

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

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<b>In re:</b>	:	<b>CHAPTER 11</b>
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<b>COOPER-BOOTH WHOLESALE COMPANY, L.P., et al.<sup>1</sup>,</b>	:	<b>BANKRUPTCY NO. 13-14519 (MDC)</b>
<b>Debtors.</b>	:	<b>(Jointly Administered)</b>
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**FINAL STIPULATION AND ORDER AUTHORIZING DEBTORS TO USE  
CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363(c)(2)(B) AND PROVIDE  
ADEQUATE PROTECTION**

AND NOW, upon consideration of the Debtors' Motion for an Order Pursuant to 11 U.S.C. § 363(c) and Fed. R. Bankr. P. 4001, Authorizing Debtors to Use Cash Collateral and Provide Adequate Protection [Bankr. Docket No. 5], and after notice and a hearing, on this 21st day of June 2013, this Final Stipulation and Order Authorizing Debtors to Use Cash Collateral Pursuant to 11 U.S.C. § 363(c)(2)(B) and Provide Adequate Protection (this "Stipulation and Order") is entered into by and among Cooper-Booth Wholesale Company, L.P. ("Cooper-Booth Wholesale"), Cooper-Booth Transportation Company, L.P. ("Cooper-Booth Transportation"), Cooper-Booth Management Company, Inc. ("Cooper-Booth Management" and, together with Cooper-Booth Wholesale and Cooper-Booth Transportation, the "Debtors"), PNC Bank, National Association ("PNC"), PNC Equipment Finance, LLC ("PNCEF" and, together with PNC, the "Banks"), Zurich American Insurance Company, on behalf of itself and its affiliates American Guaranty and Liability Insurance Company and Fidelity and Deposit Company of Maryland (collectively, "Zurich"), and the Official Committee of Unsecured Creditors (the "Committee"; the Debtors, the Banks, Zurich, and the Committee are sometimes referred to collectively as the "Parties") in these chapter 11 cases pending in the United States Bankruptcy Court for the Eastern District of Pennsylvania, case numbers 13-14519 (MDC), 13-14521 (MDC), and 13-14522 (MDC) (collectively, the "Bankruptcy Cases").

**A. DEBTORS AND BANKRUPTCY CASES.**

1. The Debtors filed voluntary petitions under chapter 11 of title 11 of the United States Bankruptcy Code (the "Bankruptcy Code") on May 21, 2013 (the "Petition Date") in the United States Bankruptcy Court for the Eastern District of Pennsylvania (the "Court").
2. Since the Petition Date, the Debtors have remained in possession of their assets and are operating their businesses as debtors-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

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<sup>1</sup> The debtors in these chapter 11 cases are Cooper-Booth Wholesale Company, L.P., Cooper-Booth Transportation Company, L.P., and Cooper-Booth Management Company, Inc.

3. The Court is jointly administering these Bankruptcy Cases pursuant to its Order Directing the Joint Administration of Debtors' Chapter 11 Cases Pursuant to Fed R. Bank. P. 1015(b) and Granting Other Related Relief entered on May 22, 2013 [Bankr. Docket No. 25].

4. On May 31, 2013, the United States Trustee appointed the Committee pursuant to § 1102(a)(1) of the Bankruptcy Code [Bankr. Docket No. 69].

**B. PRE-PETITION FINANCING DOCUMENTS, OBLIGATIONS, AND COLLATERAL.**

1. Prior to the Petition Date, PNC made various loans, advances, and/or extensions of credit (collectively, the "Pre-Petition Line of Credit Loans") to or for the benefit of Cooper-Booth Wholesale, pursuant to, among other things, that certain letter agreement, dated August 30, 2011, entered into by and between Cooper-Booth Wholesale and PNC, as amended by that certain First Amendment to Loan Documents, dated December 22, 2011, that certain Second Amendment to Loan Documents, dated September 5, 2012, and that certain Third Amendment to Loan Documents, dated December 6, 2012 (as so amended and as further amended or otherwise modified, the "Pre-Petition Line of Credit Agreement"), pursuant to which PNC made a committed line of credit facility available to Cooper-Booth Wholesale in the present maximum principal amount of \$10,000,000, which Pre-Petition Line of Credit Loans are further evidenced by that certain Second Amended and Restated Committed Line of Credit Note (Daily LIBOR), dated December 6, 2012, executed by Cooper-Booth Wholesale in favor of PNC (together with that certain Working Cash®, Line of Credit, Investment Sweep Rider (Single Option), dated August 30, 2011, entered into by and between Cooper-Booth Wholesale and PNC and as amended or otherwise modified, the "Pre-Petition Line of Credit Note"), and that certain Reimbursement Agreement for Standby Letter(s) of Credit, dated August 30, 2011, entered into by and between Cooper-Booth Wholesale and PNC (as amended or otherwise modified, the "Pre-Petition First Reimbursement Agreement" and, together with the Pre-Petition Line of Credit Agreement, Pre-Petition Line of Credit Note, Pre-Petition PNC Security Agreement (as defined hereinafter), and all agreements, instruments, documents, certificates, and statements related to any of the foregoing, the "Pre-Petition Line of Credit Loan Documents").

2. Prior to the Petition Date, PNC made various loans, advances, and/or extensions of credit (collectively, the "Pre-Petition ActivePay® Loans") to or for the benefit of Cooper-Booth Wholesale, pursuant to, among other things, that certain Visa Commercial Credit Card Agreement (Payables), dated September 2, 2011, entered into by and between Cooper-Booth Wholesale and PNC (as amended or otherwise modified, the "Pre-Petition ActivePay® Agreement" and, together with all agreements, instruments, documents, certificates, and statements related thereto, the "Pre-Petition ActivePay® Documents"), pursuant to which PNC established an ActivePay® Payables Card program with Cooper-Booth Wholesale whereby PNC made a line of credit facility available to Cooper-Booth Wholesale in the present maximum principal amount of \$1,000,000 in connection with 10 or more VISA Cards to be used by Cooper-Booth Wholesale solely for business purposes.

3. Prior to the Petition Date, Cooper-Booth Wholesale was obligated to pay certain fees and expenses to PNC (collectively, the “Pre-Petition Fees and Expenses” and, together with the Pre-Petition Line of Credit Loans and Pre-Petition ActivePay® Loans, the “Pre-Petition PNC Loans”), pursuant to that certain Treasury Management Services Comprehensive Agreement ©2009, dated August 22, 2011, entered into by and between Cooper-Booth Wholesale and PNC (as amended or otherwise modified, the “Pre-Petition Treasury Agreement” and, together with all agreements, instruments, documents, certificates, and statements related thereto, the “Pre-Petition Treasury Documents”), pursuant to which PNC agreed to provide certain Treasury Management Services to Cooper-Booth Wholesale.

4. Prior to the Petition Date, as security for the Pre-Petition PNC Loans and all other obligations of Cooper-Booth Wholesale (collectively, the “Pre-Petition PNC Obligations”) under the Pre-Petition Line of Credit Loan Documents, Pre-Petition ActivePay® Documents, and Pre-Petition Treasury Documents (collectively, the “Pre-Petition PNC Financing Documents”) and for the Pre-Petition Equipment Loans (as defined hereinafter), Cooper-Booth Wholesale and PNC entered into that certain Security Agreement, dated August 30, 2011 (the “Pre-Petition PNC Security Agreement”), pursuant to which Cooper-Booth Wholesale granted to PNC valid and perfected liens on and security interests in all of Cooper-Booth Wholesale’s personal property, as described in detail in the Pre-Petition PNC Security Agreement and all cash and noncash proceeds thereof, products thereof, additions and accessions thereto, substitutions therefor, and replacements thereof (collectively, the “Pre-Petition PNC Collateral”).<sup>2</sup> The liens and security interests in favor of PNC in the Pre-Petition PNC Collateral are of the first priority with the possible exception of PNC’s liens on and security interests in certain or all of the Zurich Pre-Petition Collateral.<sup>3</sup>

5. Prior to the Petition Date, on September 14, 2011, PNC filed a UCC-1 financing statement with the Secretary of the Commonwealth of Pennsylvania, file number 2011091505763, naming Cooper-Booth Wholesale, as the debtor, and PNC, as the secured party, and describing the Pre-Petition PNC Collateral.

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<sup>2</sup> The Banks asserts that, pursuant to the Pre-Petition PNC Security Agreement, the Pre-Petition PNC Collateral also secures the Pre-Petition PNCEF Obligations (as defined hereinafter). The Banks and Cooper Booth Wholesale reserve and preserve their rights as to that issue.

<sup>3</sup> As of the date of this Stipulation, PNC is the depository institution with respect to and has control over the PNC Accounts (as defined hereinafter). PNC asserts that, as the depository institution having control over the PNC Accounts, and by virtue of applicable state law regarding perfection and priority of liens and security interests, it has a first priority lien on and security interest in such accounts and the funds on deposit therein. Zurich claims a first priority lien on and security interest in certain funds on deposit in the PNC Accounts that it believes constitute Zurich Pre-Petition Collateral and all other Zurich Pre-Petition Collateral. Zurich further claims that by virtue of its issuance of the Surety Bonds (as defined hereinafter) and under applicable state law and the Indemnity Agreement (as defined hereinafter), it is subrogated to the claims of the various taxing authorities against Cooper-Booth Wholesale for any amounts Zurich ultimately pays to such taxing authorities pursuant to the Surety Bonds. Zurich also asserts that certain taxing authorities may have trust fund claims. The relative rights and priority of liens and security interests of PNC, Zurich and the taxing authorities in the PNC Accounts and all other Zurich Pre-Petition Collateral are not being determined by virtue of this Stipulation and each of the Banks, Zurich and the taxing authorities reserve and preserve their rights as to that issue.

6. Prior to the Petition Date, PNCEF made various loans, advances, and/or extensions of credit (the “Pre-Petition Equipment Loans”) to or for the benefit of Cooper-Booth Wholesale and Cooper-Booth Transportation for purposes of Cooper-Booth Wholesale and Cooper-Booth Transportation purchasing personal property, pursuant to, among other things, (a) that certain Loan and Security Agreement, dated December 20, 2012, entered into by and among Cooper-Booth Wholesale, Cooper-Booth Transportation, and PNCEF (as amended or otherwise modified, the “Pre-Petition Equipment Loan Agreement”), (b) that certain Request for Advance (Indexed LIBOR), dated December 20, 2012, entered into by and among Cooper-Booth Wholesale, Cooper-Booth Transportation, and PNCEF in the amount of \$1,078,444.00 (as amended or otherwise modified, the “Pre-Petition Equipment Advance #1”), (c) that certain Request for Staged Advance, dated April 10, 2013, entered into by and among Cooper-Booth Wholesale, Cooper-Booth Transportation, and PNCEF in the amount of \$353,460.00 (as amended or otherwise modified, the “Pre-Petition Equipment Advance #2”), and (d) that certain Request for Staged Advance, dated May 13, 2013, entered into by and among Cooper-Booth Wholesale, Cooper-Booth Transportation, and PNCEF in the amount of \$1,468,700.00 (as amended or otherwise modified, the “Pre-Petition Equipment Advance #3” and, together with the Pre-Petition Equipment Loan Agreement, Pre-Petition Equipment Advance #1, Pre-Petition Equipment Advance #2, and all agreements, instruments, documents, certificates, and statements related to any of the foregoing, the “Pre-Petition PNCEF Financing Documents”).

7. Prior to the Petition Date, as security for the Pre-Petition Equipment Loans and all other obligations of Cooper-Booth Wholesale and Cooper-Booth Transportation under the Pre-Petition PNCEF Financing Documents (the “Pre-Petition PNCEF Obligations” and, together with the Pre-Petition PNC Obligations, the “Pre-Petition Obligations”), Cooper-Booth Wholesale and Cooper-Booth Transportation, pursuant to the Pre-Petition Equipment Loan Agreement, granted to PNCEF valid and perfected liens on and security interests in the personal property of Cooper-Booth Wholesale and Cooper-Booth Transportation, in each case, purchased with the proceeds of the Pre-Petition Equipment Loans, which personal property is more specifically described in the Pre-Petition Equipment Advance #1, Pre-Petition Equipment Advance #2, and Pre-Petition Equipment Advance #3, and all cash and noncash proceeds thereof (collectively, the “Pre-Petition PNCEF Collateral” and, together with the Pre-Petition PNC Collateral, the “Pre-Petition Collateral”).<sup>4</sup> The liens and security interests in favor of PNCEF in the Pre-Petition PNCEF Collateral are of the first priority.

8. Prior to the Petition Date, on December 27, 2012, PNCEF filed a UCC-1 financing statement with the Secretary of the Commonwealth of Pennsylvania, file number 2012122705349, naming Cooper-Booth Wholesale and Cooper-Booth Transportation, as the debtors, and PNCEF, as the secured party, and describing the personal property recited therein.<sup>5</sup>

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<sup>4</sup> The Banks assert that, pursuant to the Pre-Petition Equipment Loan Agreement, the Pre-Petition PNCEF Collateral also secures the Pre-Petition PNC Obligations. The Banks, Cooper Booth Wholesale, and Cooper Booth Transportation reserve and preserve their rights as to that issue.

<sup>5</sup> The Banks, Cooper Booth Wholesale, and Cooper Booth Transportation reserve and preserve their rights determine the scope of the collateral described in such financing statement.

9. Prior to the Petition Date, Cooper-Booth Wholesale and Cooper-Booth Management participated in a cigarette stamp tax bonding program sponsored by the American Wholesale Marketing Association Management and Services Corp. ("MASC") and underwritten by Zurich.

10. Zurich issued numerous surety bonds on behalf of Cooper-Booth Wholesale in favor of various taxing authorities that issue tax stamps (collectively, the "Surety Bonds"). By participating in the cigarette tax stamp bonding program, Cooper-Booth Wholesale was able to and did purchase cigarette tax stamps from various state taxing authorities on credit. The obligations of the Debtors to the state taxing authorities for the purchase of the cigarette tax stamps are secured by the Surety Bonds.

11. As security for the Surety Bonds and all other obligations of Cooper-Booth Wholesale and Cooper Booth Management to Zurich and MASC (collectively, the "Pre-Petition Zurich Obligations"), pursuant to an Indemnity Agreement dated June 10, 2003 (the "Indemnity Agreement"), Cooper-Booth Wholesale and Cooper-Booth Management granted to Zurich valid and perfected liens on and security interests in all of the following property: cigarette tax stamps, excise tax stamps, adhesive stamps, meter stamps and the like, whether affixed or unaffixed, purchased or otherwise acquired by [the principal] and/or its affiliates and/or any indemnitor including, but not limited to, any of the same that are purchased on credit upon the condition that in the event that [the purchaser] shall not timely pay therefor, Zurich shall be liable therefor under a bond (collectively the "Tax Stamps"), any cash and non-cash proceeds and products of any of the Tax Stamps, any payments under insurance or any indemnity, warranty, or guaranty payable by reason of loss or damage to, or otherwise with respect to, any of the foregoing collateral, and any and all additions and accessions to the foregoing collateral, renewals thereof and substitutions and replacements therefor (collectively, the "Zurich Pre-Petition Collateral"). The liens and security interests in favor of Zurich in the Zurich Pre-Petition Collateral are believed by Zurich to be of the first priority. The liens and security interests in favor of Zurich in the Zurich Pre-Petition Collateral secure the payment and performance of any and all obligations of Cooper-Booth Wholesale and Cooper-Booth Management and/or their respective affiliates and each indemnitor under the Indemnity Agreement.

