

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

IN RE:)	
)	Case No. 07-09024
SOFA EXPRESS, INC.)	Chapter 11
)	Judge Paine
Debtor.)	
)	Hearing: January 15, 2008

**FINAL ORDER (1) APPROVING POST-PETITION FINANCING
(2) GRANTING LIENS AND PROVIDING SUPERPRIORITY ADMINISTRATIVE
EXPENSE STATUS PURSUANT TO 11 U.S.C. §§ 363 AND 364, (3) AUTHORIZING
USE OF CASH COLLATERAL AND PROVIDING ADEQUATE PROTECTION
PURSUANT TO 11 U.S.C. §§ 361 and 363; AND (4) MODIFYING AUTOMATIC STAY**

THIS MATTER having come before the Court upon the Motion (the "Motion") of Sofa Express, Inc., a debtor and debtor in possession (the "Debtor") seeking the entry of interim and final orders including authority to: (i) obtain credit and incur debt on an interim basis of up to the aggregate principal amount of \$2,000,000 and after a final hearing of up to the aggregate principal amount of \$20,000,000 secured by liens (as defined in Section 101(37) of Title 11, U.S.C., as amended (the "Bankruptcy Code") and referred to herein as "Liens") on property of the Debtor's estate pursuant to Sections 364(c)(2), 364(c)(3) and 364(d) of the Bankruptcy Code and with priority, as to administrative expenses, as provided in Section 364(c)(1) of the Bankruptcy Code; (ii) establish that financing arrangement (the "DIP Credit Facility") as provided in that certain Debtor-in-Possession Credit Agreement, substantially in the form attached to the Motion as Exhibit A (the "DIP Credit Agreement") by and among Wells Fargo Retail Finance, LLC, as Agent (the "Agent"), for itself and the other Lenders (as defined in the

DIP Credit Agreement) (the “Lenders”); (iii) provide the Agent for the benefit of itself, the Lenders and Wells Fargo Bank, N.A., as Issuing Bank (collectively, the “Secured Parties”) with Liens upon all of the Debtor’s real and personal property as provided in and as contemplated by this Order and the “DIP Loan Documents” (as defined in the DIP Credit Agreement); (iv) grant the Agent (for the benefit of the Secured Parties) a Super-Priority Claim over any and all administrative expenses other than as set forth in Paragraph 12 of this Order; (v) use the Cash Collateral (as defined below) of the “Lenders” identified in that certain Credit Agreement dated April 13, 2007, as amended and in effect (the “Pre-Petition Credit Agreement”), by and among Wells Fargo Retail Finance, LLC, as Agent (solely in this capacity, the “Pre-Petition Agent”) and other financial institutions identified therein as Lenders (solely in such capacities, the “Pre-Petition Lenders”) and grant Liens in the Collateral and a Super-Priority Claim to the Pre-Petition Agent for the benefit of the Pre-Petition Lenders which Liens and Super-Priority Claim shall be subject to the Liens and Super-Priority Claim of the Agent and the Carve-Out as adequate protection for (x) the use of Cash Collateral, (y) diminution in value of the Pre-Petition Collateral (as defined below), and (z) the priming liens granted to the Agent, Lenders and Secured Parties hereunder; (vi) modify the automatic stay to the extent necessary and required by the DIP Credit Facility; and (vii) schedule a final hearing (the “Final Hearing”) to consider the entry of an Order (the “Final Order”) authorizing and approving the DIP Credit Facility and DIP Credit Agreement on a final basis, as set forth in the Motion, approve the form of Notice with respect to the Final Hearing and authorize payment in full of the Pre-Petition Obligations.

On December 11, 2007, the Court entered an *Interim Order (1) Approving Post Petition Financing (2) Granting Liens and Providing Superpriority Administrative Expense Status Pursuant to 11 U.S.C. §§ 363 and 364, (3) Authorizing Use of Cash Collateral and Providing*

Adequate Protection Pursuant to 11 U.S.C. §§ 361 and 363; (4) Modifying Automatic Stay, and (5) Setting Final Hearing Pursuant to Federal Rules of Bankruptcy Procedure 4001 (the “First Interim Order”).

On December 21, 2007, the Court entered a *Second Interim Order (1) Approving Post Petition Financing (2) Granting Liens and Providing Superpriority Administrative Expense Status Pursuant to 11 U.S.C. §§ 363 and 364, (3) Authorizing Use of Cash Collateral and Providing Adequate Protection Pursuant to 11 U.S.C. §§ 361 and 363; (4) Modifying Automatic Stay, and (5) Setting Final Hearing Pursuant to Federal Rules of Bankruptcy Procedure 4001 (the “Second Interim Order”).*

On December 21, 2007, the Court entered an *Order Pursuant to Section 363 and 554 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, and 6006 for an Order Authorizing and Approving (A) an Agreement for the Sale of Certain Assets, and an Agreement for the Sale of Designation Rights With Respect to Certain Real Property Leases and Wholly-Owned Real Properties and an Agency Agreement Appointing the Joint Venture as the Debtor’s Exclusive Agent for the Conduct of a Going Out of Business, Store Closing or Similar Theme Sale and (B) Granting Other and Further Relief (the “Sale Order”).* Pursuant to the Sale Order the Court approved and authorized the Debtor to enter into a certain Asset Purchase Agreement, Agency Agreement, and Designations Right Agreement (collectively, the “Sale Documents”) with the Joint Venture (as defined therein). As consideration for the Debtor entering into the Sale Documents with the Joint Venture, the Joint Venture agreed to pay to the Debtor the Guaranteed Amount, amounts due pursuant to Section 3.5(d) of the Agency Agreement, and fifty percent (50%) of the net proceeds from the sale of any intellectual property, as well as pay certain

Expense Reimbursements (as such terms are defined in the Sale Documents (the "Sale Consideration").

It appearing that notice of this final hearing is sufficient under the circumstances and complies with the requirements of Bankruptcy Rules 2002, 4001(b), 4001(c) and 4001(d) and the local rules of this Court; and for good cause shown as stated orally by the Court on the record at the hearing:

THE COURT HEREBY FINDS THAT

A. On December 6, 2007 (the "Petition Date"), the Debtor filed a voluntary petition under Chapter 11 of the Bankruptcy Code.

B. The Debtor has continued in the management and operation of its business and property as debtor in possession pursuant to Bankruptcy Code Sections 1107 and 1108. On December 13, 2007, the Office of the United States Trustee (the "U.S. Trustee") appointed an Official Committee of Unsecured Creditors (the "Creditors' Committee"). No trustee or examiner has been appointed in this case.

C. The findings set forth in the First Interim Order and the Second Interim Order are hereby incorporated by reference and the Court hereby makes such findings based upon the testimony and exhibits offered at the interim hearings and the record before this Court..

D. The DIP Credit Facility has been terminated as a result of the Debtor's sale of certain of its assets pursuant to the Sale Order and Sale Documents.

E. The Debtor needs the continued use the cash collateral of the Pre-Petition Agent and Pre-Petition Lenders in order to preserve and maintain the value of the Debtor's assets, maximize the return for all creditors and comply with its obligations under the Sale Documents.

F. The notice of this final hearing has been provided by the Debtor to (i) the United States Trustee, (ii) proposed counsel to the Creditors' Committee, (iii) the twenty (20) largest unsecured creditors of the Debtor, (iv) the Internal Revenue Service, (v) all secured creditors of record or known to the Debtor, and (vi) all of the Debtor's current landlords, and constitutes sufficient and adequate notice in accordance with Bankruptcy Rules 2002, 4001(b), 4001(c) and 4001(d) and the local rules of this Court. No further notice of the request for the relief granted at the interim hearing is required.

G. No further notice of the relief sought in the Motion is required for the entry of this Order.

H. Good and sufficient cause has been shown for the entry of this Order. Among other things, the entry of this Order will enable the Debtor to continue the operation of its business; liquidation of its assets; and maximize value for all creditors; and will be in the best interest of the Debtor, its creditors, and its estate.

I This Court has jurisdiction, pursuant to 28 U.S.C. § 1334, over this proceeding, and over the persons and property affected hereby; and consideration of this Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2)(A), (D), (G) and (M).

DEBTOR'S STIPULATIONS

A. The Debtor stipulates and agrees that prior to the Petition Date, Sofa Express, Inc. entered into the Pre-Petition Credit Agreement, pursuant to which the Pre-Petition Lenders extended a working capital facility providing for Revolving Credit Loans and Letters of Credit (as each is defined in the Pre-Petition Credit Agreement); the Pre-Petition Credit Agreement and all documents and instruments executed in connection therewith are collectively referred to herein as the "Pre-Petition Loan Documents"). The Debtor stipulates and agrees that as of the

Petition Date, the Debtor was indebted to the Pre-Petition Lenders in the principal sum under the Revolving Credit Loans in the approximate amount of \$10,347,713, issued and outstanding Letters of Credit in the approximate amount of \$710,000, plus interest accrued and accruing, costs, fees, and professional fees and expenses, and all other "Obligations" as defined in the Pre-Petition Credit Agreement including, the rights of the Pre-Petition Agent and Pre-Petition Lenders to indemnification and reimbursement ("Pre-Petition Indemnification Obligations") of legal fees and expenses under the Pre-Petition Credit Agreement (collectively, hereinafter the "Pre-Petition Obligations").

B. The Debtor stipulates and agrees that the Pre-Petition Obligations are secured by substantially all of the Debtor's real and personal property including, but not limited to, accounts, inventory, general intangibles, equipment, goods, motor vehicles, fixtures, chattel paper, investment property, owned real property, money, cash and cash equivalents relating thereto, proceeds, accessions, substitutions, replacements, rents, profits, and products of the aforementioned property all as more fully set forth in the Pre-Petition Loan Documents (the "Pre-Petition Collateral").

C. The Debtor stipulates and agrees that all amounts on deposit in the Debtor's banking, checking, other deposit accounts, substantially all proceeds from the sale of its assets in accordance with the Sale Documents, and all reimbursements of expenses by the Joint Venture to the Debtor in accordance with the Sale Documents constitute cash collateral within the meaning of Section 363 of the Bankruptcy Code ("Cash Collateral"), in which the Pre-Petition Agent has a security interest in order to secure the Pre-Petition Obligations.

D. To the best of the Debtor's knowledge, the only valid and perfected liens as to property of the Debtor's estate which existed as of the filing date of this proceeding were the

liens of the Pre-Petition Agent, the Liens asserted by Klaussner Furniture Industries, Inc. as agent for Klaussner Furniture Industries, Inc., Klaussner Corporation, Klaussner Corporate Services, Inc., Klaussner Furniture of California, Inc., Technimark, Inc., Klaussner International, LLC, Prestige Fabricators, Inc., Klaussner Furniture of Mississippi, LLC, Candor Creek Investments, LLC, Technimark Chihuahua, Inc., Technimark Reynosa, Inc., Technimark Mexicali, Inc. and Iloap, Inc. (collectively the "Klaussner Secured Parties") pursuant to that General Security Agreement dated as of January 31, 2007. Nothing herein shall constitute a finding or ruling by this Court that the liens in favor of the Klaussner Secured Parties are valid, perfected, or enforceable. Moreover, any party in interest including but not limited to the Debtor, the Agent, and the Creditors' Committee may challenge the validity, priority, perfection, enforceability, and extent of any such lien and or security interest.

E. The Debtor, the Pre-Petition Agent, and the Agent stipulate and agree that (i) this Court has jurisdiction, pursuant to 28 U.S.C. § 1334, over this proceeding, and over the persons and property affected hereby; and (ii) consideration of this Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2)(A), (D), (G), and (M).

NOW, THEREFORE, on the Motion of the Debtor and the record before the Court with respect to the Motion, and with the consent of the Debtor, the Pre-Petition Agent, the Pre-Petition Lenders, the Agents, and the Lenders to the form and entry of this Order, and good cause appearing,

IT IS HEREBY ORDERED that:

1. The Motion is granted in accordance with the terms of this Final Order.

APPROVAL OF AND AUTHORIZATION AS TO BORROWING

2. The First Interim Order and Second Interim Order are hereby approved as Final Orders of this Court. All approvals and authorizations set forth in the First Interim Order and Second Interim Order are hereby entered on a final basis.

WAIVER AND RELEASE

3. Subject only to Paragraph 4 of this Order, the Debtor on behalf of itself and its estate and its successors, including any subsequently appointed trustee, hereby: (i) releases and discharges the Pre-Petition Agent and the Pre-Petition Lenders together with their affiliates, agents, attorneys, officers, directors and employees from any and all claims and causes of action arising out of, based upon or related to the Pre-Petition Loan Documents and; (ii) releases and discharges the Agent and the Lenders together with their affiliates, agents, attorneys, officers, directors and employees from any and all claims and causes of action arising out of, based upon or related to the Loan Documents; (iii) waives any and all claims, defenses (including, without limitation, offsets and counterclaims of any nature or kind) as to the validity, perfection, priority, enforceability, and avoidability (under Chapter 5 of the Bankruptcy Code or otherwise) of the Pre-Petition Obligations or the security interests, liens, deeds of trust or mortgages granted to secure Pre-Petition Obligations, and (iv) agrees, without further Court order, to the allowance of the pre-petition claims of the Pre-Petition Agent and the Pre-Petition Lenders as fully secured claims in an amount not less than the Pre-Petition Obligations pursuant to Sections 502, 506(a)(1) and 506 (b) of the Bankruptcy Code. The release, discharge, waivers and agreements set forth in this Paragraph 3 will be deemed effective upon the date this Order is entered, subject only to the Creditors' Committee's, and any party in interest's right to object on the terms and conditions set forth in Paragraph 4 of this Order.

4. The provisions of Paragraph 3 above, as well as any other determination, finding and/or waiver in this Order, with respect to the extent, validity, and /or priority of the Pre Petition Agent and Pre Petition Lender's Pre-Petition Liens and claims shall not be binding upon the Creditors' Committee until after the expiration of the Committee Effective Date, (as defined below) and shall be without prejudice to the right of the Creditors' Committee or any party in interest to seek to disallow the Pre-Petition Lenders' or Pre-Petition Agent's claims, avoid any security or collateral interest in the assets of the Debtor claimed by the Pre-Petition Agent or the Pre-Petition Lenders, and to seek the disgorgement of all or any part of any payment made by the Debtor to the Pre-Petition Lenders. The Creditors' Committee and any other party in interest, including any subsequently appointed trustee, shall have until April 9, 2008 or such time as may be extended upon consent of the Pre-Petition Agent (the "Committee Effective Date") within which to file an objection or commence an adversary proceeding (as may be appropriate) with respect to the Pre-Petition Agent's or Pre-Petition Lenders' claims or security interest, payments made to the Pre-Petition Agent or Pre-Petition Lenders, the amount of any Diminution Claim (as defined below) or any other claims or causes or actions as to the Pre-Petition Agent or Pre-Petition Lenders. In the event that no objection or complaint, as applicable, is timely filed: (a) the findings, admissions, waivers and releases granted by this Order shall become final and binding on all parties (including the Creditors' Committee, any creditor, or any subsequently appointed trustee); (b) the Pre-Petition Obligations, and the Pre-Petition Agent's and Pre-Petition Lenders' liens in the Pre-Petition Collateral shall be valid, perfected, nonavoidable, and in full force and effect, not subject to any claims, counterclaims, setoffs, or defenses; (c) the Pre-Petition Obligations shall be an allowed fully secured claim pursuant to Sections 502, 506(a)(1) and 506(b) of the Bankruptcy Code; and (d) the payment of the Pre-Petition Obligations in

accordance with this Order shall not be subject to disgorgement. To the extent any such objection or complaint is filed, the Pre-Petition Agent and Pre-Petition Lenders shall be entitled to include such costs and expenses, including but not limited to reasonable attorneys' fees, incurred in defending the objection or complaint as a Pre-Petition Indemnification Obligation which shall be without prejudice to the Creditors' Committee's right to object to same. The Pre-Petition Agent shall not object to the Creditors' Committee standing to bring such actions or file such objections as set forth in Paragraph 4 hereof.

AUTHORIZING USE OF CASH COLLATERAL AND ADEQUATE PROTECTION

5. Provided no Event of Default has occurred, and subject to the budget, annexed hereto as Exhibit 1 (the "Budget"), Debtor is hereby authorized to use Cash Collateral from the date of this Order to the Termination Date (as defined below) in the aggregate amount not to exceed \$6,100,000.00 (which amount includes the \$3,500,000 payment to the Pre-Petition Agent pursuant to Paragraph 10(b) hereof), in accordance with the terms and conditions of this Order.

6. The Debtor may use the Cash Collateral only in the amounts set forth in the Budget. No Cash Collateral may be used by the Debtor, the Creditors' Committee or any other person or entity to object to or contest in any manner, or raise any defenses to (provided, however, the proceeds of loans and advances may be used by the Committee to investigate) the validity, extent, perfection, priority or enforceability of the Pre-Petition Obligations, or any liens or security interests with respect thereto or any other rights or interests of the Pre-Petition Agent, Pre-Petition Lenders, or to assert any claims or causes of action, including, without limitation, any actions under Chapter 5 of the Bankruptcy Code, against the Pre-Petition Agent or Pre-Petition Lenders.

7. The Debtor shall strictly perform in accordance with the Budget, subject to the following: (i) the Debtor's cash receipts levels shall not be less than 90% of the projected amounts set forth in the Budget; and (ii) the Debtor's actual expenses and cash expenditures shall not be greater than 110% of the projected amounts set forth in the Budget all of the foregoing on a cumulative rolling four (4) week basis. The foregoing shall be tested on Tuesday of each week pursuant to the Variance Report (as defined below) delivered by the Debtor to the Pre-Petition Agent and the Creditors' Committee.

8. The Debtor shall continue to retain The Clear Thinking Group ("CTG") to assist the Debtor in connection with the orderly liquidation of its assets, the preparation of all reports due hereunder, and the administration of the Bankruptcy Case.

9. Not later than 11:30 AM on Tuesday of each week a the Debtor shall deliver to the Pre-Petition Agent and the Creditors' Committee as a report prepared by the Debtor's management and reviewed by CTG reflecting on a line-item basis the Debtor's actual performance compared to the Budget for the immediately preceding week and on a cumulative basis for the period after the Petition Date and the percentage variance of the Debtor's actual results from those reflected in the then extant Budget, along with management's explanation of such variance. The Debtor shall deliver to the Pre-Petition Agent such additional reports and information as the Pre-Petition Agent reasonably request.

10. As partial adequate protection, pursuant to sections 361 and 363 of the Bankruptcy Code for any diminution in the value of the Pre-Petition Lenders' interests in the Pre-Petition Collateral arising out of the Debtor's use, sale or disposition of the Pre-Petition Collateral including Cash Collateral and the granting by the Debtor of the Liens to the Agent in the Pre-Petition Collateral:

(a) The Pre-Petition Agent is hereby granted a valid, perfected and enforceable security interest and replacement lien in all real and personal property of the Debtor, including without limitation, inventory, accounts, equipment, fixtures, general intangibles (including, without limitation, tax refunds, trademarks, and tradenames), instruments, documents, investment property, stock, chattel paper, and goods (respectively as defined in the Uniform Commercial Code), all real estate (including real property known and numbered as 725 Myatt Drive, Madison, Tennessee, and 11501 Carolina Place Parkway, Pineville, North Carolina), all proceeds from the sale, disposition, or assignment of any leasehold interest (but excluding the leasehold interest themselves), all proceeds and amounts due by Joint Venture to the Debtor pursuant to the Sale Documents, including the Sale Consideration, and all other "Collateral" (as defined in the Loan Documents), all of the foregoing now owned or in which the Debtor has any interest (and without regard to whether acquired prior to or subsequent to the Petition Date) or hereafter acquired or in which the Debtor obtain an interest; and the products and proceeds thereof, (but excluding all proceeds of any avoidance action under Chapter 5 of the Bankruptcy Code, other than recoveries, pursuant to Section 549 of the Bankruptcy Code, or actions against any officer or director of the Debtor (collectively the "Litigation Actions")) (at times collectively referred to herein as the "Adequate Protection Collateral") and an allowed administrative expense claim having priority over all administrative expenses of the kind specified in sections 503(b), 507(a)(2), 507(6), 105, 326, 330, 331 and 506(b) and 726 of the Bankruptcy Code against the Debtor's estate, each of which shall be junior only to the Carve-Out; provided, however, the Pre-Petition Agent shall not have a Super Priority Claim (defined below) in the proceeds of any Litigation Actions other than proceeds from any Litigation Actions

against the Klaussner Secured Parties, and their affiliates (hereinafter referred to as the "Super Priority Claim").

(b) The Debtor, subject to the provisions of Paragraph 4 hereof, the Debtor shall pay to the Pre-Petition Agent for application to the Pre-Petition Obligations the sum of \$3,500,000 which sum is in addition to the payments made by the Debtor to the Pre-Petition Agent pursuant to the Second Interim Order.

(c) The liens, security interest, and super priorities granted in this section shall be limited to the extent of the diminution in value of the Pre-Petition Lenders interest in the Pre-Petition Collateral subsequent to the Petition Date, whether such diminution resulted from depreciation, use, sale, loss, decline in value or otherwise including such diminution as may arise from the use or application of the Pre-Petition Collateral (including Cash Collateral) in accordance with this Order including by reason of the Lien granted to the Agent ("Diminution Claim"). Without limiting the generality of the foregoing, the Carve-Out shall be included as a diminution in the value of the Pre-Petition Collateral in any calculation regarding adequate protection of the Pre-Petition Agent including in connection with the determination of the Diminution Claim or the amount secured by the Adequate Protection Collateral. The Diminution Claim, if any, shall be an allowed Super-Priority Claim subject only to the Carve-Out and the Super-Priority Claim.

(d) After all Pre-Petition Obligations have been paid in full, the Pre-Petition Indemnification Obligations and all Letters of Credit shall be cash collateralized to the extent determined by the Pre-Petition Agent in its reasonable discretion.

11. Except for the Carve-Out (Paragraph 12, below), no costs or expenses of administration including, without limitation, professional fees allowed and payable under

Sections 328, 330, and 331 of the Bankruptcy Code that have been or may be incurred in this proceeding, or in any other proceeding related thereto (hereinafter, any "Successor Case"), and no priority claims to the Collateral are, or will be, senior to, prior to, or on parity with the Obligations, or with any other claims of the Pre-Petition Agent or the Pre-Petition Lenders arising hereunder.

12. The Pre-Petition Agent's Liens in the Collateral and the Super-Priority Claim are subject and subordinate to the Carve-Out. The Carve Out shall be in an amount equal to the sum of (a) all accrued and unpaid professional fees and expenses of attorneys, accountants, financial advisors and consultants retained by the Debtor or the Creditors' Committee, whether incurred prior to or following the date hereof (the "Professional Expenses"), provided, that the Professional Expenses to be included in the Carve-Out and entitled to priority over the Liens and Super-Priority Claim shall not exceed the sum of (x) \$500,000 plus (y) the sum of 80% of any amounts in excess of \$ 2,200,000 (not to exceed \$700,000) collected from Nova Information Systems, Inc. ("NOVA") with respect to the credit card holdback currently being held by NOVA (the "NOVA Receivable"), plus (b) quarterly fees required to be paid pursuant to 28 U.S.C. Section 1930(a) ("U.S. Trustee Fees") (the "Carve-Out"). Upon receipt of the NOVA Receivable, the Pre-Petition Agent shall fund any remaining portion of the Carve Out, which has not been used to pay allowed Professional Fees as set forth below, to an escrow account maintained by Alston & Bird. Upon funding such account, all obligations of the Agent, Pre-Petition Agent, Lenders, and Pre-Petition Lenders with respect to the Carve-Out shall be satisfied and none of them shall have any further obligation to pay any Professional Expenses or U.S. Trustee Professional Fees or fund any additional Carve Out amounts. Until payment in full of the Pre-Petition Obligations, any Professional Expenses paid pursuant to court order or court

approved procedures shall be paid from the Carve-Out and the Carve-Out shall be reduced by the amount paid. The Carve-Out shall exclude any fees and expenses incurred in connection with the filing or prosecution (but not the investigation of) of any claim, counter claim, action, proceeding application, motion, objection, defenses or other contested matter, or joinder in any of the foregoing, the purpose of which is to seek any order, judgment, determination or similar relief invalidating, setting aside, avoiding, subordinating, in whole or in part, (A) the Obligations, (B) the Pre-Petition Obligations, (C) the Pre-Petition Agent's or Secured Parties' Lien in the Pre-Petition Collateral or the Collateral, (D) the Agent's or Lenders' Liens in the Collateral, (E) the Liens securing the Pre-Petition Obligations. Except as otherwise provided in this Paragraph 12, nothing contained in this Order shall be deemed a consent by the Agent, Pre-Petition Agent, Lenders, or Pre-Petition Lenders to any charge, lien, assessment or claim against the Collateral under Section 506(c) of the Bankruptcy Code or otherwise. The Pre-Petition Agent reserves the right to object to the Professional Fees and nothing herein shall be construed to obligate the Pre-Petition Agent or Pre-Petition Lenders, in any way, to pay the allowance of the Professional Fees or U.S. Trustee Fees or to assure that the Debtor has sufficient funds on hand to pay such Professional Fees or U.S. Trustee Fees.

(B) Nothing contained in Paragraph 12 shall (i) be read to exempt those persons receiving interim compensation payments or reimbursement of expenses from compliance with this Court's approved procedure for compensation or otherwise from applicable provisions of bankruptcy law, including but not limited to requirements that such compensation or reimbursement be allowed on a final basis after the filing of appropriate fee applications, and when applicable, any subsequent order of this Court requiring that such payments be disgorged, (ii) be construed as consent to the allowance of fees and expenses referenced to in Paragraph 12,

or (iii) be construed to affect any right of the Agent, on behalf of the Lenders, to object to the reasonableness or allowance of such amounts.

13. Unless the Pre-Petition Agent has provided its prior written consent or all Pre-Petition Obligations have been paid in full, all Letters of Credit have been cash secured as required by the Pre-Petition Loan Documents, all Pre-Petition Indemnification Obligations have been cash secured to the reasonable satisfaction of the Pre-Petition Agent, there shall not be entered in this proceeding, or in any Successor Case, any order which authorizes any of the following:

(a) the obtaining of credit or the incurring of indebtedness that is secured by a security, mortgage, or collateral interest or other lien on all or any portion of the Collateral and/or entitled to priority administrative status which is equal or senior to that granted to the Agent herein; or

(b) the Debtor's return of goods constituting Collateral pursuant to Section 546(h) of the Bankruptcy Code.

14. Other than with respect to the Carve-Out, no cost or expense which may be incurred in connection with or on account of the preservation and/or disposition of any Collateral or which otherwise could be chargeable to the Pre-Petition Agent, Pre-Petition Lender, Agent or the Lenders or the Collateral pursuant to Bankruptcy Code Sections 105, 506(c), 552 or otherwise, shall be so chargeable without Agent's prior written consent. For the period on and after January 15, 2008, the Debtor hereby waives the right for itself and for its estate to seek to charge the Collateral or Pre-Petition Collateral pursuant to Bankruptcy Code Sections 105, 506(c), 552 or otherwise.

15. Without limiting the provisions and protections of Paragraph 12, above, if at any time prior to the payment in full of all Pre-Petition Obligations, the Debtor or any Trustee subsequently appointed shall obtain credit or incur debt pursuant to Sections 364(c) or 364(d) of the Bankruptcy Code, other than debt secured solely by pre-petition avoidance actions, then all of the cash proceeds derived from such credit or debt shall immediately be turned over to the Pre-Petition Agent in reduction of the Pre-Petition Obligations.

EVENTS OF DEFAULT

16. All Pre-Petition Obligations of the Debtor to the Pre-Petition Agent and Pre-Petition Lenders are due and payable upon the earliest to occur of the following (each an "Event of Default"):

(a) February 12, 2008 (the "Termination Date"), as may be further extended from time to time pursuant to a budget for such extended periods, as may be agreed to by the Agent and the Debtor in writing, without further order of the Court, provided that notice of such extended date together with a revised budget is filed with the Court and served on counsel to the Creditors' Committee; or

(b) non-compliance by the Debtor with any of the terms or provisions of this Order;

(c) any, stay, reversal, vacatur, rescission or other modification of the terms of this Order not consented to by the Pre-Petition Agent in its absolute discretion;

(d) entry of an order by this Court or any other Court having jurisdiction over these chapter 11 cases approving any postpetition financing not consented to by the Pre-Petition Agent in its absolute discretion;

(e) entry of an order by this Court dismissing the Debtor's chapter 11 case or converting the Debtor's chapter 11 case to a case under chapter 7 of the Bankruptcy Code, in each case, not consented to by the Pre-Petition Agent in its sole and absolute discretion;

(f) the appointment of a trustee or the appointment of an examiner with enlarged powers in the Debtor's chapter 11 case;

(g) the lifting of the automatic stay to permit the exercise of secured creditor remedies with respect to any property of the Debtor having a value in excess of \$75,000 individually or in the aggregate;

(h) the failure of the Debtor to continue to cause all proceeds of all Prepetition Collateral and all Adequate Protection Collateral to be deposited in the concentration account maintained with the Pre-Petition Agent;

(i) the failure of the Debtor to strictly comply with the Budget in accordance with Paragraph 7;

(j) the breach by any party of any term or condition under the Sale Documents or Sale Order; or

(k) the effective date of any plan for the Debtor confirmed pursuant to Bankruptcy Code Section 1129.

17. Any automatic stay otherwise applicable to the Pre-Petition Agent and Pre-Petition Lenders is hereby modified so that after the occurrence of any Event of Default and after the expiration of five (5) business days prior written notice of such occurrence (the "Remedies Notice Period") (which notice shall be in writing and delivered by facsimile, electronic mail, or overnight carrier), in each case given to the Debtor, counsel to the Debtor, counsel for the Creditors' Committee, counsel to the Klaussner Secured Parties, and the United States Trustee, the Pre-Petition Agent, the Pre-Petition Lenders shall be entitled to exercise their rights and remedies in accordance with the Pre-Petition Loan Documents. Immediately following the giving of notice by the Pre-Petition Agent of the occurrence of an Event of Default: (i) the

Debtor shall continue to deliver and cause the delivery of the proceeds of Collateral, Pre-Petition Collateral, and Adequate Protection Collateral to the Pre-Petition Agent; (ii) the Pre-Petition Agent shall continue to apply such proceeds in accordance with the provisions of this Order; and (iii) the Debtor shall have no right to use any of such proceeds, nor any other cash collateral (as defined in Bankruptcy Code Section 363(a)) other than towards the satisfaction of the Pre-Petition Obligations and the Carve-Out. Following the giving of notice by the Pre-Petition Agent of the occurrence of an Event of Default, the Debtor or the Creditors' Committee shall be entitled to an emergency hearing before this Court solely for the purpose of contesting whether an Event of Default has occurred. If the Debtor does not contest whether an Event of Default has occurred within such a time period, or if the Debtor does timely contest the occurrence of an Event of Default, and the Court after notice and hearing declines to stay the enforcement thereof within such time period, the automatic stay as to the Agent and Lenders shall automatically terminate at the end of such notice period.

18. At any time after the Remedies Notice Period, unless the Court has determined during the Remedies Notice Period that an Event of Default has not occurred, the Pre-Petition Agent and Pre-Petition Lenders shall be entitled to exercise, if the Pre-Petition Agent and Pre-Petition Lenders exercise any of their rights and remedies upon the occurrence of an Event of Default under the Pre-Petition Loan Documents. In any exercise of their rights and remedies upon an Event of Default under the Pre-Petition Loan Documents, the Pre-Petition Agent and Pre-Petition Lenders are authorized to proceed under or pursuant to the Pre-Petition Loan Documents.

19. Nothing included herein shall prejudice, impair, or otherwise affect the Pre-Petition Agent's or Pre-Petition Lender's rights to seek any other or supplemental relief in respect of the Debtor.

MISCELLANEOUS PROVISIONS

20. Unless and until all Pre-Petition Obligations are repaid in full, all Letters of Credit have been cash secured as required by the Pre-Petition Loan Documents, and all obligations under the DIP Loan Documents which survive termination and the Pre-Petition Indemnification Obligations have been cash secured to the reasonable satisfaction of the Agent, the protections afforded to the Pre-Petition Agent and the Pre-Petition Lenders under the DIP Loan Documents, and any actions taken pursuant thereto, shall survive the entry of any order confirming a plan or converting this case into a Successor Case, and the Liens in and to the Collateral and the Super-Priority Claim shall continue in this proceeding and in any Successor Case, and such Liens and Super-Priority Claim shall maintain their priority as provided by this Order.

21. The time and manner of payment of the Pre-Petition Obligations and the Liens in and to the Collateral and the Super-Priority Claim shall not be altered or impaired by any plan which may hereafter be confirmed pursuant to or by any further order which may hereafter be entered and any order assented to in writing by the Pre-Petition Lenders.

22. If any provision of this Order is hereafter reversed, modified, vacated or stayed by subsequent order of this or any other Court for any reason, such action will not affect: (i) the validity of any obligation, indebtedness or liability incurred post-petition hereunder by the Debtor to the Agent or the Lenders prior to the date of receipt of written notice to the Agent of the effective date of such action; (ii) the validity and enforceability of any Lien or priority authorized or created hereby or pursuant to the DIP Credit Agreement or related DIP Loan

Documents; or (iii) the validity and enforceability of any security interest or Lien or priority authorized or created hereby to the Pre-Petition Agent in the Adequate Protection Collateral. Notwithstanding any such reversal, stay, modification or vacatur, any post-petition indebtedness, obligation or liability incurred by the Debtor to the Agent or the Lenders prior to the written notice to the Agent of the effective date of such action shall be governed in all respects by the original provisions of this Order. The Agent, the Lenders, the Pre-Petition Agent and the Pre-Petition Lenders shall be entitled to all the rights, remedies, privileges and benefits granted herein and in the DIP Credit Agreement and the DIP Loan Documents with respect to such indebtedness, obligation or liability.

23. Except as set forth in Paragraph 4, the payments made, and the Liens and Super-Priority Claims granted to the Agent and Secured Parties under the DIP Credit Facility and this Order, and the priority thereof, shall be binding on the Debtor, any successor trustee for the Debtor, the Creditors' Committee and all creditors of the Debtor, as provided in Bankruptcy Code Section 364(e).

24. Counsel to the Agent and the Pre-Petition Agent shall submit redacted copies (but with sufficient detail to determine the reasonableness of same) of all invoices for legal fees and expenses to the Debtor, Creditors' Committee, and the United States Trustee. Upon the passage of ten (10) calendar days after submission of such invoices, the Debtor shall pay to the Agent or Pre-Petition Agent, as applicable, the amount of all reasonable legal fees and out-of-pocket expenses requested by counsel and such invoices to the extent no objection has been filed with the Court to such legal fees or expenses. No person submitting an invoice for payment of legal fees shall be required to file with respect thereto any interim or final fee application with this

Court, although disputes as to the entitlement of such legal fees and expenses under the Bankruptcy Code Section 506(b) shall be subject to this Court's jurisdiction.

25. The Pre-Petition Agent, the Debtor, and the Creditors' Committee may agree to non-material modifications or amendments of this Order without further Order of the Bankruptcy Court, provided however, notice of such amendment or modification shall be given to Klaussner Secured Parties. Upon two (2) business days notice to the Creditors' Committee and the Klaussner Secured Parties, and the U.S. Trustee, the Pre-Petition Agent, in its sole and exclusive discretion, may, with the consent of the Debtor, extend the Debtor's right to use cash collateral under this Order without further Order of this Court.

26. This Order shall not be construed in any way as a waiver or relinquishment of any rights that the Pre-Petition Agent and/or the Pre-Petition Lenders may have to bring or be heard on any matter brought before this Court.

27. The terms of this Order and any actions pursuant thereto, including but not limited to the Liens granted there under and the adequate protection granted hereby, shall survive the entry of any order: (a) confirming any plan of reorganization in this case; (b) dismissing this case; (c) converting this Chapter 11 case to any other Chapter under the Bankruptcy Code; (d) withdrawing of the reference of this Chapter 11 case from this Court; and (e) abstention from handling or retaining of jurisdiction of this Chapter 11 case in this Court.

28. The DIP Credit Facility has been negotiated in good faith and at arms-length between the Debtor and the Agent; and any credit extended and loans made to the Debtor pursuant to the Interim Order and/or the DIP Loan Documents 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 Agent is entitled to the protections of Bankruptcy Code § 364(e).

29. The Liens and administrative expense claims granted to the Agent, the Lenders, the Pre-Petition Agent, and the Pre-Petition Lenders pursuant to this Final Order, the First Interim Order, and the Second Interim Order with respect to the Merchandise, FF&E, Proceeds, and the proceeds of the sale or the disposition of any Real Property Locations (as each term is defined in the Sale Documents) shall be subject to Paragraphs 5, 20, and 32 of the Sale Order. The Liens granted to the Agent, the Lenders, the Pre-Petition Agent, and the Pre-Petition Lenders pursuant to this Final Order and the Second Interim Order shall attach to all of the Sale Consideration, and any other amounts paid or payable to the Debtor under the Sale Documents, which Liens shall be a first priority lien subject only to the Carve-Out.

30. Any notice to be given by the Debtor, Pre-Petition Agent or Agent pursuant to this Order shall also be given to counsel to the Creditor's Committee.

<p>THIS ORDER WAS SIGNED AND ENTERED ELECTRONICALLY AS INDICATED AT THE TOP OF THE FIRST PAGE.</p>

APPROVED FOR ENTRY:

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Wind-Down Budget and DIP Facility
Bankruptcy Filing = 12/6/07
Last Updated 1/15/08

	Week 1-Post	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12
	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Total
For the week ending, Saturday	4/29/2027	5/7/2027	5/14/2027	5/21/2027	5/28/2027	6/4/2027	6/11/2027	6/18/2027	6/25/2027	7/2/2027	7/9/2027	6 Weeks
REVENUE												
Forecasted Sales Deductions	251,402	1,316,447	887,255	263,000	-	-	-	-	-	-	-	-
Forecasted Sales Tax Collection (Net in Actual)	18,828	15,467	52,820	-	-	-	-	-	-	-	-	-
Sale of Assets - Global Guarantee (Excluding Airport Proceeds)	-	-	-	10,881,000	-	-	-	-	328,000	-	-	328,000
Classified Augmentation Proceeds	-	-	-	380,000	-	-	-	-	-	-	-	-
Sale of Policy Stock & PFA's	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of Deposit with Global Care Protection	-	-	-	-	-	-	-	-	-	-	-	-
Liquidator GDB Sale Proceeds - Iron Estate Accounts	-	-	-	300,378	2,172,901	1,837,276	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Forecasted Receipts	213,218	1,452,618	820,855	11,662,378	2,172,901	1,837,276	-	-	328,000	-	-	328,000
EXPENSES												
Sales Taxes	-	-	-	-	116,818	-	-	-	-	-	-	-
Pre-Paid - Interest/Overhead	-	-	-	-	-	-	-	-	-	-	-	-
Post-Paid - 1st Interest week of December	-	-	-	-	-	-	-	-	-	-	-	-
Post-Paid - 1st	-	-	-	-	-	7,703	-	167,067	-	-	-	167,067
Total Sales Tax	-	-	-	-	116,818	7,703	-	167,067	-	-	-	167,067
Outstanding Checks	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Checks - (Clients)	-	-	-	-	-	301,121	-	84,264	-	-	-	84,264
Outstanding Checks - Current Week (Not Closed)	-	-	-	-	(200,340)	(53,125)	-	-	-	-	-	-
Outstanding Checks - Payroll (Current)	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Checks - Current Week (Not Closed) Payroll	-	-	-	-	-	-	-	-	-	-	-	-
Total Outstanding Checks, net	-	-	-	-	(200,340)	(22,999)	-	84,264	-	-	-	84,264
Sales Promotions (Class Date and of Feb)	-	-	-	-	-	-	-	-	-	-	-	-
Payroll / Payroll Taxes (Does not include Unclaimed Insurance Plan)	0	230,000	318,844	(58,000)	222,460	143,247	89,477	142,929	62,912	142,930	20,557	410,270
Payroll Processing - ADP	(0)	-	5,215	-	-	-	814	347	714	344	714	2,281
Employee Benefits / Insurance (Includes WIC)	-	14,005	75,001	7,506	81,082	22,143	116,562	50,966	51,777	22,041	33,041	321,811
Insurance (Auto, GL, Crime, Prop, Cargo, etc)	-	-	-	-	-	-	10,483	10,483	10,483	10,483	-	21,450
In-State Advertising	-	-	-	-	-	-	-	-	-	-	-	-
Net Promotes on Cash / Freight / Costs	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment for Actual	-	-	-	-	-	-	-	-	-	-	-	-
Supplies/Postage	-	-	-	-	-	-	6,570	2,833	2,839	2,833	1,101	12,244
Trash & Cleaning	-	-	-	-	-	-	11,210	6,810	5,610	5,610	2,183	20,324
Inventory Count - Asset Sale	-	-	-	-	-	-	-	-	-	-	-	-
Bank Fees	-	-	-	-	-	-	-	-	-	-	-	-
Other Store Costs	-	1,823	488	8,943	2,120	2,120	2,120	2,120	2,120	2,120	2,120	10,893
Total Store Expenses	0	243,234	401,741	16,253	234,784	170,120	97,078	216,542	122,022	184,219	87,758	847,685
Store Occupancy Costs	-	-	-	-	-	-	-	-	-	-	-	-
Utilities / Phone / Security	-	-	-	-	-	-	102,568	70,843	30,381	30,381	70,843	294,947
Rentals & Maintenance	-	-	-	-	-	-	48,587	21,343	24,344	24,344	21,344	148,062
Rent (Insurance Deductible to Pre-Paid)	-	2,432	-	1,020,001	77,000	-	-	-	-	-	-	1,093,433
Total Occupancy Costs	-	2,432	-	1,020,001	77,000	-	311,223	92,187	64,705	1,125,866	95,187	1,521,927
Instructions Center (Insurance on a 10% hold)	-	-	-	-	-	-	-	-	-	-	-	-
Payroll / Payroll Taxes - GDB (Weekly)	-	120,624	108,048	28,274	131,300	18,401	63,267	85,191	8,207	-	-	60,234
Employee Benefits / Insurance (Includes WIC)	-	7,453	37,501	3,853	40,364	11,122	23,191	24,454	-	-	-	112,818
Union Dues - GDB (Employee WIC)	-	-	-	-	-	-	-	-	-	-	-	-
Utilities / Phone / Security	-	-	-	-	-	-	13,506	13,826	-	10,206	13,506	65,222
Insurance (Auto, GL, Crime, Prop, Cargo, etc) - 100%	-	-	-	-	-	-	8,219	8,219	-	8,219	-	18,725
Fuel/Drive	0	16,000	2,008	28,847	120,729	27,584	75,000	75,000	-	-	-	150,000
Rent	-	-	-	-	-	-	-	-	-	-	-	159,728
Total Distribution Center	0	142,027	228,516	33,227	310,278	27,584	244,848	179,571	9,207	191,856	13,228	823,366
Corporate Overhead	-	-	-	-	-	-	-	-	-	-	-	-
Payroll / Payroll Taxes - Corp (Bi-Weekly)	-	8,794	81,694	4,628	57,765	3,584	42,841	3,833	30,314	3,833	27,768	169,191
Payroll / Payroll Taxes - Fixed (Upm Included in Cost)	-	-	-	-	-	-	-	-	-	-	-	-
Corp and Fixed Mgmt PTO (Paid on last Pay Check)	-	-	-	-	-	-	16,425	16,426	16,426	16,426	16,426	65,122
Share PTO (WIC) updated actual as of sale commencement	-	-	-	-	-	-	18,426	18,426	18,426	18,426	18,426	82,122
Share Corp Program	-	-	-	-	-	-	46,100	-	-	-	-	46,100
Corporate Share-Bonus Program	-	-	-	-	-	-	-	-	-	-	-	-
Employee Benefits / Insurance (Includes WIC)	-	22,444	12,910	1,310	10,180	2,727	8,437	8,425	35,181	22,427	22,427	97,580
Deductible of pre-pension medical claims - ALL DISCOUNT	-	-	-	-	-	-	(20,371)	(4,125)	(44,283)	(22,005)	(22,005)	(202,391)
Employee Benefits - COBRA (Prevident-Personal)	-	-	-	-	-	-	2,405	-	-	-	-	2,405
Payroll Processing - ADP	-	-	1,227	-	-	-	201	20	35,181	301	120	33,228
Federal, State Income Tax and Sales Tax Audit Liability, Ohio CAT-Tax	-	-	-	-	-	-	-	-	-	-	-	-
Tax Preparation Fees (2027) 1st year	-	-	-	-	-	-	-	-	-	-	-	-
Tax Preparation Fees (vehicle and WIC)	-	-	-	-	-	-	-	-	-	-	-	-
Utilities / Phone / Security - GH	-	-	-	-	-	-	20,520	8,843	8,843	8,843	8,843	58,892
Count Ordered Utility Discounts	-	-	-	-	-	-	23,416	-	-	-	-	23,416
Share Insurance - Not Covered by Liquidator-Insured prior to GDB	-	-	-	-	-	-	-	-	-	-	-	-
Insurance (Auto, GL, Crime, Prop, Cargo, etc) - 100%	-	-	-	-	-	-	23,416	-	-	-	-	23,416
Supplies/Postage	-	-	-	-	-	-	1,703	1,703	1,703	1,703	1,703	6,812
Trash & Cleaning (All Costs prior to sale commencement)	-	-	-	-	-	-	3,266	3,266	3,266	3,266	3,266	18,222
Auto Liens (Auto Costs WIC) - Assume Capital or some other	-	-	-	-	-	-	848	848	848	848	848	4,228
Insurance (Auto, GL, Crime, Prop, Cargo, etc) - 100%	-	-	-	-	-	-	1,747	1,747	-	1,747	-	6,747
Employee Reimbursements	-	-	-	-	-	-	1,747	1,747	-	1,747	-	6,747
Rent (Corp Office -)	-	-	-	-	-	-	867	1,729	869	1,729	869	6,788
Rent - Temp Office & Record Storage	-	-	-	-	-	-	-	-	-	-	-	-
Moving Costs & PTO (Temp Office)	-	-	-	-	-	-	-	-	-	-	-	-
Record Retention - GH Site Storage	-	-	-	-	-	-	-	-	-	-	-	-
Record Destruction	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance (General) - Potential Estate Disposition	-	-	-	-	-	-	-	-	-	-	-	-
Lease Car Costs (Per AFA Agreement)	-	-	-	-	-	-	-	-	-	-	-	-
Lease Car Costs (Other)	-	-	-	-	-	-	-	-	-	-	-	-
Inventory Count - Asset Sale (Estate portion)	-	-	-	-	-	-	-	-	-	-	-	-
WAPM Act (Potential Expense)	-	-	-	-	-	-	-	-	-	-	-	-
Gil Cardiac/GDBA Services & Customer Demand/Soft Defects/GDB Charge-backs	-	-	-	-	-	-	-	60,000	-	-	-	60,000
Utility Discounts (Refund Date Status)	-	-	-	-	-	-	-	-	50,000	50,000	50,000	150,000
Bankruptcy Filing Fee - Corp Admin Fees	-	-	-	-	-	-	10,000	-	-	-	-	10,000
WFRP Interest Payment on Pre-Paid Loan	-	-	-	-	-	-	-	-	-	-	-	-
WFRP Payment of Pre-Paid Loan	-	-	-	-	-	-	-	-	-	-	-	-
Off Fee	-	1,594	-	8,226	1,218	-	3,000,000	-	6,100	-	-	6,100
Auction Escrow Reimbursements	-	-	-	-	-	-	50,000	-	-	-	-	50,000
Liquidator GDB Sale Proceeds - Out of Estate Accounts To Liquidator	-	-	-	-	-	-	2,119,633	-	18,000	-	-	2,137,633
Bank Fees/Pre-Paid Early Termination Fee	-	17,095	1,678	-	-	9,166	8,834	-	-	-	-	26,543
Total Corporate Overhead	44,547	101,678	8,028,947	2,254,068	349,769	6,899,816	63,258	263,738	131,089	177,197	6,899,816	
Professional Fees												
WFRP - Legal Fees / Other Fees	-	-	-	-	-	-	50,000	50,000	50,000	50,000	-	200,000
Director - PA - GDB	-	-	-	-	-	-	-	-	-	-	-	-
Legal-Other	-	-	-	-	-	-	-	-	-	-	-	-
Director - Legal - Pattern Swaps/pt	-	-	-	-	-	-	-	-	-	-	-	-
Director - PA-Motion Cash on	-	-	-	-	-	-	-	-	-	-	-	-
Director Legal - Action & GDB & Hubland	-	-	-	-	-	-	-	-	-	-	-	-
Carl Maritz	-	-	-	-	-	-	40,004	1,000	-	-	-	41,004
Director & Director Local Counsel	-	-	-	-	-	-	-	-	-	-	-	-
GDB Group (Refiling Agent)	-	-	-	-	-	-	18,096	-	-	16,700	-	34,796
Fees Invoiced after Bankruptcy sale should be paid from Reserve Below	-	-	-	-	-	-	-	-	-	-	-	-
Total Professional Fees	-	-	-	-	-	-	60,098	50,000	60,000	66,700	-	231,828
Total Cash Disbursements	0	441,279	729,610	8,264,068	2,818,068	6,949,687	6,999,816	725,738	293,448	1,681,598	2,227,097	10,189,104
LIQUIDATOR'S FEES												
State Expenses Reimbursement (incl. benefits)	-	-	-	-	-	-	-	-	-	-	-	-
State Benefits Reimbursement (assume 15% of payroll)	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy Cost Reimbursement (incl. Rent)	-	-	-	-	-	-	-	-	-	-	-	-
Pre-Paid Rent Reimbursement	-	-	-	-	-	-	-	-	-	-	-	-
Perry Cash in Shares at Time of Sale - Liquidator to Use and Reimburse	-	-	-	-	-	-	-	-	-	-	-	-
Control Services	-	-	-	-	-	-	-	-	-	-	-	-
DC Expense Reimbursement (incl. benefits)	-	-	-	-	-	-	-	-	-	-	-	-
DC Benefits Reimbursement (assume 20% of payroll)	-	-	-	-	-	-	-	-	-	-	-	-
DC Occupancy Cost Reimbursement (incl. Rent)	-	-	-	-	-	-	-	-	-	-	-	-
DC Rent Reimbursement	-	-	-	-	-	-	-	-	-	-	-	-
Sales Tax Reimbursement	-	-	-	-	-	-	-	-	-	-	-	-
Gil Cause and Customer March Checks	-	-	-	-	-	-	-	-	-	-	-	-
Testing of Reimbursement - Reconciliation Week	-	-	-	-	-	-	-	-	-	-	-	-
Total Reimbursement - Payment 1 Week in Advance	-	-	-	-	-	-	-	-	-	-	-	-
Timing of Reimbursements	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH FLOW	290,279	884,897	755,735	3,577,878	(1,459,823)	843,078	(1,299,938)	67,493	243,333	(1,253,821)	177,078	(8,287,844)
CUMULATIVE NET CASH FLOW	290,279	1,175,616	1,931,352	8,971,231	8,261,758	9,104,836	7,804,900	7,872,393	1,334,063	84,137	284,797	-