

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

In re: )  
 ) Chapter 11  
CEI Roofing, Inc., et al.,<sup>1</sup> )  
 ) Case No. 04-35113-HDH  
Debtors. ) (Jointly Administered)

**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**

This matter is before the Court pursuant to a motion dated May 4, 2004 (the "Motion"), filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors"). The Motion requests an Order, pursuant to Sections 363, 364 and 507(b) of Title 11 of the United States Code (the "Bankruptcy Code") and Rules 2002, 4001(b), (c) and (d) and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), authorizing the Debtors, inter alia, to obtain postpetition financing (the "Post-Petition Financing") pursuant to the terms and provisions of the Credit Agreement (the "New Credit Agreement" and, together with all guarantees, security agreements and all ancillary or related notes, instruments, agreements, or other documents at any time executed in connection therewith, the "New Credit Documents" and

---

<sup>1</sup> 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., generalRoofing 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.

each individually, a “New Credit Document”) among the Debtors, the Lenders from time to time party thereto (each, a “Lender” and, collectively, the “Lenders”) and GR Investment Holdings, L.L.C., in its capacity as Administrative Agent (such entity, “GR” and in its capacity as Administrative Agent of the New Credit Agreement, the “Administrative Agent”) and other Loan Documents described in the Motion,<sup>2</sup> including obtaining emergency interim approval of the Loan Documents and the Post-Petition Financing to and including the date of the Final Hearing; and requesting that this Court schedule the Final Hearing and approve notice with respect thereto and further requesting that this Court, upon the Final Hearing, enter an order approving the Post-Petition Financing on a permanent basis. This Order is referred to as “this Order” or the “Interim Order”, and the Order proposed to be entered following the Final Hearing is referred to as the “Final Order”.

In connection with the Post-Petition Financing, the Debtors further request authorization to grant the Administrative Agent and the Lenders, pursuant to Bankruptcy Code §364(c), liens and security interests in all of the Collateral (as hereinafter defined) to secure the Debtors’ obligations under the New Credit Documents, including, but not limited to, a continuing first priority lien and security interest encumbering the Collateral, subject only to Existing Liens and Permitted Liens (each as defined below), and an allowed super-priority administrative expense claim for the entire amount of the Debtors’ obligations under the New Credit Documents, subject only to the Carve-Out (as defined below).

---

<sup>2</sup> Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the New Credit Agreement and in the Motion. In the case of any conflicting definitions, the definitions provided by the New Credit Agreement will control.

Notice of the Motion having been given to parties including, but not limited to the Pre-Petition Lenders, the holders of the 50 largest unsecured claims against the Debtors on a consolidated basis, the Office of the United States Trustee, and the Internal Revenue Service; and such notice being sufficient notice under the circumstances, an interim hearing on the Motion was held on May 5, 2004 (the "Interim Hearing"); and upon all of the pleadings filed with the Court and all of the proceedings held before the Court and the evidence adduced at the Interim Hearing, and the Court having noted the appearances of all parties in interest in the record of the Court; and objections, if any, to the relief requested in the Motion having been withdrawn, resolved or overruled by the Court; and it appearing to the Court that the interim relief requested by the Motion is in the best interests of Debtors and their creditors, is essential for the continued operations of Debtors' businesses and is necessary to avoid immediate and irreparable harm to Debtors' estates pending the Final Hearing; and it further appearing that Debtors are unable to obtain unsecured credit for money borrowed allowable as an administrative expense under § 503(b)(1) of the Bankruptcy Code; and after due deliberation and consideration and good and sufficient cause appearing therefor,

THE COURT HEREBY FINDS AND CONCLUDES that:

1. On May 3, 2004 (the "Petition Date"), Debtors filed voluntary petitions seeking orders for relief under Chapter 11 of the Bankruptcy Code (the "Petitions") in the United States Bankruptcy Court for the Northern District of Texas. Pursuant to an Order of this Court, these Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered.

2. No official creditors' committee (the "Committee") or examiner has yet been appointed in these cases.

3. This Court has jurisdiction over this proceeding and the parties in interest and properties and interests in properties affected hereby under §§ 157(b) and 1334 of title 28 of the United States Code (the "Judiciary Code"). Consideration of the Motion constitutes a core proceeding under § 157(b)(2)(D) of the Judiciary Code.

4. Prior to the Petition Date, the Debtors entered into that certain Credit Agreement dated as of January 4, 1999 (as amended, the "Pre-Petition Credit Agreement" and, together with all ancillary or related documents at any time executed in connection therewith, including promissory notes and security agreements, the "Pre-Petition Credit Documents"), 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 Partners – II, L.P. ("Spring Street"), and Antares Capital Corp. (f/k/a Antares Leveraged Capital Corp.). GR acquired the interests of Fleet National Bank, Bank of America, N.A., and Antares Capital Corp., and is now the Administrative Agent under the Pre-Petition Credit Agreement. Spring Street and GR, as lenders under the Pre-Petition Credit Agreement, and any successors thereto by assignment or otherwise, are referred to herein as the "Pre-Petition Lenders", and GR, as collateral agent for such lenders and as administrative agent for such lenders, is referred to herein as the "Pre-Petition Agent". The collateral securing the Debtors' obligations pursuant to the Pre-Petition Credit Documents is referred to as the "Pre-Petition Collateral".

5. Substantially all of the Debtors' assets, including all of their inventory, accounts, general intangibles, equipment and stock of subsidiaries, constitutes Pre-Petition Collateral. Pre-Petition Lenders assert that all of the Debtors' cash relating to those assets, whether now in existence or generated after the Petition Date from Pre-Petition Collateral, constitutes proceeds of the Pre-petition Collateral and, therefore, is cash collateral of the Pre-Petition Lenders within the meaning of § 363(a) of the Bankruptcy Code.

6. The Debtors' businesses require the availability of credit in order to finance the ordinary costs of their operations. Without such credit, the Debtors will not be able to pay their employees, maintain business relationships with vendors and suppliers and purchase inventory and otherwise finance their other direct operating expenses. The ability of the Debtors to pay employees, maintain business relationships with vendors and suppliers, purchase new inventory, and otherwise finance their operations is essential to the Debtors' continued viability. In addition, the Debtors' have a critical need for immediate financing. Without the immediate availability of the Post-Petition Financing, the continued operation of the Debtors' businesses would not be possible, and serious and irreparable harm to the Debtors and their estates would occur. The preservation, maintenance, and enhancement of the going concern value of the Debtors are of the utmost importance to a successful reorganization of the Debtors under Chapter 11 of the Bankruptcy Code.

7. The Debtors are unable to obtain interim or permanent financing from sources other than the Lenders on terms more favorable than under the New Credit Agreement. The Debtors have been unable to obtain interim unsecured credit solely under § 503(b)(1) of the Bankruptcy Code as an administrative expense. New credit is unavailable to the Debtors without

(a) granting to the Lenders claims having super priority over that of all administrative expenses of the kind specified in §§503(b), 507(b) and 546(c) of the Bankruptcy Code (other than the Carve-Out), (b) securing such loans and other obligations with senior liens on and security interests in all of the pre petition and post petition assets, properties and interest in property of the Debtors (the "Collateral") and replacement liens as provided herein and in the Credit Agreement, and (c) granting adequate protection pursuant to §361 of the Bankruptcy Code to the Pre-Petition Lenders.

8. The Lenders have indicated a willingness to consent and agree to provide financing to the Debtors pursuant to the New Credit Documents, subject to the terms and conditions thereof and to the entry of this Interim Order.

9. To the extent that any entities (if any) other than the Administrative Agent or the Lenders, may claim validly perfected liens or security interests in the Collateral, those entities' interests are adequately protected under the terms of this Order. Among other things, the Post-Petition Financing will enable the Debtors to continue operating their businesses, thereby preserving the value of the Collateral for any such other entities.

10. Based on the record before this Court, the Court finds that, under the circumstances of the Interim Hearing and the relief requested in the Motion, sufficient notice has been given pursuant to Bankruptcy Code §§102(1) and 364(c), and Bankruptcy Rules 2002 and 4001(c).

11. ~~Subject to approval of the Court at a final hearing on the Motion,~~ it appears that the Post-Petition Financing has been negotiated in good faith ~~and at arms-length~~ between the

Debtors and the Administrative Agent and the Lenders; and any credit extended and loans made to the Debtors pursuant to the New Credit Agreement will be deemed (and are found) to have been extended, issued, or made, as the case may be, in good faith as required by, and within the meaning of, Bankruptcy Code §364(e). Consequently, the Administrative Agent and the Lenders are entitled to the protections of Bankruptcy Code § 364(e).

12. Based on the record before this Court, it appears that the terms of the Post-Petition Financing are fair and reasonable and reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and that the lien, security interest, and administrative claim granted to the Administrative Agent and the Lenders in conjunction with the Post-Petition Financing are supported by reasonably equivalent value and fair consideration.

13. This Court concludes that entry of this Interim Order is in the best interests of the Debtors' estates and creditors because its implementation, among other things, will make available to the Debtors working capital which is necessary to sustain the operations of the Debtors' existing businesses and enhance the Debtors' prospects for successful reorganization.

14. Each of the foregoing findings by the Court will be deemed a finding of fact if and to the full extent that it makes and contains factual findings and a conclusion of law if and to the full extent that it makes legal conclusions.

15. Based upon the foregoing findings and conclusions, and upon the record made before this Court at the Interim Hearing, and good and sufficient cause appearing therefor;

THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. The Motion is granted, subject to the terms and conditions set forth in this Interim Order. All objections to the entry of this Interim Order either have been resolved as stated on the record at the Interim Hearing, or shall be and hereby are, overruled. The Debtors shall be, and they hereby are, authorized, directed and empowered to execute and deliver the New Credit Documents and to perform their respective obligations thereunder in accordance with the terms of the New Credit Agreement. The New Credit Documents shall be, and they hereby are, approved by this Interim Order and, by this reference, incorporated herein as part of this Interim Order.

2. The Debtors are each authorized, directed and obligated to comply with and perform all of the terms and conditions contained in the New Credit Agreement and the other New Credit Documents, and the Debtors are each authorized and obligated to repay amounts owing, with interest and any other charges, to the Administrative Agent and the Lenders in accordance with and subject to the terms and conditions set forth in the New Credit Documents and this Interim Order. The Debtors are further authorized and obligated to pay all facility and other fees and expenses, including, but not limited to, all reasonable fees and expenses of professionals engaged by the Administrative Agent and the Lenders (including the out-of-pocket expenses, reasonable fees, and disbursements of counsel to the Lenders and to the Administrative Agent) in accordance with the terms of the New Credit Agreement and the other New Credit Documents. The professional fees and expenses incurred by the Administrative Agent and the Lenders will not be paid <sup>by the Debtors</sup> pursuant to the New Credit Agreement and the other New Credit Documents without further order of this Court. All loans made under the New Credit Agreement (the "DIP Loans") and interest thereon, and all fees, costs, expenses, indebtedness, obligations



and liabilities of the Debtors to the Administrative Agent and the Lenders under or in respect of the New Credit Documents and this Interim Order (and the Final Order ultimately entered by the Court, which Final Order shall be in form and substance satisfactory to the Lenders) are referred to herein as the "New Obligations".

3. The Debtors are expressly authorized to borrow on a revolving basis, from the Administrative Agent and the Lenders, on the terms and subject to the conditions and limitations on availability set forth in the New Credit Documents, a total of up to \$10,000,000 in aggregate principal amount of DIP Loans at any one time outstanding (the "Interim Advances").

4. As adequate protection for the use by the Debtors of any Pre-Petition Collateral, including cash collateral, and for any diminution in the value of the interests of the Pre-Petition Lenders in the Pre-Petition Collateral, the Pre-Petition Lenders and the Pre-Petition Agent shall be and hereby are granted valid, binding, enforceable and perfected security interests in and liens on the Collateral up to the amount of the Pre-Petition Lender's and the Pre-Petition Agent's interest in the Pre-Petition Collateral, subject and subordinate only to (i) the security interests and liens granted to the Lenders and the Administrative Agent under the New Credit Documents, (ii) the Carve-Out (as herein defined), and (iii) any other liens or security interests permitted to be senior under the New Credit Agreement (the "Permitted Liens"). In consideration of such replacement lien, the Pre-Petition Lenders hereby consent to the use of their cash collateral pending the Final Hearing. The Pre-Petition Lenders shall not be entitled to a lien on causes of action or their proceeds under Chapter 5 of the Bankruptcy Code.

5. In accordance with the terms of the Pre-Petition Credit Documents, subject only to the provisions of paragraph 6 below, the Debtors are truly and justly indebted to the Pre-Petition Lenders, without defense, counterclaim or offset of any kind, in the aggregate principal amount of approximately \$14,200,914.02 for the term loan and \$17,216,315.00 for the revolving loan, with a further \$14,783,685.00 in contingent reimbursement claims related to undrawn availability under letters of credit. In addition to such amounts, the Debtors are truly and justly indebted to the Pre-Petition Lenders and the Pre-Petition Agent for commitment fees, expense reimbursement and other fees provided for under the Pre-Petition Credit Documents in accordance with the terms thereof. Subject only to the provisions of paragraph 6, and subject to the potential that such obligations are greater in amount than the value of the Pre-Petition Collateral, the Debtors' obligations to the Pre-Petition Lenders and the Pre-Petition Agent pursuant to the Pre-Petition Credit Documents are secured by valid, perfected, enforceable and unavoidable liens and security interests in the Pre-Petition Collateral. Substantially all cash of the Debtors now in existence or hereafter acquired constitutes the cash collateral of the Pre-Petition Lenders within the meaning of Bankruptcy Code Section 363(a). The Pre-Petition Lenders are entitled, pursuant to Bankruptcy Code Section 361 and 364 to adequate protection, including the replacement liens provided hereby, for the priming liens and security interests granted hereunder to secure the Post-Petition Financing.

6. This Interim Order is without prejudice to the rights of (a) the Debtor prior to the earlier of (i) the Exhibit Delivery Date under the DIP Credit Agreement, or (ii) the date of the Final Hearing, and (b) the Committee within the earlier of sixty (60) days from entry of the Final Order on the Motion or formation of the Committee to object to or challenge (i) the validity,

extent or priority of the lien and security interests of the Pre-Petition Lenders in and to any Pre-Petition Collateral, (ii) the validity, allowability or status of the Pre-Petition Loans, or (iii) any other matter related to the Pre-Petition Credit Documents. Unless such an objection or challenge is made within the deadlines set forth above, all such objections and challenges shall be deemed to have been waived.

7. The Pre-Petition Agent is directed to reasonably cooperate with the Debtors, the Administrative Agent and the Lenders to deliver all Collateral in its possession (including any certificates representing Pledged Stock, as defined in the New Credit Agreement) to the Administrative Agent and to take all such further action as the Debtors, the Administrative Agent and the Lenders may reasonably request in connection with the New Credit Documents. The Debtors are authorized to reimburse the Pre-Petition Agent for any reasonable expenses (including, without limitation, the reasonable fees and disbursements of its counsel) associated with the implementation of this paragraph and to make any such arrangements as the Pre-Petition Agent may reasonably request to provide such reimbursement, subject to the requirements of Section 506(b) of the Bankruptcy Code.

8. The Debtors are further authorized to use the proceeds of the DIP Loans in the operation of the Debtors' businesses and as directed by the New Credit Agreement (including, but not limited to, Section 2.3 of the New Credit Agreement). Payments received under the New Credit Agreement by the Administrative Agent and the Lenders from the Debtors will be applied in accordance with the debt service and repayment terms of the New Credit Agreement. Provided that there has been no Event of Default, the Lenders have consented to the Debtors' use of cash collateral, and, accordingly, pursuant to §363(c)(2)(A), the Debtors may use the Lenders' cash

collateral while there is no Event of Default, consistent with the terms of the New Credit Agreement.

9. In accordance with Bankruptcy Code §§364(c)(1) and 507(b), and separate and independent from the security for the New Obligations granted to the Administrative Agent and the Lenders, the New Obligations also 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 §§105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b) and 546(c), and the Super-Priority Claim granted to the Administrative Agent and the Lenders shall be senior to the rights of the Debtors, and any successor trustee or any other creditor or estate representative in the Bankruptcy Cases or any subsequent proceedings under the Bankruptcy Code, including, without limitation, any Chapter 7 proceedings in the event of any conversion of any of the Debtors’ Bankruptcy Cases to a case or cases under Chapter 7 of the Bankruptcy Code. No cost or expense of administration, under Bankruptcy Code §§105, 364(c)(1), 503(b), 506(c), 507(b) or otherwise, shall be senior to, equal to, or pari passu with, the Super-Priority Claim granted to the Administrative Agent and the Lenders for the New Obligations. Notwithstanding the foregoing, but without affecting in any way the Lenders' priority over any and all other administrative claims or other claims, the Super-Priority Claim granted to the Administrative Agent and the Lenders will not have priority over the fees of the United States Trustee and shall be subject to the Carve-Out (defined below).

10. As security for the New Obligations, and as provided in the New Credit Documents, and pursuant to Sections 364(c)(1) and (2) of the Bankruptcy Code, the

Administrative Agent and the Lenders shall have and are hereby granted (effective upon the date of this Interim Order and continuing without the necessity of the execution, filing and/or recordation of mortgages, security agreements, patent security agreements, trademarks security agreements, pledge agreements, financing statements or otherwise), valid, perfected, and enforceable security interests and liens (collectively, the "Lenders' Lien") upon all present and after-acquired personal property, fixtures, real property and interests in the foregoing property of the Debtors of any nature whatsoever, wherever located, including, without limitation, all accounts, inventory, general intangibles, equipment, goods, fixtures, chattel paper, investment property, money, cash and cash equivalents, and any other item of Credit Security (as defined in the New Credit Agreement) (collectively, with all proceeds and products of the foregoing, the "Collateral"), provided, however, that the Collateral does not include any of the Debtors' claims and causes of action arising under Bankruptcy Code §§544, 545, 547, 548, 549, and 550, or proceeds therefrom.

11. Subject only to the Carve-Out (defined below), the Lenders' Lien in the Collateral held by or granted to the Administrative Agent and the Lenders as security for the New Obligations shall be a first priority, senior, perfected lien securing the full amount of the New Obligations. The Lenders' Lien in the Collateral shall prime the pre-petition liens and security interests securing Debtors' prepetition indebtedness and obligations to the Pre-Petition Lenders and the Pre-Petition Agent under the Pre-Petition Facility but shall not prime valid, enforceable and unavoidable security interests held by parties other than the Pre-Petition Lenders and the Pre-Petition Agent which were properly perfected pre-petition (such other pre-existing non-avoidable security interests in favor of parties other than the Pre-Petition Lenders and the Pre-

Petition Agent, the "Existing Liens"). The security interests and liens granted to the Lenders and the Administrative Agent hereunder shall not be subject to any security interest or lien that is avoided and preserved for the benefit of any of the estates of any of Debtors under § 551 of the Bankruptcy Code. Except as specifically provided herein, the security interests and liens granted to the Lenders and the Administrative Agent shall not be made on a parity with, or subordinated to, any other security interest or lien under § 364(d) of the Bankruptcy Code or otherwise.

12. Without limitation of all other required terms of any intercompany loans expressly permitted under the New Credit Agreement (the "Intercompany Loans"), any such Intercompany Loans shall be: (i) on terms satisfactory to the Lenders, in their sole and absolute discretion; and (ii) subordinated in their entirety to the New Obligations.

13. The Lenders' Lien and the Super-Priority Claim granted to the Administrative Agent and the Lenders pursuant to the New Credit Documents and this Interim Order shall be subject only to the Carve-Out (defined below).

14. "Carve-Out" means (i) the 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 or any accelerated maturity of the New Obligations; and (iii) up to an amount to be negotiated and agreed to by the Lenders, in their sole discretion, as reflected in the Final Order, the fees and expenses of other professionals (subject to Bankruptcy Court approval) retained by 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 New

Obligations. The professionals retained by the Committee and the Debtors, shall be referred to as the "Professionals". The foregoing shall not be construed as consent to the allowance of any fees and expenses referred to above and shall not affect the right of the Debtors or the Lenders to object to the allowance and payment of such amounts.

15. The Carve-Out will not include and will not be available to pay professional fees or disbursements incurred in connection with the assertion or prosecution of any claims or causes of action against the Administrative Agents or the Lenders or to pay professional fees or disbursements incurred in connection with the assertion or prosecution of any claims or causes of action against the Pre-Petition Agent or the Pre-Petition Lenders.

16. None of the Post-Petition Financing or proceeds therefrom and none of the cash collateral subject to liens or security interests in favor of the Administrative Agent and the Lenders (notwithstanding the Carve-Out) may be used to fund, directly or indirectly, any effort to: (i) object to or contest in any manner, or raise any defenses to the validity, perfection, priority, or enforceability of the New Obligations owing to the Administrative Agent and the Lenders, or the Lenders' Lien securing such New Obligations; or (ii) assert any claims or causes of action against the Lenders of any type, including, without limitation, any avoidance actions under Chapter 5 of the Bankruptcy Code, or any claim or cause of action against the Administrative Agent and the Lenders.

17. None of the cash collateral related to the Pre-Petition Obligations or granted in replacement thereof in favor of the Pre-Petition Agent and the Pre-Petition Lenders (notwithstanding the Carve-Out) may be used to fund, directly or indirectly, any effort to: (i)

object to or contest in any manner, or raise any defenses to the validity, perfection, priority, or enforceability of the obligations owing to the Pre-Petition Agent and the Pre-Petition Lenders, or the liens securing such obligations; or (ii) assert any claims or causes of action against the Pre-Petition Lenders or the Pre-Petition Agent of any type, including, without limitation, any avoidance actions under Chapter 5 of the Bankruptcy Code, or any claim or cause of action against the Pre-Petition Agent and the Pre-Petition Lenders.

18. Subject to approval of the Court at a final hearing on the Motion, no person or entity will be permitted to surcharge the Collateral or to obtain other relief under Bankruptcy Code §506(c) or to obtain a lien (including any setoff right or other charge or adverse claim of any kind) with respect to the Collateral that is equal or senior to the Lenders' Lien on the Collateral.

19. Subject to approval of the Court at a final hearing on the Motion, none of the Debtors, any chapter 11 or chapter 7 trustee (a "Trustee") or other estate representative, may assert any claim whatsoever that the Debtors, or any of them, may have against the Administrative Agent and the Lenders for any reason, including, without limitation, any claim under Bankruptcy Code §506(c) for any costs and expenses incurred in connection with the preservation, protection, enhancement of, or realization by the Administrative Agent and the Lenders upon the Collateral. Subject to approval of the Court at a final hearing on the Motion, the Administrative Agent and the Lenders will not be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the Collateral.



20. The Lenders' Lien on the Collateral pursuant to this Interim Order and the New Credit Documents are adjudicated to be first, valid, perfected, and enforceable against all of the Debtors and their estates and all other creditors and parties-in-interest of any kind, without regard to applicable federal, state, or local filing or recording statutes or other provisions of applicable law. Such adjudication shall be nunc pro tunc as of the Filing Date of the Bankruptcy Cases, and without further action of any party, including the Administrative Agent and the Lenders, provided that the Administrative Agent and the Lenders may, but need not, take such steps as they deem appropriate to comply with such statutes or other applicable law; and all financing statements which are filed listing Debtors as the "debtor" and the Administrative Agent and the Lenders as the "secured party", and all mortgages, deeds of trust, or similar instruments which are filed or recorded granting to the Administrative Agent and the Lenders the Lenders' Lien in the Collateral, will be deemed to have been filed or recorded and the Lenders' Lien evidenced thereby will be, and hereby are, deemed and adjudicated to be perfected nunc pro tunc as of the Petition Date.

21. As long as any portion of the New Obligations remains unpaid, or any New Credit Document remains in effect, unless the Debtors have obtained the Lenders' prior written consent, the Debtors shall not request from the Bankruptcy Court (or any other court), an order which authorizes (under Bankruptcy Code §§105, 363, or 364, or otherwise): (i) the granting of any lien upon any of the Collateral in favor of any party other than the Administrative Agent and the Lenders, with priority senior or equal to the Lenders' Lien; (ii) the obtaining of credit or the incurring of indebtedness that is entitled to super-priority administrative status, in either case equal or superior to that granted to the Administrative Agent and the Lenders pursuant to this

Interim Order; or (iii) the use of the cash collateral of the Administrative Agent and the Lenders other than as provided in this Interim Order, unless in connection with any transaction cited in clause (i), (ii), or (iii) of this paragraph, such order requires that the New Obligations shall first be paid indefeasibly and in full to the Administrative Agent and the Lenders.

22. As long as any portion of the New Obligations remains unpaid, or any New Credit Document remains in effect (without prejudice to other Events of Default as set forth in the New Credit Agreement) it shall constitute an Event of Default if (a) there shall be entered any order dismissing any of the Bankruptcy Cases, or an order with respect to any of the Bankruptcy Cases shall be entered by the Bankruptcy Court, or the Debtors shall file an application for an order converting any of the Bankruptcy Cases to a case under Chapter 7 of the Bankruptcy Code, or (b) there shall be entered in any of the Bankruptcy Cases or any subsequent Chapter 7 case any order which authorizes under any section of the Bankruptcy Code, including Bankruptcy Code §§ 105 or 364, (i) the granting of any lien upon any of the Collateral in favor of any party other than the Administrative Agent and the Lenders, with priority senior or equal to the Lenders' Lien; (ii) the obtaining of credit or the incurring of indebtedness that is entitled to super-priority administrative status, in either case equal or superior to that granted to the Administrative Agent and the Lenders pursuant to this Interim Order; or (iii) the use of the cash collateral of the Administrative Agent and the Lenders other than as provided in this Interim Order, unless in connection with any transaction cited in clause (i), (ii), or (iii) of this paragraph, such order requires that the New Obligations shall first be paid indefeasibly and in full to the Administrative Agent and the Lenders.

23. Subject to the following provisions of this paragraph 23, upon the occurrence of and during the continuance of an Event of Default, the Administrative Agent and the Lenders may, acting pursuant to the New Credit Agreement or the other New Credit Documents, exercise their rights and remedies and do all things necessary to protect their secured position without the necessity of further order of the Court, including without the necessity of obtaining relief from the automatic stay pursuant to Bankruptcy Code §362(a) or any other applicable stay or injunction (all of which have been and hereby are modified by this Interim Order) including, without limitation: (a) terminate the New Credit Agreement (including but not limited to all duties and obligations of the Lenders and/or the Administrative Agent thereunder); (b) declare the principal and accrued interest, fees, and other liabilities comprising the New Obligations to be immediately due and payable; (c) take possession of the Collateral and enforce rights against any Collateral in the possession of the Lenders and to take all remedial action against the Collateral authorized by the New Credit Documents or applicable law; (d) charge a default rate of interest as set forth in the New Credit Documents; and (e) take any other action or exercise any other right or remedy permitted to the Administrative Agent and the Lenders under the New Credit Documents, this Interim Order, or by operation of law. The Administrative Agent and the Lenders will provide the Court, each of the Debtors, any Committee, and the United States Trustee at least five days' notice before taking any action to enforce their respective remedies under the New Credit Documents and hereunder; provided, however, that the right of such Lenders, or the Administrative Agent, to terminate the duties and obligations of the Lenders and/or the Administrative Agent under the New Credit Agreement, including the obligations to make any further extensions of credit under the New Credit Agreement and the other New Credit Documents, will not be delayed or otherwise limited. If any of the Debtors or any other person

challenges the occurrence of an Event of Default within such five day period, any such objector's remedy shall be, and hereby is, limited to requesting a hearing before this Court on five (5) days' written notice to the Administrative Agent and the Lenders (the "Default Hearing"). Such Default Hearing will be limited to the issue of whether an Event of Default has occurred that entitles the Administrative Agent and the Lenders to enforce their rights and remedies under the New Credit Documents. No other argument or issue relating to the Administrative Agent's and Lenders' enforcement of their rights or remedies may be presented for adjudication by the Court in such Default Hearing; and no other relief against the Administrative Agent and the Lenders may be requested at the Default Hearing. At the Default Hearing, the burden will be on the Debtors or the other applicable party in interest to establish that such Event of Default has not occurred.

24. Notwithstanding anything in this Interim Order to the contrary, the right of the Administrative Agent and the Lenders to seek the equitable remedy of marshaling is expressly preserved, and the Debtors will cooperate fully with any effort by any Lender or the Administrative Agent to exercise its equitable remedy of marshaling.

25. The Debtors are authorized to perform all acts, and execute and comply with the terms of such other documents, instruments, and agreements, in addition to the New Credit Documents, that the Administrative Agent and the Lenders reasonably may require as evidence of and for the protection of the New Obligations, or that the Administrative Agent and the Lenders otherwise may deem reasonably necessary to effectuate this Interim Order and the New Credit Documents. The Debtors and the Administrative Agent and the Lenders are hereby authorized to implement, in accordance with the terms of the New Credit Agreement and without

further order of this Court, any written modifications of the New Credit Agreement or any other New Credit Documents that do not materially change the economic terms of the Post-Petition Financing approved by this Court.

26. Without limiting the rights of access and information afforded the Administrative Agent and the Lenders under the New Credit Documents, the Debtors shall be required to provide representatives, agents, and/or employees of the Administrative Agent and the Lenders access to the Debtors' premises and their records in accordance with the New Credit Documents; and the Debtors shall cooperate, consult with, and provide to such persons all such non-privileged information and information not subject to a binding confidentiality agreement, as such persons reasonably request. The Debtors also shall provide to the Administrative Agent and the Lenders, at the time filed or provided, all statements, schedules, or financial reports which the Debtors file in the Bankruptcy Cases or provide to the United States Trustee in accordance with applicable Bankruptcy Rules, local bankruptcy rules, or guidelines of the United States Trustee.

27. Without limitation of the conditions to extending credit set forth in Section 5 of the New Credit Agreement or elsewhere in this Interim Order, each of the Debtors shall authorize, execute, acknowledge, deliver, file, register and record such security agreements, notices, financing statements, deposit account control agreements, memoranda of intellectual property security interests and other instruments as the Administrative Agent may reasonably request in order to evidence or to perfect the Lenders' Lien and shall pay all filing or recording fees or taxes required to be paid in connection therewith, including any recording, mortgage, documentary, transfer or intangible taxes. Notwithstanding the foregoing sentence, this Interim

Order shall be sufficient and conclusive evidence of the validity, perfection and priority of the Lenders' Lien, without the necessity of (i) filing or recording any financing statement or other instrument or document which may otherwise be required under the law of any jurisdiction or (ii) the taking of any other action to validate or perfect the Lenders' Lien.

28. This Interim Order shall be binding upon and shall govern the acts of all entities, including without limitation all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Collateral.

29. The New Credit Agreement and each of the New Credit Documents shall constitute and evidence the valid and binding obligations of the Debtors, which obligations shall be enforceable against the Debtors in accordance with their terms.

30. Without limiting the provisions and protections set forth in this Interim Order, if at any time prior to the repayment in full of all New Obligations, including subsequent to the confirmation of any Plan of Reorganization respecting the Debtors, the Debtors or any Trustee subsequently appointed shall obtain credit or incur debt pursuant to Bankruptcy Code sections 364(b), 364(c) or 364(d) then all of the cash proceeds derived from such credit or debt shall immediately be turned over to the Administrative Agent and the Lenders in reduction of the New Obligations.

31. Based on the record presented, this Court has found that the Administrative Agent and the Lenders are extending credit and making DIP Loans to the Debtors in good faith. Accordingly, the Administrative Agent and the Lenders are entitled to the full protection of Bankruptcy Code §364(e) with respect to the New Obligations and the Lenders' Lien authorized, created, and adjudicated by this Interim Order if this Interim Order or any finding, authorization, or adjudication contained herein is vacated, reversed, or modified on appeal. Any modification, reversal, or vacation of this Interim Order (by this or any other court) shall not affect the validity and enforceability of the New Obligations of the Debtors to the Administrative Agent and the Lenders incurred pursuant to this Interim Order, or the validity, priority, and enforceability of the Super-Priority Claim and the Lenders' Lien under this Interim Order. Notwithstanding any modification, reversal, or vacation of this Interim Order, all loans and advances made by the Administrative Agent and the Lenders pursuant hereto under the New Credit Agreement and all New Obligations incurred by the Debtors pursuant hereto prior to the effective date of any stay, modification, reversal, or vacation of this Interim Order shall be governed in all respects by the original provisions of this Interim Order; and the Administrative Agent and the Lenders shall be entitled to all of the rights and benefits granted herein with respect to the New Obligations, the Super-Priority Claim and the Lenders' Lien on Collateral securing the New Obligations.

32. The provisions of this Interim Order and any actions taken pursuant hereto shall survive entry of any order which may be entered: (a) confirming any plan of reorganization in the Bankruptcy Cases (and, to the extent not satisfied in full, the New Obligations shall not be discharged by the entry of any such order, or pursuant to Bankruptcy Code § 1141(d)(4), the Debtors having hereby waived such discharge); (b) converting any of the Bankruptcy Cases to a

Chapter 7 case; (c) appointment of a Trustee or other estate representative in any of the Debtors' chapter 11 cases; or (d) dismissing any of the Bankruptcy Cases. The terms and provisions of this Interim Order and the Lenders Lien and the Super-Priority Claim granted pursuant to this Interim Order and the New Credit Documents shall continue in full force and effect notwithstanding the entry of such order described in (a) through (d) above of this paragraph; and the Lenders' Lien and the Super-Priority Claim shall maintain their priority as provided by this Interim Order until all of the New Obligations are paid to the Administrative Agent and the Lenders indefeasibly and in full.