12. Prior to the Petition Date, on March 19, 2004, Zurich filed a UCC-1 financing statement with the Secretary of the Commonwealth of Pennsylvania, file number 20040291036, naming Cooper-Booth Wholesale and Cooper-Booth Management, as the debtors, and Zurich, as the secured party, which UCC-1 financing statement purportedly describes the Zurich Pre-Petition Collateral.<sup>6</sup> On January 27, 2009, Zurich filed a UCC-1 continuation statement with respect to its initial UCC-1 filing with the Secretary of the Commonwealth of Pennsylvania, file number 2009012705705.

13. The aggregate amount due to the various state taxing authorities from Cooper-Booth Wholesale and Cooper-Booth Management under the state tax stamp programs as of the

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<sup>6</sup> Zurich asserts that it tendered a proper UCC-1 financing statement and that the Commonwealth of Pennsylvania mis-scanned the document into micro fiche. The Banks, Zurich, Cooper Booth Wholesale, and Cooper Booth Management reserve and preserve their rights as to that issue.

Petition Date is asserted by the Debtors to be approximately \$15,136,988. From and after the Petition Date, the Debtors are no longer eligible to purchase tax stamps on credit and are purchasing tax stamps from the state taxing authorities on a cash on delivery basis.

14. The Debtors require the use of "Cash Collateral" (as defined hereinafter) for the purpose of funding their operations and to operate during the pendency of the Bankruptcy Cases, and the Debtors have requested that the Banks and Zurich consent to the Debtors' use of Cash Collateral pursuant to the terms and subject to the conditions set forth herein.

15. The Debtors' use of Cash Collateral during the Bankruptcy Cases may result in a reduction in the value of the Pre-Petition Collateral without a corresponding reduction in the Pre-Petition Obligations owed to the Banks by Cooper-Booth Wholesale under the Pre-Petition PNC Financing Documents and by Cooper-Booth Wholesale and Cooper-Booth Transportation under the Pre-Petition PNCEF Financing Documents (together with the Pre-Petition PNC Financing Documents, the "Pre-Petition Financing Documents").

16. The Debtors' use of Cash Collateral during the Bankruptcy Cases may result in a reduction in the value of the Zurich Pre-Petition Collateral without a corresponding reduction in the Pre-Petition Zurich Obligations.

17. Based upon the various acknowledgments and covenants contained herein, the Banks and Zurich are willing to consent to the Debtors' use of Cash Collateral commencing upon the date this Stipulation and Order is approved by the Court for the purposes and for the term set forth herein and otherwise in accordance with the terms and subject to the conditions contained herein.

### **C. ACKNOWLEDGMENTS.**

1. Prior to this Stipulation and Order, the Debtors were permitted to make use of Cash Collateral on an emergency basis for the limited purposes and for the term set forth in, and otherwise in accordance with the terms and subject to the conditions contained in, (a) that certain Interim Order Pursuant to 11 U.S.C. § 363(c) and Fed. R. Bankr. P. 4001, Authorizing Debtors to Use Cash Collateral and Provide Adequate Protection [Bankr. Docket No. 24]; (b) that certain Second Interim Order Pursuant to 11 U.S.C. § 363(c) and Fed. R. Bankr. P. 4001, Authorizing Debtors to Use Cash Collateral and Provide Adequate Protection [Bankr. Docket No. 43]; (c) that certain Third Interim Order Pursuant to 11 U.S.C. § 363(c) and Fed. R. Bankr. P. 4001, Authorizing Debtors to Use Cash Collateral and Provide Adequate Protection [Bankr. Docket No. 65]; (d) that certain Fourth Interim Order Pursuant to 11 U.S.C. § 363(c) and Fed. R. Bankr. P. 4001, Authorizing Debtors to Use Cash Collateral and Provide Adequate Protection [Bankr. Docket No. 83]; and (e) that certain Fifth Interim Order Pursuant to 11 U.S.C. § 363(c) and Fed. R. Bankr. P. 4001, Authorizing Debtors to Use Cash Collateral and Provide Adequate Protection [Bankr. Docket No. 103] (collectively, the "Interim Cash Collateral Orders"). For the avoidance of doubt, all of the rights and protections granted to the Banks and Zurich pursuant to this Stipulation and Order are in addition to, and without prejudice to, all of the rights and protections granted to the Banks and Zurich respectively under the Interim Cash Collateral Orders.

2. The Debtors hereby acknowledge, represent, warrant, and agree that:

a. The Pre-Petition PNC Financing Documents are legal, valid, and binding obligations of Cooper-Booth Wholesale and are enforceable against Cooper-Booth Wholesale in accordance with their respective terms, except to the extent contrary to federal/state bankruptcy or insolvency laws;

b. The Pre-Petition PNCEF Financing Documents are legal, valid, and binding obligations of Cooper-Booth Wholesale and Cooper-Booth Transportation and are enforceable against Cooper-Booth Wholesale and Cooper-Booth Transportation in accordance with their respective terms except to the extent contrary to federal/state bankruptcy or insolvency laws;

c. The outstanding principal and accrued and unpaid interest amounts due to the Banks under the Pre-Petition Financing Documents as of the Petition Date were as follows<sup>7</sup>:

(i) with respect to the Pre-Petition Line of Credit Loans, principal in the amount of \$7,721,731.48 and interest in the amount of \$4,756.96;

(ii) with respect to the Pre-Petition ActivePay® Loans, principal in the amount of \$166,173.90, plus accrued and unpaid interest;

(iii) with respect to the Pre-Petition Equipment Loans under Pre-Petition Equipment Advance #1, principal in the amount of \$1,006,547.72 and interest in the amount of \$1,634.13;

(iv) with respect to the Pre-Petition Equipment Loans under Pre-Petition Equipment Advance #2 and Pre-Petition Equipment Advance #3, principal in the amount of \$1,822,170.00 and interest in the amount of \$2,818.46; and

(v) with respect to the Pre-Petition Treasury Documents, accrued and unpaid fees in the amount of \$3,770.61.

The above amounts do not include and will be supplemented by the fees, costs, and expenses, including, without limitation, attorneys' fees and costs, of the Banks and all other sums recoverable by the Banks under the Pre-Petition Financing Documents.

d. PNC holds duly perfected and valid liens on and security interests in (collectively, the "Pre-Petition PNC Liens") the Pre-Petition PNC Collateral to secure the

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<sup>7</sup> The interest amounts set forth herein for the Pre-Petition Obligations are based on the contract rates of interest, not the default rates of interest. The Banks reserve and preserve their rights to claim that they are owed interest at the default rates on account of the Pre-Petition Obligations, and the Debtors and the Committee reserve and preserve their rights to oppose any claim for interest at the default rates, notwithstanding the expiration of any challenge period set forth in this Stipulation.

Pre-Petition Obligations, and the Pre-Petition PNC Liens are of the first priority, possibly subject only to the liens and security interests in favor of Zurich in certain or all of the Zurich Pre-Petition Collateral;<sup>8</sup>

e. PNCEF has duly perfected, valid, first priority liens on and security interests in (collectively, the "Pre-Petition PNCEF Liens" and, together with the Pre-Petition PNC Liens, the "Pre-Petition Liens") the Pre-Petition PNCEF Collateral to secure the Pre-Petition Obligations;

f. The (i) committed line of credit facility established with Cooper-Booth Wholesale, pursuant to the Pre-Petition Line of Credit Loan Documents, (ii) the equipment loan facility established with Cooper-Booth Wholesale and Cooper-Booth Transportation, pursuant to the Pre-Petition PNCEF Financing Documents, and (iii) the ActivePay® Payables Card program established with Cooper-Booth Wholesale, pursuant to the Pre-Petition ActivePay® Documents, all VISA Cards issued pursuant thereto, and the line of credit facility associated therewith were all permanently terminated effective May 17, 2013, and PNC has no further obligation to make any loans, advances, and/or extensions of credit thereunder or with respect thereto.

g. The Indemnity Agreement is the legal, valid, and binding obligation of Cooper-Booth Wholesale and Cooper-Booth Management and is enforceable against them in accordance with its respective terms, except to the extent contrary to federal/state bankruptcy or insolvency laws;

h. The exposure of Zurich under the Surety Bonds resulting from the potential claims of various state taxing authorities for amounts unpaid by the Debtors under the various stamp tax purchasing programs as of the Petition Date is approximately \$15,136,988 plus interest; and

i. Zurich holds duly perfected and valid liens on and security interests in the Zurich Pre-Petition Collateral (collectively, the "Pre-Petition Zurich Liens") to secure the Pre-Petition Zurich Obligations, and the Pre-Petition Zurich Liens are believed by the Debtors to be of the first priority, subject possibly to the liens and security interests in favor of PNC in certain or all of the Zurich Pre-Petition Collateral.<sup>9</sup>

3. The Debtors and the Banks covenant and agree that the issues reserved and preserved between the parties in the reservation of rights in footnotes #2, 4, and 5 shall be resolved on or before August 31, 2013 by (i) future agreement of the Banks and the Debtors; or (ii) the commencement of a claim objection, adversary proceeding, or any other appropriate action seeking a determination of the relative rights of the parties or shall be deemed forever waived with prejudice.

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<sup>8</sup> As set forth in footnotes #3 and #6, the Banks are not conceding by virtue of this Stipulation that Zurich's liens on and security interests in the Zurich Pre-Petition Collateral are superior in priority to the liens and security interests in favor of PNC in such property.

<sup>9</sup> Subject to the reservation of rights in footnotes #3 and #6.



4. The acknowledgements made in this Section C of this Stipulation and Order regarding the claims and liens of the Banks and Zurich with respect to the Pre-Petition Obligations, Pre-Petition Liens, Pre-Petition Financing Documents, Pre-Petition Zurich Obligations, Pre-Petition Zurich Liens, and Indemnity Agreement shall be binding on the Debtors, their estates, their creditors, the Committee, and any trustee subsequently appointed in these Bankruptcy Cases, provided, however, that the Committee shall have until August 31, 2013 (the "Challenge Period") to investigate and challenge the claims and liens of the Banks and Zurich with respect to the Pre-Petition Obligations, Pre-Petition Liens, Pre-Petition Financing Documents, Pre-Petition Zurich Obligations, Pre-Petition Zurich Liens, and Indemnity Agreement or any of the issues reserved by Footnotes 2, 3, 4, 5 and 6 hereof by way of a claim objection, adversary proceeding, or any other appropriate action (a "Challenge") that is filed on behalf of the Committee as a party in interest, on behalf of the Debtors' creditors, or on behalf of the Debtors or their estates, and the Committee shall have standing to file, prosecute, and resolve any Challenge on behalf of the Debtors or their estates. In the event a Challenge is filed by the Committee before the expiration of the Challenge Period, the binding effect of the foregoing on the Committee and the Debtors' estates shall be stayed, but only to the extent objected to or complained of in any such Challenge and until the resolution of such Challenge. The Banks and Zurich shall reasonably cooperate with the Committee in the Committee's investigation during the Challenge Period.

**D. CASH COLLATERAL AND OTHER AGREEMENTS.**

1. The Debtors have requested that the Banks and Zurich consent to their use of Cash Collateral (as defined hereinafter) which the Debtors represent is necessary to fund their operations. For purposes of this Stipulation and Order, "Cash Collateral" shall have the meaning ascribed to it pursuant to § 363(a) of the Bankruptcy Code and shall include the proceeds, products, rents, and profits of and from all Pre-Petition Collateral and Zurich Pre-Petition Collateral, including the cash collateral on deposit in the Debtors' deposit accounts with PNC (collectively, the "PNC Accounts"), including the cash collateral on deposit in (a) Cooper-Booth Transportation's deposit account with PNC identified as Account No. 5005101743 (the "Transportation Account"), (b) Cooper-Booth Wholesale money market account with PNC identified as Account No. 5005103351 (the "Wholesale Account"), and (c) Cooper-Booth Management deposit account with PNC identified as Account No. 5005101233 (the "Management Account"), but excluding, however, the cash collateral on deposit in Cooper-Booth Wholesale's deposit account with PNC that is subject to a seizure warrant, has been frozen by PNC, and is identified as Account No. 5005101217 (the "Frozen PNC Account").

2. The budget attached hereto as "Exhibit A" (the "Budget") was prepared by the Debtors and enumerates in detail the Debtors' projected collections and cash expenses of operations (collectively, the "Approved Expenses") from July 14, 2013 through the Termination Date (as defined hereinafter) as well as the projected fees and costs of the professionals retained by the Debtors and the Committee from the Petition Date through the Termination Date (as defined hereinafter) (collectively, the "Estates' Professionals' Fees and Expenses").

3. Subject to the terms and conditions set forth herein (and contingent on the Debtors' compliance herewith), and on the condition precedent that this Stipulation and Order is approved by the Court, the Banks and Zurich hereby consent to the Debtors' use of Cash Collateral to pay only the Approved Expenses set forth in the Budget from the date this Stipulation and Order is approved and entered as an order by the Court until the "Termination Date" which shall be the earlier of (a) 5:00 p.m. on August 31, 2013; or (b) the date upon which an Event of Default (as defined hereinafter) occurs. The Debtors shall be permitted to exceed expenses in the Budget (provided any such excess is used to pay an expense that is included within the categories of Approved Expenses), on a weekly basis, by an amount not to exceed either (a) five percent (5%) of total expenses or (b) as otherwise agreed between the Debtors and Banks. The Debtors are also authorized to use Cash Collateral to pay the interim Estates' Professionals' Fees and Expenses provided that such Estates' Professionals' Fees and Expenses have been allowed by Order of the Court or are permitted to be paid under the Court's Order Establishing Procedures for Allowance and Payment of Interim Compensation and Reimbursement of Expenses to Professionals dated May 23, 2013 [Bankr. Docket No. 42] and further provided that the Adequate Protection Payments (as defined hereinafter) that are required to be paid to the Banks hereunder are paid in accordance with the terms of this Stipulation and Order or as set forth on the Budget. Nothing herein shall preclude PNC, PNCEF, or Zurich from objecting to any fee application filed by a Debtor or the Committee, as the case may be.

4. Nothing contained in this Stipulation and Order shall be deemed to require the Banks or Zurich to make loans or advances of any kind or to issue surety bonds to or on behalf of the Debtors.

5. Notwithstanding anything contained herein, Cash Collateral shall not be used by any party to (i) investigate and/or contest any lien or security interest of the Banks or Zurich; (ii) investigate and/or prosecute any other claim, complaint, adversary proceeding, suit, demand, action, or cause of action against the Banks or Zurich, or (iii) seek to have the Court annul, modify, or amend any part of this Stipulation and Order without the prior written consent of the Banks or Zurich; provided however, the Committee's counsel may be paid from Cash Collateral for its allowed fees and costs to investigate any potential Challenge against the Banks and/or Zurich in an amount not to exceed \$20,000 in the aggregate.

6. From and after the Petition Date, the Debtors shall solely purchase tax stamps on a cash on delivery basis.

#### **E. ADEQUATE PROTECTION**

1. As adequate protection for any diminution in the value of the Pre-Petition Liens in favor of the Banks securing the Pre-Petition Obligations caused by the Debtors' use of the Banks' Cash Collateral, to the extent the Debtors' use the Banks' Cash Collateral and such use diminishes the value of the Pre-Petition Collateral:

a. The Debtors hereby grant to the Banks replacement liens on and security interests in all of the Debtors' now existing and hereafter acquired real and personal property and

assets and all cash and non-cash proceeds thereof, limited to only those types of Pre-Petition Collateral in which the Banks have Pre-Petition Liens (collectively, the “Post-Petition Collateral”), to the same extent, validity and priority as the Pre-Petition Liens attach to the Pre-Petition Collateral which replacement liens and security interests shall be deemed to be effective as of the Petition Date; provided, however, that such replacement liens and security interests shall not attach to any claims of the Debtors arising under Chapter 5 of the Bankruptcy Code, if any, or the proceeds of such claims and further provided that such replacement liens shall be of the first priority subject only to replacement liens of Zurich on the Zurich Post-Petition Collateral (as defined hereinafter) and shall be junior in priority to the Pre-Petition Zurich Liens on the Zurich Pre-Petition Collateral, in each case to the extent that, as of the Petition Date, the Pre-Petition Zurich Liens were senior in priority to the Pre-Petition Liens.

b. Any diminution in the value of the Pre-Petition Liens in favor of the Banks securing the Pre-Petition Obligations caused by the Debtors’ use of the Banks’ Cash Collateral which is not secured by the Pre-Petition Collateral or Post-Petition Collateral or otherwise compensated through the Adequate Protection Payments shall constitute a cost and expense of administration in these Bankruptcy Cases in accordance with § 503(b)(1) of the Bankruptcy Code.

c. The Debtors shall timely pay the Banks the following (all of which are collectively called the “Adequate Protection Payments”): (i) the regularly scheduled payments of interest on the Pre-Petition Line of Credit Loans at the applicable contract rate of interest set forth in the applicable Pre-Petition Line of Credit Loan Documents, subject to PNC right to assert a claim in the Bankruptcy Cases for, among other things, interest on the Pre-Petition Line of Credit Loans at the default rate of interest set forth in the Pre-Petition Line of Credit Loan Documents and the Debtors and Committee reserve and preserve all rights to contest any assertion of a claim based on the default rate of interest, notwithstanding the expiration of any challenge period set forth in this Stipulation and Order; (ii) the regularly scheduled payments of principal and interest on the Pre-Petition PNCEF Obligations at the applicable contract rate of interest set forth in the applicable Pre-Petition PNCEF Financing Documents, subject to PNCEF’s right to assert a claim in the Bankruptcy Cases for, among other things, interest on the Pre-Petition PNCEF Obligations at the default rate of interest set forth in the Pre-Petition PNCEF Financing Documents and the Debtors and Committee reserve and preserve all rights to contest any assertion of a claim based on the default rate of interest, notwithstanding the expiration of any challenge period set forth in this Stipulation and Order; (iii) subject to the provisions of 11 U.S.C. § 506(b), the reasonable costs and expenses of the Banks incurred in connection with the preparation and approval of this Stipulation and Order, the preservation and protection of their rights hereunder, and the collection of the Indebtedness (as defined hereinafter), including, without limitation, all filing fees and reasonable counsel fees incurred in connection with the foregoing, and, to the extent that the Debtors’ fail to maintain insurance on the Pre-Petition Collateral and Post-Petition Collateral, all insurance premiums and other payments reasonably incurred by the Banks to adequately insure their interests in the Pre-Petition Collateral and Post-Petition Collateral, and all such other expenses, fees, and costs incurred by the Banks in connection with these Bankruptcy Cases, the Pre-Petition Obligations, and/or the preservation of the Banks’ Pre-Petition Collateral and Post-Petition Collateral (collectively, the “Banks’ Costs”).

and Expenses”); and (iv) all amounts due with respect to the Pre-Petition ActivePay® Loans, which shall be paid in accordance with the Budget. The Adequate Protection Payments shall be paid as shown on the Budget provided that the amounts described in clause (iii) herein shall be payable within ten (10) calendar days after the Bank’s provision of redacted bills therefor to the Debtor and the Committee; provided, however, to the extent that there is any dispute as to the Banks’ Costs and Expenses demanded, all such disputes shall be presented to the Court for resolution. To the extent that the funds in the Wholesale Account, the Management Account and/or the Transportation Account, are sufficient to pay the Adequate Protection Payments, the Adequate Protection Payments shall be deducted by the Banks from the funds contained in the Wholesale Account, the Management Account and/or the Transportation Account in that order as and when the payments become due, and in so doing, the Banks shall be deemed to have relief from the automatic stay of § 362 of the Bankruptcy Code. All Adequate Protection Payments shall be debited from the funds in the Wholesale Account until exhausted, then from the Management Account until exhausted, then from the Transportation Account until exhausted, and thereafter from the DIP Accounts (as hereinafter defined).

2. To the extent any deposit accounts previously maintained by the Debtors as part of the Pre-Petition Collateral, including but not limited to the PNC Accounts (collectively, the “Pre-Petition Accounts”), and/or hereafter established by Debtors from or after the Petition Date, including but not limited to the deposit account of the Debtors established with East West Bank (collectively, the “DIP Accounts”), contain moneys which are proceeds of either the Pre-Petition Collateral or the Post-Petition Collateral, the Banks shall have first priority liens on and security interests in any and all Pre-Petition Accounts and DIP Accounts, except as to the proceeds of the Zurich Pre-Petition Collateral and Post-Petition Collateral, subject, however, to the reservation of rights in footnotes #3 and #6, provided further that the Banks’ liens on and security interests in the funds in the DIP Accounts shall be junior to the ordinary and customary fees and expenses charged by the bank holding the DIP Accounts (the “DIP Account Bank”) for maintaining such DIP Accounts and for any overdraft amounts that may exist from time to time in any such DIP Accounts. The Debtors shall provide the Banks prior written notice of the opening of any DIP Account, or if prior notice is not possible, within one (1) business day of opening such DIP Account.

3. As adequate protection for any diminution in the value of the Pre-Petition Zurich Liens in favor of Zurich securing the Zurich Pre-Petition Obligations caused by the Debtors’ use of Zurich’s Cash Collateral, to the extent the Debtors’ use Zurich’s Cash Collateral and such use diminishes the value of the Zurich Pre-Petition Collateral:

a. The Debtors hereby grant to Zurich replacement liens on and security interests in all of the proceeds and products from the Zurich Pre-Petition Collateral (collectively, the “Zurich Post-Petition Collateral”), to the same extent, validity and priority as the Pre-Petition Zurich Liens attached to the Zurich Pre-Petition Collateral which replacement liens and security interests shall be deemed to be effective from the Petition Date; provided, however, that such replacement liens and security interests shall not attach to any proceeds of claims for relief obtained pursuant to Chapter 5 of the Bankruptcy Code, if any.

b. Any diminution in the value of the Pre-Petition Zurich Liens in favor of the Zurich securing the Zurich Pre-Petition Obligations caused by the Debtors' use of Zurich's Cash Collateral which is not secured by the Zurich Pre-Petition Collateral or Zurich Post-Petition Collateral shall constitute a cost and expense of administration in these Bankruptcy Cases in accordance with § 503(b)(1) of the Bankruptcy Code.

c. Subject to the provisions of 11 U.S.C. § 506(b), the Debtors agree to timely pay Zurich the reasonable costs and expenses incurred by Zurich, including its legal expenses, in connection with the Bankruptcy Cases, shall be payable within ten (10) calendar days after the Zurich's provision of redacted bills therefor to the Debtor and the Committee; provided, however, to the extent that there is any dispute as to the costs and expenses demanded by Zurich, all such disputes shall be presented to the Court for resolution.

4. To the extent any Pre-Petition Accounts or DIP Accounts contain moneys which are proceeds of either the Zurich Pre-Petition Collateral or the Zurich Post-Petition Collateral, Zurich shall have first priority liens on and security interests in the proceeds of the Zurich Pre-Petition Collateral or Zurich Post-Petition Collateral contained in the Pre-Petition Accounts or the DIP Accounts, which liens in the Zurich Pre-Petition Collateral contained in Pre-Petition Accounts shall be of the same priority as such liens were prior to the Petition Date, subject to the reservations of rights in footnotes #3 and #6, and further provided that Zurich's liens on the Zurich Post-Petition Collateral in the DIP Accounts shall be junior to the ordinary and customary fees and expenses charged by the DIP Account Bank for maintaining such DIP Accounts and for any overdraft amounts that may exist from time to time in any such DIP Accounts. The Debtors shall provide Zurich prior written notice of the opening of any DIP Account, or if prior notice is not possible, within one (1) business day of opening such DIP Account.

5. The postpetition liens and security interests granted to the Banks and Zurich pursuant to this Stipulation and Order are perfected by operation of law upon the Court's approval of this Stipulation and Order nunc pro tunc from the Petition Date without further action by the Banks or Zurich. The Banks or Zurich may, but shall not be required to, file any Uniform Commercial Code financing statements and record any additional documents in any jurisdiction or take any other or further action to validate or perfect the security interests and liens granted to them pursuant to and in accordance with this Stipulation and Order. The Debtors authorize the execution and filing of all financing statements, amendments, and continuations or other documents desired by the Banks or Zurich for the perfection of the security interests and liens granted hereunder, and the Debtors agrees to a lifting of the automatic stay for the limited purpose of carrying out the purposes of this Section. Furthermore, the Debtors irrevocably authorize the filing of a carbon, photographic or other reproduction of this Stipulation and Order as a financing statement and agree that such filing is sufficient as a financing statement subject to applicable state law.

6. All of the liens on and security interests in the Post-Petition Collateral and the Zurich Post-Petition Collateral granted hereunder are hereby deemed to be effective on and after

the Petition Date, shall continue in full force and effect, and shall survive the termination of this Stipulation and Order.

**F. ADDITIONAL ADEQUATE PROTECTION**

1. As additional adequate protection for the Debtors' use of Cash Collateral and as a further condition to the Banks' and Zurich's entry into this Stipulation and Order:

a. At the Banks' or Zurich's request, the Debtors shall execute and deliver or cause to be delivered to the Banks or Zurich, as the case may be, and/or file with the appropriate offices, such documents, financing statements, amendments, and/or other things deemed necessary by the Banks or Zurich, in their reasonable discretion, to implement the substance and intent of this Stipulation and Order.

b. The Debtors shall continue to provide such reporting as they are obligated to provide the Banks pursuant to the Pre-Petition Financing Documents and such reports shall be provided to Zurich as well. In addition, commencing on Thursday, June 27, 2013 and on each successive Thursday thereafter (each such Thursday, a "Reporting Date"), the Debtors shall provide the Banks and Zurich with a report listing (i) all of the Debtors' outstanding accounts receivable, an aging thereof, (ii) all of the Debtors' outstanding accounts payable, an aging thereof, (iii) an inventory report, and (iv) a cash flow statement showing actual operations on a weekly basis and comparing actual results to budgeted items of operation for all prior periods.

c. The Debtors shall provide the Banks and Zurich and their respective consultants, if any, with full and complete access to all financial books, records, and files (whether such information is stored on any computer or disk) to, among other things, verify cash receipts, collateral levels, and results of operations. In particular, and without limiting the foregoing, Debtors shall permit, with reasonable prior notice and during normal business hours, designated representatives of the Banks or Zurich to make such periodic inspections of the Debtors assets as such representatives deem necessary and proper. For purposes of this section, prior notice is "reasonable" if given at least three (3) business days prior to the intended visit date.

d. The Debtors shall pay to the Banks all payments reflected on the Budget as and when due.

e. The Banks' Costs and Expenses authorized under 11 U.S.C. § 506(b) shall constitute a part of the Indebtedness (as defined hereinafter) and payment of the same by the Banks shall constitute an advance made on behalf of the estate hereunder and shall be paid by the Debtors to the Banks or its professionals within ten (10) calendar days of receiving a demand for payment by the Bank or such professionals. To the extent that there is any dispute as to the Banks' Costs and Expenses demanded, all such disputes shall be presented to the Court for resolution.

f. Zurich reasonable costs and expenses authorized under 11 U.S.C. § 506(b) shall constitute a part of the Zurich Indebtedness (as defined hereinafter) and payment of the same by Zurich shall constitute an advance made on behalf of the estate hereunder and shall be paid by the Debtors to Zurich or its professionals within ten (10) calendar days of receiving a demand for payment by Zurich or such professionals. To the extent that there is any dispute as to Zurich's costs and expenses demanded, all such disputes shall be presented to the Court for resolution.

g. All Post-Petition Collateral and all Pre-Petition Collateral shall secure all Indebtedness to the extent limited herein and as limited in the Pre-Petition Financing Documents. For the purpose of this Stipulation and Order, "Indebtedness" shall mean all of the Debtors' obligations to the Banks arising under this Stipulation and Order and the Pre-Petition Financing Documents including, without limitation, the Pre-Petition Obligations, any diminution in the value of the Pre-Petition Liens in favor of the Banks securing the Pre-Petition Obligations caused by the Debtors' use of the Banks' Cash Collateral, the Adequate Protection Payments, and the Banks' Costs and Expenses authorized under 11 U.S.C. § 506(b).

h. All Zurich Post-Petition Collateral and all Zurich Pre-Petition Collateral shall secure all Zurich Indebtedness to the extent limited herein and as limited in the Indemnity Agreement. For the purpose of this Stipulation and Order, "Zurich Indebtedness" shall mean all of the Debtors' obligations to Zurich arising under this Stipulation and Order and the Indemnity Agreement, including, without limitation, the Pre-Petition Zurich Obligations, any diminution in the value of the Pre-Petition Zurich Liens in favor of Zurich securing the Pre-Petition Zurich Obligations caused by the Debtors' use of Zurich's Cash Collateral, and Zurich's costs and expenses authorized under 11 U.S.C. § 506(b).

**G. EVENTS OF DEFAULT AND TERMINATION.**

1. The occurrence of any of the following shall constitute an event of default hereunder (an "Event of Default"):

a. Any Debtor shall fail to keep, observe, or perform any of its agreements or undertakings hereunder including, without limitation, all payment and covenant requirements and reporting provisions contained herein, provided that with respect to any non-payment obligations, the Debtors shall have a period of five (5) calendar days beyond the due date to fulfill such obligations;

b. Any Debtor shall knowingly furnish or knowingly make any false representation, warranty, certificate, report, or summary in connection with or under this Stipulation and Order;

c. Any Debtor or the Committee shall contest any lien or security interest of the Banks and/or Zurich, file any other claim, complaint, adversary proceeding, suit, demand, action, or cause of action against the Banks and/or the Zurich, or shall seek to have the Court

annul, modify, or amend any part of this Stipulation and Order, in each case without the prior written consent of the Banks or Zurich;

d. Any party other than the Debtors or Committee shall contest any lien or security interest of the Banks and/or Zurich, (other than the Banks and/or Zurich seeking to pursue the Banks' and/or Zurich's rights reserved in footnote #3, 6, 8 and 9 of this Stipulation and Order), and such action is not dismissed, denied or otherwise overruled within thirty (30) days after the commencement of such action; provided however, during such period the Debtors, the Committee and the Banks and/or Zurich shall actively oppose any such action commenced;

e. Any Debtor shall suffer the appointment of a trustee or examiner;

f. Any Debtor's chapter 11 case is converted to a case under chapter 7 of the Bankruptcy Code or any Debtor files a motion to convert its chapter 11 case to a case under chapter 7 of the Bankruptcy Code;

g. Any Debtor shall contract or agree to sell any of the Pre-Petition Collateral, Post-Petition Collateral, Zurich Pre-Petition Collateral, and/or Zurich Post-Petition Collateral outside of the ordinary course of business, without the prior written consent of the Banks and/or Zurich or Court approval unless any such sale will result in proceeds sufficient to repay the Indebtedness and/or Zurich Indebtedness in full and the proposed order approving such sale requires the repayment of the Indebtedness and/or Zurich Indebtedness at the closing of such sale; or

h. The seizure or forfeiture of any material portion of the Pre-Petition Collateral, Post-Petition Collateral, Zurich Pre-Petition Collateral, and/or Zurich Post-Petition Collateral by any governmental authority; provided, however, the existing seizure with respect to the Frozen PNC Account shall not constitute a default hereunder.

2. Upon the Termination Date (as a result of the occurrence of an Event of Default or otherwise), this Stipulation and Order shall automatically and immediately terminate; provided, however, all Approved Expenses, including payroll and the Estates' Professionals' Fees and Expenses incurred through the Termination Date may be paid by the Debtors after the Termination Date as such expenses come due or, in the case of the Estates' Professionals' Fees and Expenses, as they are approved by the Court; and provided, further the Banks, Zurich, and Committee consent to the Debtors seeking an emergency hearing before the Court to consider the Debtors' request for the continued use of Cash Collateral after the Termination Date; and unless otherwise ordered by the Court, the Debtors' right to use Cash Collateral shall automatically and immediately terminate. Upon the Termination Date, the Banks and/or Zurich may seek relief from any stay under § 362 or § 105 of the Bankruptcy Code or other restriction in the enforcement of their liens and security interests under the Pre-Petition Financing Documents, Indemnity Agreement, and/or this Stipulation and Order. The Banks, Zurich and the Debtors agree that the Banks or Zurich may seek a hearing before the Court to consider the entry of such order upon three (3) business days after certification by the Banks or Zurich of an Event of Default to the Debtors, the United States Trustee, counsel for the Committee, any creditors who



assert an interest in Cash Collateral, Zurich, the Banks, any taxing authorities to which the Debtors are indebted, and any parties requesting notice under Fed. R. Bankr. P. 2002, and the Debtors and the Committee reserve all rights to object to any request of the Banks and/or Zurich for relief from any stay under § 362 or § 105 of the Bankruptcy Code or otherwise. The Banks may also request that any order entered granting the Banks relief from the stay under § 362 or § 105 of the Bankruptcy Code or otherwise may also provide that the Banks may deliver a notice to any depository bank of the Debtors that funds contained therein shall be immediately remitted and delivered to the Banks (less any earned and unpaid ordinary and customary fees and costs of such depository bank) subject to the Banks' and Zurich's rights reserved in footnote #3, 6, 8 and 9 of this Stipulation and Order and the Debtors and Committee reserve all rights to object to the grant of such a remedy. Upon the grant of any such remedy, the Debtors and Committee shall cooperate and not interfere with the Banks' exercise of such remedy.

#### **H. MISCELLANEOUS.**

1. The Debtors' acknowledgments and undertakings set forth in this Stipulation and Order shall survive the termination hereof.
2. The rights, powers, and remedies of the Banks and Zurich provided in this Stipulation and Order and (i) the Pre-Petition Financing Documents in the case of the Banks or (ii) the Indemnity Agreement in the case of Zurich are cumulative and not exclusive of any right, power, or remedy provided by law or equity. No failure or delay on the part of the Banks or Zurich in the exercise of any right, power, or remedy shall constitute a waiver of such right, power, or remedy.
3. This Stipulation and Order constitutes the sole agreement of the Banks, Zurich the Debtors and the Committee with respect to the subject matter hereof and supersedes all oral negotiations and prior writings with respect to the subject matter hereof.
4. No amendment or extension of this Stipulation and Order, and no waiver of any one or more of the provisions hereof, shall be effective unless set forth in writing and signed by the Banks, Zurich, the Debtors and the Committee.
5. This Stipulation and Order: (i) shall be binding upon the Debtors, the Committee, the Banks and Zurich and, where applicable, their respective predecessors, successors, agents, and permitted assigns (including, as to the Debtors, any trustee); and (ii) shall inure to the benefit of the Debtors, the Committee, the Banks and Zurich and, where applicable, their respective predecessors, successors, agents, and permitted assigns; provided, however, that the Debtors may not assign their rights or obligations hereunder without the written consent of the Banks and Zurich, and any such assignment or attempted assignment by the Debtors shall be void and of no effect with respect to the Banks or Zurich.
6. The performance of the Banks, Zurich's and Debtors obligations under this Stipulation and Order are expressly conditioned upon the approval by the Court of this Stipulation and Order.

7. The Debtors, the Committee, the Banks and Zurich represent and warrant to each other that this Stipulation and Order has been duly and validly executed and delivered and that the Stipulation and Order constitutes a valid and legally binding obligation subject only to approval by the Court.

8. No rights are intended to be created hereunder for the benefit of any third party, donee, creditor, or incidental beneficiary.

9. Except as expressly provided herein, the Parties' execution of this Stipulation and Order shall not be deemed to constitute a waiver of any of their respective rights or remedies under the Bankruptcy Code or other applicable law. By way of amplification, but not limitation, the Banks are not waiving any of their rights and remedies with respect to any of their claims, rights, liens, security interests, or remedies under or contained in the Pre-Petition Financing Documents and Zurich is not waiving any of its rights and remedies with respect to any of its claims, rights, liens, security interests, or remedies under or contained in the Indemnity Agreement. In addition, neither the Banks nor Zurich waive any right to seek additional adequate protection in the future or to object to, or refuse any request of the Debtors or any trustee appointed in the Bankruptcy Cases, for consent to, the use, sale, or other disposition of any collateral, and/or the use, sale, or other disposition of other goods.

10. This Stipulation and Order shall be governed by and construed in accordance with the internal laws of the Commonwealth of Pennsylvania and the Parties agree that the Court shall have jurisdiction to interpret and enforce this Stipulation and Order.

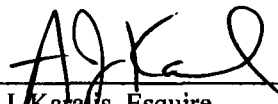
11. This Stipulation and Order may be executed in any number of counterparts and by the different Parties on separate counterparts. Each such counterpart shall be deemed an original, but all such counterparts together shall constitute one and the same Stipulation and Order.

12. A further hearing to consider whether the Debtors' use of Cash Collateral can be extended beyond August 31, 2013 shall be held on **August 28, 2013 at 11:00 a.m. before the Honorable Magdeline D. Coleman, United States Bankruptcy Judge, in Courtroom No. 5, Robert N.C. Nix Sr. Federal Building, 900 Market Street, Philadelphia, PA 19107.**


17. Notwithstanding Rule 6004(h) of the Federal Rules of Bankruptcy Procedure or any other Bankruptcy Rule, this Stipulation and Order shall take effect immediately upon its entry.

18. The Court shall retain exclusive jurisdiction to enforce and interpret the terms of this Order.


IN WITNESS WHEREOF, the Debtors, the Committee, the Banks and Zurich, by and through their respective counsel, have caused this Stipulation and Order to be executed on the date set forth above.


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Insurance Company

So ORDERED, this 10<sup>th</sup> day  
of July 2013.

  
Honorable Magdelene D. Coleman  
United States Bankruptcy Judge

**EXHIBIT A**

**BUDGET**

Cooper Booth Wholesale LP  
 Combined Schedule of Projected Cash Receipts and Disbursements  
 For the Weeks Ended

	7/20/2013	7/27/2013	8/3/2013	8/10/2013	8/17/2013	8/24/2013	8/31/2013	Total
<b>Cash Receipts</b>								
A/R collections	11,615,048	11,235,253	11,465,911	11,625,448	11,534,849	11,765,726	11,906,671	81,148,906
Miscellaneous	5,659	6,505	6,293	6,422	6,511	6,460	6,590	44,439
Cigr manufacturing rebates	-	-	-	-	250,000	-	250,000	500,000
Other mfg rebate income	1,776	38,097	1,776	1,776	1,776	1,776	43,178	90,155
<b>Total cash receipts</b>	<u>11,622,483</u>	<u>11,279,855</u>	<u>11,473,979</u>	<u>11,633,646</u>	<u>11,793,136</u>	<u>11,773,963</u>	<u>12,206,439</u>	<u>81,783,501</u>
<b>Product Disbursement</b>								
Product (Note 2)	10,000,000	10,000,000	10,000,000	12,000,000	11,750,000	11,750,000	11,500,000	77,000,000
PACA claims	19,740	-	-	-	-	-	-	19,740
Other mfg rebate income	-	(15,645)	-	-	-	-	(14,513)	(30,158)
Freight out	8,200	8,200	8,200	8,200	8,200	8,200	8,200	57,400
Customer programs	-	-	-	200,000	-	-	-	200,000
<b>Total Product Disbursements</b>	<u>10,027,940</u>	<u>9,992,555</u>	<u>10,008,200</u>	<u>12,208,200</u>	<u>11,758,200</u>	<u>11,758,200</u>	<u>11,493,687</u>	<u>77,246,982</u>
<b>Operating Disbursements</b>								
Payroll & Taxes (Note 1)	272,224	225,524	225,938	263,326	226,201	226,351	224,031	1,663,595
Temporary labor	2,000	2,000	2,000	2,000	2,000	2,000	2,000	14,000
R&M - building	3,250	3,250	3,250	3,250	3,250	3,250	3,250	22,750
R&M - equipment	5,200	5,200	7,700	5,200	5,200	7,700	5,200	41,400
Recruiting	400	1,100	-	800	-	-	800	2,700
Stamp machine	-	-	-	-	-	400	-	800
Licenses & fees	-	2,500	-	-	-	-	-	2,500
Warehouse - misc	250	250	250	250	250	250	250	1,750
Warehouse supplies	10,000	10,000	10,000	8,000	8,000	8,000	8,000	62,000
Truck leasing/rentals & maint	600	-	-	-	1,965	750	-	3,315
Uniform expense	-	1,600	-	-	-	1,600	-	3,200
Delivery expenses	-	600	-	600	-	600	-	1,800
Lodging & M&E	1,000	1,000	1,000	1,000	500	-	500	5,000
Fuel - tank	29,600	31,100	31,100	31,100	32,600	32,600	32,600	228,700
R&M trucks	17,297	4,839	17,381	4,923	17,465	5,007	17,549	84,462
Transportation supplies	10,000	10,000	10,000	8,000	8,000	8,000	8,000	62,000
Sales expenses	11,000	14,000	11,000	11,000	11,000	11,000	11,000	80,000
401(k)	-	-	-	600	-	-	-	600
Auto	300	300	300	300	300	-	300	1,800
Bank service charge	5,000	-	5,000	-	5,000	-	5,000	20,000
Building rental	-	-	34,715	-	-	-	-	34,715
Collection	600	-	-	-	600	-	-	1,200
Consulting	10,500	-	650	10,500	-	-	-	21,650
Employee relations	-	-	-	-	1,000	-	-	1,000
Hardware maintenance	-	-	-	5,500	-	20,000	-	25,500
Hardware supplies	2,000	-	-	-	-	-	-	4,000
Insurance - business	-	-	20,000	-	-	-	-	20,000
Insurance - medical	30,000	30,060	30,000	82,500	30,000	30,000	30,000	262,500
Leases/Rentals	1,000	-	-	-	1,000	-	-	2,000
Licenses & fees	-	-	-	-	2,500	-	-	2,500
Officer T&E	2,000	-	-	2,000	-	-	-	4,000
Miscellaneous	-	-	1,000	-	-	1,000	-	2,000

Cooper Booth Wholesale LP  
 Combined Schedule of Projected Cash, Receipts and Disbursements  
 For the Weeks Ended

	7/29/2013	7/27/2013	8/3/2013	8/10/2013	8/17/2013	8/24/2013	8/31/2013	Total
Office supplies	4,000	4,000	3,000	3,000	3,000	3,000	3,000	23,000
Other taxes	-	-	-	-	-	-	8,000	8,000
R&M office equipment	2,500	-	2,000	-	2,000	-	2,000	8,500
R/E taxes	-	1,500	400	900	-	-	1,500	4,300
Software maintenance	-	-	-	-	-	2,000	-	2,000
Software supplies	460,000	-	-	-	10,000	400,000	-	870,000
OTP excise taxes	18,000	3,000	1,000	18,000	1,000	2,500	3,000	46,500
Utilities	-	-	-	-	-	-	-	-
Utilities deposits	-	-	-	-	20,000	-	-	40,000
Gross receipts tax	20,000	-	-	-	396,831	766,008	-	3,677,737
<b>Total Operating Disbursement</b>	<b>918,721</b>	<b>351,763</b>	<b>417,684</b>	<b>460,749</b>	<b>396,831</b>	<b>766,008</b>	<b>365,980</b>	<b>3,677,737</b>
Operating cash flow	675,822	935,537	1,048,095	(1,035,303)	(361,895)	(750,246)	346,772	858,782
<b>Other Disbursements</b>								
Adequate protection payments	-	-	-	-	-	-	-	-
PNCEF (A)- equipment	-	-	-	-	-	-	-	-
PNCEF (B)- equipment	-	-	-	-	-	-	-	-
PNC Credit Card	-	-	-	-	-	-	-	-
Company professional fees:								
Counsel - Debtor	51,000	-	-	-	-	126,000	-	177,000
Counsel - special	42,000	-	-	-	-	48,000	-	90,000
Financial advisors	32,000	-	-	-	-	128,000	-	160,000
Investment Bankers	50,000	-	25,000	-	-	-	-	75,000
Accountants	-	-	-	-	-	-	-	-
Surety counsel fees	-	-	22,560	-	-	-	-	22,560
Data Room expenses	-	-	-	-	-	-	-	-
Committee professional fees:								
Counsel	-	-	-	-	-	48,000	-	48,000
Financial advisors	-	-	-	-	-	-	-	-
US Trustee	32,000	-	-	-	-	-	-	32,000
<b>Total Other Disbursements</b>	<b>207,000</b>	<b>-</b>	<b>47,560</b>	<b>-</b>	<b>-</b>	<b>350,000</b>	<b>-</b>	<b>604,560</b>
Total cash flow	468,822	935,537	1,000,535	(1,035,303)	(361,895)	(1,100,246)	346,772	254,222
Cash - beginning (Note 3)	3,353,443	3,822,264	4,757,802	5,758,337	4,723,034	4,361,138	3,260,893	3,353,443
Cash - Ending	3,822,264	4,757,802	5,758,337	4,723,034	4,361,138	3,260,893	3,607,664	3,607,664

Notes

- 1: Payroll includes salaries, wages, commissions and incentive payments and employer portion of payroll taxes.
- 2: Assumes COD and includes cigarettes stamps purchases on a pay as needed basis.
- 3: Bank accounts balances are subject to reconciliation. The Debtors accounts' projected balances do not include any PNC accounts balances.
- 4: Professional Fees and Costs payments are based on the Administrative Order Establishing Procedures for the Allowance and Payment of Interim Compensation and Reimbursement of Expenses and are scheduled at 80% of fees and 100% of expenses.
- 5: The Estates' Professional Fees and Costs for August are estimated to be as follows: Counsel - Debtors \$120,000, Special Counsel - Debtors \$30,000, Financial Advisor - Debtors \$70,000 and Counsel - committee \$40,000.

Cooper Booth Wholesale LP  
 Combined Schedule of Projected Cash Receipts and Disbursements  
 For the Weeks Ended

	7/20/2013	7/27/2013	8/3/2013	8/10/2013	8/17/2013	8/24/2013	8/31/2013	Total
<b>PNC Accounts</b>								
Wholesale – Money Market	-	-	-	-	-	-	-	-
Transportation – DDA	538,832	518,633	518,633	412,733	378,069	378,069	378,069	538,832
Management – DDA	-	-	-	-	-	-	-	-
<b>Total PNC Accounts</b>	<b>538,832</b>	<b>518,633</b>	<b>518,633</b>	<b>412,733</b>	<b>378,069</b>	<b>378,069</b>	<b>378,069</b>	<b>538,832</b>
<b>Disbursements</b>								
Adequate protection payments	-	-	11,300	-	-	-	-	11,300
PNCEF (A)– equipment	-	-	19,600	-	-	-	-	19,600
PNCEF (B)– equipment	-	-	-	34,664	-	-	-	34,664
PNC Credit Card	-	-	-	-	-	-	-	-
PNC Bank Counsel	20,199	-	75,000	-	-	-	-	95,199
<b>Total Disbursements</b>	<b>20,199</b>	<b>-</b>	<b>105,900</b>	<b>34,664</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160,763</b>
<b>Ending Cash Balance –</b>	<b>-</b>	<b>518,633</b>	<b>412,733</b>	<b>378,069</b>	<b>378,069</b>	<b>378,069</b>	<b>378,069</b>	<b>378,069</b>

6. The professional fees and costs of the Bank's counsel are at 100% of fees and expenses.