

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

ENTERED ON DOCKET
5-28-04
D. DA

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

**ORDER GRANTING DEBTORS' MOTION FOR ORDER ESTABLISHING
PROCEDURES FOR LIQUIDATING NON-ESSENTIAL ASSETS FREE AND CLEAR
OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS
THROUGH EITHER AUCTION OR PRIVATE SALE**

This matter is before the Court on the motion of Dan River Inc. ("Dan River"), The Bibb Company LLC ("Bibb"), Dan River International Ltd. ("Dan River International"), and Dan River Factory Stores, Inc. ("Dan River Stores") (collectively, the "Debtors" or the "Company") to establish procedures for liquidating non-essential assets free and clear of liens (the "Motion"). (Capitalized terms not otherwise defined in this order have the meanings ascribed to them in the Motion.)

The Court has considered the 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 Motion has been 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 Debtor, its estate, and its creditors; and that good and sufficient cause exists for such relief.

Accordingly, it is hereby ORDERED as follows:

1. The Motion is GRANTED.

2. The Debtor is authorized to conduct sales of Non-Essential Assets valued at \$250,000 or less per item, and not more than \$1 million per transaction, pursuant to the following procedures:

(a) The parties entitled to notice of a proposed sale of Non-Essential Assets (the "Sale Notification Parties") shall include: (i) counsel for the United States Trustee; (ii) counsel for Deutsche Bank Trust Company Americas, as Agent for the Debtors' pre-petition and post-petition lenders ("Deutsche Bank"); (iii) counsel for the Creditors' Committee; (iv) any party security interest of record in the property being sold; and (v) any other party that files with the Clerk of Court and serves upon counsel for the Debtors a Request for Notification of Sale substantially in the form attached to the Motion as Exhibit A.

(b) In the event the Debtors determine that a public auction of Non-Essential Assets will be in the best interest of the estates, the Debtors shall conduct the auction in accordance with the following procedures:

(i) The Debtors shall complete and serve upon the Sale Notification Parties a Notification of Sale (substantially in the form attached to the Motion as Exhibit B), wherein the Debtors will describe the assets, the estimated value, the date, time, and place of the auction, identity of the assets' record lien holders, and the estimated auction costs.

(ii) The Sale Notification Parties (other than Deutsche Bank, which need not object) shall have ten business days to object in writing to any sale proposed in the Notification of Sale. In the event an objection is received and

cannot be resolved, the Debtors shall file a motion requesting authority to sell the Non-Essential Assets.

(iii) The Debtors are authorized to retain and employ one or more licensed professionals to conduct the auction in accordance with the following procedures: The Debtors shall disclose to the Sale Notification Parties the terms and conditions of the employment of any professionals, and the Debtors or the professional shall provide the Sale Notification Parties with appropriate disclosures under Rule 2014 and 2016 of the Federal Rules of Bankruptcy Procedure. The Sale Notification Parties (other than Deutsche Bank, which need not object) shall have ten business days to object in writing to the retention of any professionals. In the event an objection is received and cannot be resolved, the Debtors shall file a motion requesting authorization to retain the professional, or shall withdraw the retention request.

(iv) If no objections are filed, or all objections are resolved (and Deutsche Bank affirmatively consents to the proposed sale in writing), the Debtors shall be authorized: (a) to execute any and all documentation required in order to effectuate the sale and transfer the title of the Non-Essential Assets to the purchaser upon completion of the auction; and (b) to pay any and all fees, costs, or commissions incurred as a result of the public sale from the proceeds generated from the auction.

(c) If the Debtors determine that liquidating the Non-Essential Assets by a private sale will be in the best interests of their bankruptcy estates, the Debtors shall implement the following procedures:

(i) The Debtors shall complete and serve upon the Sale Notification Parties a Notification of Sale (substantially in the form attached to the Motion as Exhibit B) wherein the Debtors will identify the date, time, proposed sale price, basis of proposed sale price, manner of disposition, estimated liquidation costs, identity of the purchaser (and its known connections with any party-in-interest), and assets to be liquidated.

(ii) The Sale Notification Parties (other than Deutsche Bank, which need not object) shall have ten business days to object in writing to any sale proposed in the Notification of Sale and in the event an objection is received and cannot be resolved, the Debtors shall file a motion requesting authorization to sell the Non-Essential Assets.

(iii) In the event no objections are filed, or all objections are resolved (and Deutsche Bank affirmatively consents to the proposed sale in writing), the Debtors shall be authorized: (a) to execute any and all documentation required in order to effectuate the sale and transfer the title of the Non-Essential Assets to the purchaser; and (b) to pay any and all fees, costs, or commissions incurred as a result of the private sale from the proceeds generated from the private sale.

3. The sales authorized by this Order under the procedures set forth herein shall be free and clear of all liens, claims and encumbrances, and any liens of interests in Non-Essential Assets sold pursuant to the proposed procedures shall attach to the proceeds of the sale.

4. Nothing herein shall be deemed to modify the terms of the Court's orders authorizing the Debtors to obtain post-petition financing (including the Court's interim order

dated April 2, 2004, and any succeeding orders pertaining to post-petition financing), or any Credit Agreement approved in connection therewith.

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

SO ORDERED.

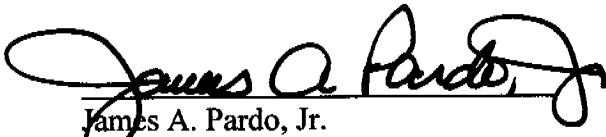
At Newnan, Georgia this 28 day of May, 2004.



W. HOMER DRAKE, JR.
UNITED STATES BANKRUPTCY JUDGE

Prepared and presented by:

KING & SPALDING LLP



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CERTIFICATE OF SERVICE

District/off: 113E-7
Case: 04-10990

User: holmesy
Form ID: pdf492

Page 1 of 1
Total Served: 14

Date Rcvd: May 28, 2004

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

db +Dan River Inc., (800)603-4877, (434)799-7003 outside United States, P. O. Box 261,
Danville, VA 24543-0261
aty +Akin Gump Strauss Hauer & Feld LLP, 590 Madison Avenue, New York, NY 10022-2524
aty +Allen C. Winsor, King & Spalding, LLP, Suite 4900, 191 Peachtree Street,
Atlanta, GA 30303-1740
aty Alston & Bird LLP, 1201 West Peachtree Street, Atlanta, GA 30309-3424
aty +David H. Conaway, Shumaker, Loop & Kendrick, LLP, 128 S. Tryon St., Ste 1800,
Charlotte, NC 28202-5013
aty Dennis J. Connolly, Alston & Bird LLP, 1201 West Peachtree Street, Atlanta, GA 30309-3424
aty +Ernst & Young, LLP, Greensboro/Winston Salem, 202 Centreport Drive, Suite 200,
Greensboro, NC 27409-9717
aty +Felton E. Parrish, King & Spalding LLP, 191 Peachtree Street, Suite 4900,
Atlanta, GA 30303-1740
aty +James A. Pardo, Jr., King & Spalding, 191 Peachtree Street, Suite 4900,
Atlanta, GA 30303-1740
aty +Jonathan W. Jordan, King & Spalding LLP, 191 Peachtree Street, Suite 4900,
Atlanta, GA 30303-1740
aty +Lamberth, Cifelli, Stokes & Stout, P.A., 3343 Peachtree Road, NE, East Tower, Suite 550,
Atlanta, GA 30326-1085
aty +Mark I. Duedall, Alston & Bird, LLP, 1201 W. Peachtree St., Atlanta, GA 30309-3424
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:

