given to the Office of the United States Trustee, counsel for the Debtors' prepetition secured lenders, the indenture trustee for the Debtors' senior note holders, counsel to the Agent for the Debtors' proposed debtor-in-possession lenders, and the Debtors' thirty largest unsecured creditors on a

consolidated basis; that there were no objections raised to the First Customs Motion; and that notice of the Motion was given to all parties on the Master Service List; that no further notice is necessary; that the relief sought in the Motion is in the best interests of the Debtors, their estates, and their creditors; and that good and sufficient cause exists for such relief.

Accordingly, it is hereby ORDERED as follows:

1. The Motion is GRANTED.
2. Except as otherwise required by any post-petition financing order or the Debtors' post-petition financing agreement approved by this Court, the Debtors are authorized, but not required, to honor or pay those prepetition obligations arising from customs duties and claims of common carriers and warehousemen, as more particularly described in the First Customs Motion and in the Motion in amounts not to exceed those set forth in the budget supplied in connection with the Court's current order authorizing the Debtors to obtain post-petition financing, as such order may be amended or finalized, and in no event to exceed \$117,055.55 for prepetition claims of Customs Brokers, as defined in the Motion. The Debtors' banks are authorized to process, honor and pay any and all checks issued to honor transfers in connection with customs duties and claims of such common carriers and warehousemen.
3. Payment of an obligation arising from customs duties shall not preclude the Debtors from contesting the validity or amount due to those creditors.
4. To the extent the ten-day stay of Bankruptcy Rule 6004(g) may be construed to apply to the subject matter of this Order, such stay is hereby waived.

5. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

SO ORDERED.

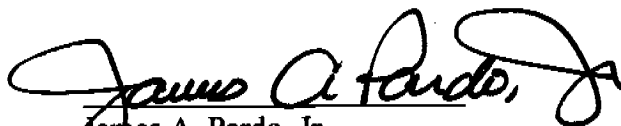
At Newnan, Georgia this 28 day of May, 2004.



W. HOMER DRAKE, JR.
UNITED STATES BANKRUPTCY JUDGE

Prepared and Presented by:

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CERTIFICATE OF SERVICEDistrict/off: 113E-7
Case: 04-10990User: holmesy
Form ID: pdf491Page 1 of 1
Total Served: 14

Date Rcvd: May 28, 2004

The following entities were served by first class mail on May 30, 2004.

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aty +R. Jeneane Treace, U.S. Trustee, 362 Richard Russell Bldg., 75 Spring Street,
Atlanta, GA 30303-3315

ust +Office of the US Trustee, Suite 362, 75 Spring Street, SW, Atlanta, GA 30303-3330

The following entities were served by electronic transmission.

NONE. TOTAL: 0

***** BYPASSED RECIPIENTS *****

NONE. TOTAL: 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.**I, Joseph Speetjens, declare under the penalty of perjury that I have served the attached document on the above listed entities in the manner shown, and prepared the Certificate of Service and that it is true and correct to the best of my information and belief.****First Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.**

Date: May 30, 2004

Signature: 