

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

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

**ORDER AUTHORIZING PAYMENT OF PRE-PETITION WAGES,
PAYROLL TAXES, CERTAIN EMPLOYEE BENEFITS AND RELATED EXPENSES**

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") for authority to pay pre-petition wages, payroll taxes, certain employee benefits and related expenses (the "Motion").

The Court has considered the Motion, the Declaration of Barry F. Shea in Support of First-Day Applications and Motions, 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 the Office of the United States Trustee, counsel for the Debtors' pre-petition secured lenders, the indenture trustee for the Debtors' senior note holders, counsel to the Agent for the Debtors' proposed debtor-in-possession lenders, the Debtors' thirty largest unsecured creditors on a consolidated basis, and the Pension Benefit Guaranty Corporation; 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. The Debtors are authorized to pay to their employees all Employee Obligations, as defined in the Motion, that have accrued by virtue of the services rendered by their employees prior to the Petition Date. The Employee Obligations that the Debtors are authorized to pay include, without limitation, (i) wages, salaries and compensation; (ii) payroll taxes; (iii) vacation, sick and holiday pay; (iv) qualified 401(k) plan obligations; (v) health and welfare benefits; (vi) flexible spending account programs; (vii) severance benefits; (viii) qualified pension plans; (ix) independent contractor obligations; and (x) other benefits. The amounts that may be paid on account of Employee Obligations shall not exceed those amounts set forth in the budget supplied with the Court's interim order authorizing the Debtors to obtain post-petition financing, as such order may be amended or finalized.

3. Subject to the availability of funds, the Debtors' banks are authorized to honor any check or draft representing an Employee Obligation that may be presented for payment. The Debtors are further authorized to pay any cost or penalty incurred by their employees in the event that a check issued by the Debtors for payment of the Employee Obligations is inadvertently not honored because of the filing of the Debtors' bankruptcy cases.

4. The banks and other financial institutions that process, honor and pay any and all checks on account of Employee Obligations may rely on the representation of the Debtors as to which checks are issued and authorized to be paid in accordance with this Order without any duty of further inquiry and without liability for following the Debtors' instructions.

5. Neither this Order, nor the Debtors' payment of any amounts authorized by this Order, shall (i) result in any assumption of any executory contract by the Debtors; (ii) result in a commitment to continue any plan, program, or policy of the Debtors; or (iii) impose any administrative, pre-petition, or post-petition liabilities upon the Debtors.

6. 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.

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

SO ORDERED.

At Atlanta, Georgia this 7 day of April, 2004.



W. HOMER DRAKE, JR.
UNITED STATES BANKRUPTCY JUDGE

Prepared and Presented by:

KING & SPALDING LLP

A handwritten signature in black ink, reading "James A. Pardo, Jr.", written over a horizontal line.

James A. Pardo, Jr.

Georgia Bar No. 561206

Sarah Robinson Borders

Georgia Bar No. 610649

191 Peachtree Street

Atlanta, Georgia 30303-1763

(404) 572-4600

Fax: (404) 572-5149

Attorneys for the Debtors

Enterprise Systems Incorporated
11487 Sunset Hills Road
Reston, Virginia 20190-5234

CERTIFICATE OF SERVICE

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

User: hardwickm
Form ID: pdf491

Page 1 of 1
Total Served: 7

Date Rcvd: Apr 01, 2004

The following entities were served by first class mail on Apr 03, 2004.

db Dan River Inc., P.O. Box 261, Danville, VA 24543
aty James A. Pardo, Jr., King & Spalding, 191 Peachtree Street, Suite 4900,
Atlanta, GA 30303-1763
aty Jonathan W. Jordan, King & Spalding LLP, 191 Peachtree Street, Suite 4900,
Atlanta, GA 30303-1763
aty King & Spalding LLP, 191 Peachtree Street, Atlanta, GA 30303
aty Lamberth, Cifelli, Stokes & Stout, P.A., 3343 Peachtree Road, NE, East Tower, Suite 550,
Atlanta, GA 30326-1009
aty R. Jeneane Treace, U.S. Trustee, 362 Richard Russell Bldg., 75 Spring Street,
Atlanta, GA 30303
ust Office of the US Trustee, Suite 362, 75 Spring Street, SW, Atlanta, GA 30303

The following entities were served by electronic transmission.

NONE. TOTAL: 0

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

NONE. TOTAL: 0

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: Apr 03, 2004

Signature:

