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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:)
) Chapter 11
CEI Roofing, Inc., et al.,¹)
) Case No. 04-35113-HDH
Debtors.) (Jointly Administered)
)
) Hearing Date and Time:
) Thursday, May 27, 2004, 10:00 a.m.

**LIMITED OBJECTION OF SPRING STREET PARTNERS – II, L.P. AND
GR INVESTMENT HOLDINGS, L.L.C. TO EXPEDITED MOTION FOR AN
ADMINISTRATIVE ORDER PURSUANT TO SECTION 331 OF THE BANKRUPTCY
CODE ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF PROFESSIONALS**

Spring Street Partners – II, L.P. (“Spring Street”) and GR Investment Holdings, L.L.C.
 (“GR Investment Holdings”), by and through their counsel, file this limited objection (the
 “Limited Objection”) to the *Expedited Motion for an Administrative Order pursuant to Section
 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and*

¹ Debtors are the following entities: CEI Roofing, Inc., General Roofing Services, Inc., Anthony Roofing, Ltd., Avon Roof Services, Inc., B&R Roofing Company, Blackmore and Buckner Roofing, Inc., C.E.I. Florida, Inc., CEI West Roofing Company, Inc., Cyclone Roofing Company, Dakota Leasing, Inc., General Roofing Acquisition Corp., General Roofing National Services, Inc., GRI of South Florida, Inc., GRI of West Florida, Inc., GRS Vendor Relations, Inc., Harrington-Scanlon Roofing Company, Inc., Register Contracting Company, Inc., RoofCare Construction Services, Inc., RoofCare, Inc., Roofers, Incorporated, SAI Wholesale Distributors, Inc., S & B Roofing Services, Inc., Specialty Associates, Inc., Therrel-Kizer Roofing, Inc., Tuckahoe Metal & Roofing, Inc., Top Concepts, Inc, United Roofing & Construction Inc., and Wright-Brown Roofing Company.

Reimbursement of Expenses of Professionals dated May 13, 2004 (“Motion”). In support of this Limited Objection, Spring Street and GR Investment Holdings represent as follows:

1. Prior to May 3, 2004 (the “Petition Date”), the above-captioned debtors (collectively, the “Debtors”) entered into a certain Credit Agreement dated as of January 4, 1999 (as amended, the “Pre-Petition Credit Agreement”), by and between Fleet National Bank (f/k/a BankBoston, N.A.), as the Administrative Agent thereunder, on behalf of itself, Bank of America, N.A. (successor to NationsBank, N.A.), Spring Street, and Antares Capital Corp. (f/k/a Antares Leveraged Capital Corp.). In late April 2004, GR Investment Holdings acquired the interests of each of the lenders under the Pre-Petition Credit Agreement, resold Spring Street’s interest to Spring Street, and became the Administrative Agent under the Pre-Petition Credit Agreement. Spring Street and GR Investment Holdings, as lenders under the Pre-Petition Credit Agreement, are referred to herein as the “Pre-Petition Lenders”, and GR Investment Holdings, as collateral agent and administrative agent for such lenders, is referred to herein as the “Pre-Petition Agent”.

2. On or about May 4, 2004, the Debtors filed the *Emergency Motion for an Interim Order (I) Authorizing Secured and Super-Priority Financing and Use of Cash Collateral Pursuant to Sections 361, 363, 364 and 507(b), (II) Modifying Automatic Stay under Section 362, (III) Granting Other Related Relief, and (IV) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001* (the “DIP Financing Motion”). This Court held an interim hearing on the DIP Financing Motion on May 5, 2004 and entered the *Interim Order (I) Authorizing Secured and Super-Priority Financing and Use of Cash Collateral Pursuant to Sections 361, 363, 364 and 507(b), (II) Modifying Automatic Stay under Section 362, (III) Granting Other Related Relief, and (IV) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001* (the “Interim

Order”), granting emergency interim approval of the New Credit Agreement (as defined below) and certain other related documents to and including the date of the Final Hearing on the DIP Financing Motion now scheduled for May 27, 2004.

3. Following entry of, and in accordance with the terms of, the Interim Order, the Debtors, GR Investment Holdings, on behalf of itself and in its capacity as Administrative Agent, and Spring Street entered into the Debtor-in-Possession Credit Agreement dated as of May 5, 2004 (the “New Credit Agreement”) and certain other related documents. Spring Street and GR Investment Holdings, as lenders under the New Credit Agreement, are referred to herein as the “Post-Petition Lenders”, and GR Investment Holdings, as collateral agent and administrative agent for such lenders, is referred to herein as the “Administrative Agent”.

4. The Interim Order provides, among other things, that as adequate protection for the use by the Debtors of any collateral securing the obligations under the Pre-Petition Credit Agreement and other Pre-Petition Credit Documents (as defined in the Interim Order), and for any diminution in the value of the interests of the Pre-Petition Lenders in such collateral, the Pre-Petition Lenders and the Pre-Petition Agent are granted valid, binding, enforceable, and perfected security interests in and liens on the Collateral (as defined in the Interim Order), subject and subordinate to, among other things, the Carve-Out (as defined below).

5. The Interim Order also provides, among other things, that the obligations under the New Credit Agreement and the other New Credit Documents (as defined in the Interim Order) shall be an administrative claim (the “Super-Priority Claim”) with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including, but not limited to, Bankruptcy Code Sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), and 546(c). The Interim Order also grants the

Post-Petition Lenders and the Administrative Agent, among other things, valid, perfected, and enforceable security interests and liens in the Collateral (the “Senior Lien”). Under the terms of the Interim Order, however, the Super-Priority Claim and the Senior Lien are subject to, among other things, the Carve-Out.

6. In the Interim Order, Carve-Out means (i) statutory fees and expenses of the United States Trustee; (ii) fees and expenses of counsel (subject to Bankruptcy Court approval) retained by the Debtors (after application of retainer previously paid) which accrue at any time prior to the Final Maturity Date (as defined in the New Credit Agreement) or any accelerated maturity of the obligations under the New Credit Documents; and (iii) up to an amount to be negotiated and agreed to by the Post-Petition Lenders, in their sole discretion, as reflected in any Final Order in connection with the DIP Financing Motion, the fees and expenses of other professionals (subject to Bankruptcy Court approval) retained by the Official Committee of Unsecured Creditors (the “Committee”) or the Debtors (after application of any retainer previously paid) which accrue at any time after the Final Maturity Date or any accelerated maturity of the obligations under the New Credit Documents. The Final Hearing on the DIP Financing Motion has not yet occurred, and the parties continue to revise, and have not yet agreed upon the full extent of, the Carve-Out.

7. Spring Street and GR Investment Holdings file the Limited Objection to the extent the Motion may be construed to request authorization for the payment of fees and expenses of professionals retained by the Debtors or the Committee in amounts greater than, or beyond the scope of, the fees and expenses provided for in the Carve-Out included in the Interim Order or the fees and expenses provided for by any Carve-Out included in any Final Order issued in connection with the DIP Financing Motion.

8. Spring Street and GR Investment Holdings also file the Limited Objection to the extent that the Motion, or any proposed order relating to the Motion, does not preserve their right to object to any request for payment of fees and expenses at any time prior to or during a hearing on a final fee application for payment of such fees and expenses. Spring Street and GR Investment Holdings request that any Order relating to the Motion provide that a failure to object to an Interim Fee Payment Notice does not prejudice their rights to later object to an Interim Fee Application or a final fee application for the payment of fees and expenses, and that all such objections are preserved until the hearing on final fee applications for payment of fees and expenses.

WHEREFORE, premises considered, Spring Street and GR Investment Holdings pray that the limited objections set forth herein be sustained and for such other and further relief to which they are entitled.

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that on this 26th day of **May, 2004**, a true and correct copy of the foregoing Limited Objection to Expedited Motion for an Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals was served electronically or via United States mail, postage prepaid, upon: the parties on the attached Service List.

/s/ Robert G. Richardson