33. Without limiting any provisions of the New Credit Agreement, the payment and performance of the New Obligations are due and payable in full to the Administrative Agent and the Lenders upon the earliest to occur of: (a) the Final Maturity Date, or such extended maturity date to which the Administrative Agent, the Lenders and the Debtors agree in writing; and (b) acceleration after the occurrence and during the continuation of an Event of Default.

34. Except as otherwise provided in this Interim Order, without the prior consent of the Administrative Agent (which consent may be provided or withheld in the Administrative Agent's sole discretion), pursuant to Bankruptcy Code §552(a), all property acquired by the Debtors after the Filing Date, including, without limitation, all Collateral pledged to the Administrative Agent and the Lenders pursuant to the New Credit Documents and this Interim Order, is not and shall not be subject to a lien of anyone else resulting from any security agreement entered into by the Debtors prior to the Filing Date or otherwise.



35. The Administrative Agent and the Lenders shall each be deemed to be a party-in-interest for all purposes in the Bankruptcy Cases with the right and opportunity to appear and be heard on all matters arising in the Bankruptcy Cases, including, without limitation: (i) employment and payment of professionals by the Debtors' estates, (ii) the sale of any estate property, (iii) any plan of reorganization proposed in the Bankruptcy Cases, and (iv) any proposed conversion or dismissal of any of the Bankruptcy Cases. Nothing contained herein shall limit the rights of the Lenders to (i) seek further relief, (ii) seek additional adequate protection from Debtors, (iii) request a conversion of any or all of Debtors' chapter 11 cases to chapter 7 or the appointment of a trustee or an examiner under § 1104 of the Bankruptcy Code, or (iv) propose, subject to the provisions of § 1121 of the Bankruptcy Code, a chapter 11 plan or plans in any or all of the above-captioned cases.

36. The provisions of this Interim Order shall be binding upon and inure to the benefit of the Administrative Agent and each of Lenders, the Debtors, and their respective successors and assigns, including any Trustee or other fiduciary hereafter appointed in the Bankruptcy Cases as a legal representative of the Debtors or their estates. Without limiting the foregoing, this Interim Order shall bind any trustee or other fiduciary (including, without limitation, any examiner or responsible person) hereafter appointed for the estate of any of Debtors, whether in the Chapter 11 cases or in the event of the conversion of any Chapter 11 case of a liquidation under Chapter 7 of the Bankruptcy Code. Such binding effect is an integral part of this Order.

37. Service of the Motion as described therein, and the notice of emergency hearing for relief on an interim basis is deemed adequate and appropriate under the circumstances and in

full compliance with applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Rules of the Northern District of Texas.

38. The notice provisions approved by the Court by entry of this Interim Order shall constitute sufficient notice of the Final Hearing, and such notice shall be and hereby is adjudicated sufficient to provide due process to, and to bind, any other party asserting any lien or other adverse interest of any kind (including any setoff, other charge, recoupment, or other adverse claim) in any of the Lenders' Collateral.

39. A Final Hearing to consider the Motion will be held before the Court at the following date and time: May 20, 2004 at 1:30 p.m. The Debtors shall notice such Final Hearing by mailing a copy to each party on the Debtors' Master Service List as established by the Court's Order Granting Complex Case Status dated May 5, 2004.

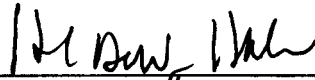
40. The Court has and will retain jurisdiction to enforce this Interim Order according to its terms.

41. Notwithstanding the provisions of Bankruptcy Rules 6004(g), this Interim Order shall not be stayed for ten (10) days after the entry hereof, but shall be effective and enforceable immediately upon issuance hereof.

42. The Clerk of the Court is hereby directed to forthwith enter this Order on the docket of the Court maintained with regard to these cases.

IT IS SO ORDERED.

Dated: May 5, 2004



---

THE HONORABLE HARLIN D. HALE  
UNITED STATES BANKRUPTCY JUDGE

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

# CERTIFICATE OF SERVICE

District/off: 0539-3  
Case: 04-35113

User: sdugan  
Form ID: pdf019

Page 1 of 1  
Total Served: 4

Date Rcvd: May 05, 2004

The following entities were served by first class mail on May 07, 2004.

aty Charles R. Gibbs, Akin Gump Strauss Hauer & Feld, LLP, 1700 Pacific Avenue, Suite 4100,  
Dallas, TX 75201  
aty Keith Miles Aurzada, Akin, Gump, Strauss, Hauer & Feld, LLP, 1700 Pacific, Suite 4100,  
Dallas, TX 75201  
aty Randell J. Gartin, Akin, Gump, Strauss, Hauer & Feld, 1700 Pacific, Suite 4100,  
Dallas, TX 75201  
dbpos CEI Roofing, Inc., 3022 Wheelock, Dallas, TX 75220

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: May 07, 2004

Signature:

