

08-043286K-7100U) s/c #47

THIS SPACE FOR USE OF FILING OFFICER

99-205924

10/11/99 8:00 AM

Texas Secretary of State

FILED



FINANCING STATEMENT — FOLLOW INSTRUCTIONS CAREFULLY
This Financing Statement is presented for filing pursuant to the Uniform Commercial Code and will remain effective, with certain exceptions, for 5 years from date of filing.

| | | | |
|---|--|-------------------------------------|--|
| A. NAME & TEL. # OF CONTACT AT FILER (optional) | | B. FILING OFFICE ACCT. # (optional) | |
| C. RETURN COPY TO: (Name and Mailing Address) | | | |
| Chase Bank of Texas, National Association P.O. Box 2558 Houston, Texas 77252-2558 | | | |
| D. OPTIONAL DESIGNATION (if applicable): | | LESSOR/LESSEE | |
| | | CONSIGNOR/CONSIGNEE | |
| | | NON-UCC FILING | |

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b)

| | | | |
|----------------------------|---------------------------------------|--------------------|---|
| 1a. ENTITY'S NAME | | | |
| Medical Technology, Inc. | | | |
| OR | | | |
| 1b. INDIVIDUAL'S LAST NAME | | FIRST NAME | MIDDLE NAME |
| | | | SUFFIX |
| 1c. MAILING ADDRESS | | | |
| 2601 Pinewood | | CITY | STATE COUNTRY POSTAL CODE |
| | | Grand Prairie | TX USA 75051 |
| 1d. S.S. OR TAX I.D.# | OPTIONAL ADD'NL INFO RE ENTITY DEBTOR | 1e. TYPE OF ENTITY | 1f. ENTITY'S STATE OR COUNTRY OF ORGANIZATION |
| 75-1828441 | | Corporation | Texas |
| | | | 1g. ENTITY'S ORGANIZATIONAL I.D.#, if any |
| | | | <input type="checkbox"/> NONE |

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b)

| | | | |
|----------------------------|---------------------------------------|--------------------|---|
| 2a. ENTITY'S NAME | | | |
| Bledsoe Brace Systems | | | |
| OR | | | |
| 2b. INDIVIDUAL'S LAST NAME | | FIRST NAME | MIDDLE NAME |
| | | | SUFFIX |
| 2c. MAILING ADDRESS | | | |
| 2601 Pinewood | | CITY | STATE COUNTRY POSTAL CODE |
| | | Grand Prairie | TX USA 75051 |
| 2d. S.S. OR TAX I.D.# | OPTIONAL ADD'NL INFO RE ENTITY DEBTOR | 2e. TYPE OF ENTITY | 2f. ENTITY'S STATE OR COUNTRY OF ORGANIZATION |
| 75-1828441 | | DBA | Texas |
| | | | 2g. ENTITY'S ORGANIZATIONAL I.D.#, if any |
| | | | <input type="checkbox"/> NONE |

3. SECURED PARTY'S (ORIGINAL S/P OR ITS TOTAL ASSIGNEE) EXACT FULL LEGAL NAME - insert only one secured party name (3a or 3b)

| | | | |
|---|--|------------|---------------------------|
| 3a. ENTITY'S NAME | | | |
| Chase Bank of Texas, National Association | | | |
| OR | | | |
| 3b. INDIVIDUAL'S LAST NAME | | FIRST NAME | MIDDLE NAME |
| | | | SUFFIX |
| 3c. MAILING ADDRESS | | | |
| P.O. Box 2558 | | CITY | STATE COUNTRY POSTAL CODE |
| | | Houston | TX 77252-2558 |

4. This FINANCING STATEMENT covers the following types or items of property:

All Accounts, all Equipment, all Inventory and all Proceeds owned or later acquired by Debtor, together with all books and records of Debtor, whether in paper or electronic form, relating to the Accounts, Equipment, Inventory and Proceeds. "Accounts" means all accounts, general intangibles, instruments, negotiable documents, chattel paper, deposit accounts and intellectual property. "Equipment" means all equipment, furniture, furnishings and fixtures, including all accessions and appurtenances to, renewals or replacements of or substitutions for any Equipment, and all documents or certificates of title relating to Equipment. "Inventory" means all inventory, including without limitation materials, supplies, returned or repossessed goods, goods in transit and goods held by others under lease, consignment or other arrangements, and all documents or certificates of title relating to Inventory. "Proceeds" means all products and proceeds, in cash or otherwise, of all Accounts, Equipment, Inventory and Proceeds.

| | | |
|---|---|---|
| 5. CHECK BOX | <input type="checkbox"/> This FINANCING STATEMENT is signed by the Secured Party instead of the Debtor to perfect a security interest (a) in collateral already subject to a security interest in another jurisdiction when it was brought into this state, or when the debtor's location was changed at this state, or (b) in accordance with other statutory provisions (additional data may be required) | 7. If filed in Florida (check one) |
| | | <input type="checkbox"/> Documentary stamp tax paid <input type="checkbox"/> Documentary stamp tax not applicable |
| 6. REQUIRED SIGNATURE(S) | 8. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS (Attach Addendum) (if applicable) | |
| | 9. Check to REQUEST SEARCH CERTIFICATE(S) on Debtor(s) (ADDITIONAL FEE) (optional) | |
| MEDICAL TECHNOLOGY, INC. dba BLEDSOE BRACE SYSTEM | <input type="checkbox"/> All Debtors <input type="checkbox"/> Debtor 1 <input type="checkbox"/> Debtor 2 | |

THE ODEE COMPANY, P.O. BOX 550488, DALLAS, TEXAS 75355 - 214-340-0415 - 800-486-6333

Medical Technology, Inc.
DBA/Bledsoe Brace Systems

Cash Flow Forecast (\$)

Sale of Common Before Filing

| | -3 | -2 | -1 | 0 | 1 | 2 | 3 | 4 | 5 | 6 | |
|------------------------------------|------------------|----------------|------------------|----------------|----------------|----------------|------------------|----------------|----------------|----------------|-----------|
| | Wk/End. | Wk/End. | Wk/End. | Wk/End. | Wk/End. | Wk/End. | Wk/End. | Wk/End. | Wk/End. | Wk/End. | |
| | 6/26/2005 | 7/3/2005 | 7/10/2005 | 7/17/2005 | 7/24/2005 | 7/31/2005 | 8/7/2005 | 8/14/2005 | 8/21/2005 | 8/28/2005 | |
| | Actual | Actual | Actual | Actual | F'cast | F'cast | F'cast | F'cast | F'cast | F'cast | |
| Sales | \$405,257 | \$350,055 | \$ 426,944 | \$317,671 | \$377,627 | \$406,818 | \$407,209 | \$407,601 | \$407,993 | \$408,385 | \$408,778 |
| Receipts | | | | | | | | | | | |
| Collection of AR balance | 354,510 | 515,975 | 443,932 | 401,390 | 422,944 | 313,671 | 373,627 | 402,818 | 403,209 | 403,601 | |
| Freight Reimbursement | | | 0 | 0 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | |
| Sale of 50,000 shares common stock | | | | | | 500,000 | | | | | |
| Misc. Cash Receipts | | | 0 | | 4,000 | 104,000 | 4,000 | 4,000 | 4,000 | 4,000 | |
| Net Receipts | 354,510 | 515,975 | 443,932 | 401,390 | 438,444 | 929,171 | 389,127 | 418,318 | 418,709 | 419,101 | |
| Beginning Cash | (159,433) | 67,058 | 268,880 | 153,186 | 219,521 | 494,316 | 978,880 | 739,745 | 780,924 | 940,151 | |
| Disbursements | | | | | | | | | | | |
| Payroll & Benefits | | 221,461 | | 192,620 | | 221,461 | | 192,620 | | 221,461 | |
| Workers Comp. | | | 11,671 | | | | 11,671 | | | | |
| Insur. Premium Fin. Pymts | 12,541 | | | | | | 12,541 | | | | |
| Employee Insurance (net) | | 15,670 | 5,596 | 16,057 | 16,375 | 16,375 | 16,375 | 16,375 | 16,375 | 16,375 | |
| 401 K Employer Contrib. | | 1,743 | | 2,023 | | 2,100 | | 2,100 | | 2,100 | |
| Sales Commissions - Dom. | | | 313,354 | | | | 354,000 | | | | |
| Sales Commissions - Intl | | | 5,103 | | | | 12,000 | | | | |
| Royalties - Bledsoe | | | 13,822 | | | | 16,000 | | | | |
| Royalties - Other | | | 23,968 | | | | 0 | | | | |
| Temp Fees & Consultants | 1,239 | 4,990 | 6,182 | 5,250 | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 | |
| Travel & Entertainment | 7,242 | 846 | 23,083 | | 2,000 | 12,000 | 6,075 | 6,075 | 6,075 | 6,075 | |
| Trade Shows & Advertising | | | 0 | 1,000 | 11,200 | 11,200 | 11,200 | 11,200 | 11,200 | 11,200 | |
| Phone - Local, LD & Cell | 53 | 1,951 | 1,647 | 2,317 | | | 7,500 | | | | |
| Water/Gas/Waste | | | | 1,794 | | | | | 1,935 | | |
| Electricity | 18,350 | | | | | 18,350 | | | | | |
| Lease Payments | 1,353 | | | 1,587 | | | 3,000 | | | | |
| Adequate Protection - NorthMarq | | | 19,642 | | | | 10,876 | | | | |
| Adequate Protection -Chase | | 7,377 | 13,281 | | | | 8,100 | | 4,054 | | |
| Adequate Protection - WFBCI | | | | | | | | | | | |
| Interest on DIP - WFBCI | | | | | | | | | | | |
| Ford Motor Credit P&I | 814 | | | | | | 814 | | | | |
| Bank Fees | | 2,433 | 10,329 | 70,000 | 3,000 | 23,000 | 3,000 | 3,000 | 3,000 | 3,000 | |
| Shop Expenses | | | 1,477 | | | | 9,000 | 9,000 | | | |
| Supplies & Maintenance | | | 3,631 | | 9,075 | 9,075 | 9,075 | 9,075 | 9,075 | 9,075 | |
| Freight (gross) | 2,000 | 23,832 | 29,415 | 8,472 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | |
| Professional Fees | 21,757 | 9,700 | 31,817 | 5,302 | | | | | 80,000 | | |
| US Trustee Fees | | | | | | 3,500 | | | | | |
| Other Expense | 10,145 | | 5,411 | 25 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | |
| Contingency | 10,000 | | | | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | |
| Materials | 42,525 | 24,150 | 38,282 | 24,848 | 71,749 | 77,295 | 77,370 | 77,444 | 77,519 | 77,593 | |
| Trade AP | | | | | | | | | | | |
| Total AP Paid | 128,019 | 314,153 | 557,711 | 331,295 | 163,649 | 444,606 | 618,847 | 377,140 | 259,482 | 397,129 | |
| Federal Tax Payments | 0 | 0 | 1,915 | 0 | 0 | 0 | 1,915 | 0 | 0 | 0 | |
| State Sales Tax Payments | 0 | 0 | | 3,760 | 0 | 0 | 7,500 | 0 | 0 | 0 | |
| Total Disbursements | 128,019 | 314,153 | 559,625 | 335,055 | 163,649 | 444,606 | 628,262 | 377,140 | 259,482 | 397,129 | |
| Cash Flow | 226,491 | 201,822 | (115,694) | 66,335 | 274,795 | 484,564 | (239,135) | 41,179 | 159,227 | 21,972 | |
| Ending Cash (Bank - Checks) | 67,058 | 268,880 | 153,186 | 219,521 | 494,316 | 978,880 | 739,745 | 780,924 | 940,151 | 962,123 | |

EXHIBIT

2

Medical Technology, Inc.
DBA/Bledsoe Brace Systems
Cash Flow Forecast (\$)
Sale of Common Before Filing

| | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|------------------------------------|------------------|----------------|----------------|----------------|------------------|------------------|----------------|
| | Wk/End. | Wk/End. | Wk/End. | Wk/End. | Wk/End. | Wk/End. | Wk/End. |
| | 9/4/2005 | 9/11/2005 | 9/18/2005 | 9/25/2005 | 10/2/2005 | 10/9/2005 | 10/16/2005 |
| | F'cast | F'cast | F'cast | F'cast | F'cast | F'cast | F'cast |
| Sales | \$409,171 | \$409,564 | \$409,958 | \$410,352 | \$410,747 | 411,142 | 411,537 |
| Receipts | | | | | | | |
| Collection of AR balance | 403,993 | 404,385 | 404,778 | 405,171 | 405,564 | 405,958 | 406,352 |
| Freight Reimbursement | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 |
| Sale of 50,000 shares common stock | | | | | | | |
| Misc. Cash Receipts | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Net Receipts | 419,493 | 419,885 | 420,278 | 420,671 | 421,064 | 421,458 | 421,852 |
| Beginning Cash | 962,123 | 745,801 | 778,833 | 919,384 | 942,627 | 1,100,278 | 725,676 |
| Disbursements | | | | | | | |
| Payroll & Benefits | | 192,620 | | 221,461 | | 192,620 | |
| Workers Comp. | 11,671 | | | | 11,671 | | |
| Insur. Premium Fin. Pymts | 12,541 | | | | 12,541 | | |
| Employee Insurance (net) | 16,375 | 16,375 | 16,375 | 16,375 | 16,375 | 16,375 | 16,375 |
| 401 K Employer Contrib. | | 2,100 | | 2,100 | | 2,100 | |
| Sales Commissions - Dom. | 356,000 | | | | | 358,000 | |
| Sales Commissions - Intl | 12,000 | | | | | 12,000 | |
| Royalties - Bledsoe | 16,000 | | | | | 16,000 | |
| Royalties - Other | 0 | | | | | 22,908 | |
| Temp Fees & Consultants | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 |
| Travel & Entertainment | 6,075 | 6,075 | 6,075 | 6,075 | 6,075 | 6,075 | 6,075 |
| Trade Shows & Advertising | 11,200 | 11,200 | 11,200 | 11,200 | 11,200 | 11,200 | 11,200 |
| Phone - Local, LD & Cell | 7,500 | | | | 7,500 | | |
| Water/Gas/Waste | | | 1,935 | | | | 1,935 |
| Electricity | 18,350 | | | | 15,229 | | |
| Lease Payments | 3,000 | | | | 3,000 | | |
| Adequate Protection - NorthMarq | 10,876 | | | | 10,876 | | |
| Adequate Protection -Chase | | | | | | | |
| Adequate Protection - WFBCI | 983 | | | | 1,965 | | |
| Interest on DIP - WFBCI | 3,438 | | | | 6,875 | | |
| Ford Motor Credit P&I | 814 | | | | 814 | | |
| Bank Fees | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Shop Expenses | 9,000 | 9,000 | | | 9,000 | 9,000 | 4,500 |
| Supplies & Maintenance | 9,075 | 9,075 | 9,075 | 9,075 | 9,075 | 9,075 | 9,075 |
| Freight (gross) | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 |
| Professional Fees | | | 104,000 | | | | 104,000 |
| US Trustee Fees | | | | | 10,000 | | |
| Other Expense | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 |
| Contingency | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Materials | 77,668 | 77,742 | 77,817 | 77,892 | 77,967 | 78,042 | 78,117 |
| Trade AP | | | | | | | |
| Total AP Paid | 635,815 | 377,438 | 279,727 | 397,428 | 263,414 | 786,645 | 284,527 |
| Federal Tax Payments | 0 | 1,915 | 0 | | | 1,915 | |
| State Sales Tax Payments | 0 | 7,500 | 0 | 0 | 0 | 7,500 | 0 |
| Total Disbursements | 635,815 | 386,853 | 279,727 | 397,428 | 263,414 | 796,060 | 284,527 |
| Cash Flow | (216,322) | 33,033 | 140,551 | 23,243 | 157,651 | (374,602) | 137,325 |
| Ending Cash (Bank - Checks) | 745,801 | 778,833 | 919,384 | 942,627 | 1,100,278 | 725,676 | 863,001 |

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

IN RE:

MEDICAL TECHNOLOGY, INC., d/b/a
BLEDSOE BRACE SYSTEMS,

DEBTOR.

§
§
§
§
§
§

CASE NO. 05-47377-RFN-11

Taxpayer ID #75-1828441

ORDER

On this day came on for consideration on an interim basis the Motion to Use Cash Collateral and to Provide Adequate Protection to Certain Lenders ("Motion") (Doc. No. ____) filed by the Debtor, Medical Technology, Inc., d/b/a Bledsoe Brace Systems ("Debtor"). After considering the pleading, evidence and arguments of counsel, the Court finds the Motion is well taken and should be granted on an interim basis as set forth below.

As used in this Order, the following terms have the respective meanings set forth below:

(a) The term "Chase Bank" shall refer to J.P. Morgan Chase Bank, N.A., the holder of the Chase Equipment Line, Chase Receivable Line and the Advancing Note (as respectively defined below);

(b) The term "Petition Date" shall mean July 25, 2005, the date on which this bankruptcy case was filed.

(c) The term "Cash Collateral" shall be deemed to include, without limitation, all "cash collateral" as defined in section 363(a) of the Bankruptcy Code, and all deposits, rents and all cash arising from the collection or conversion into cash of property of the Debtor in which Chase Bank has a pre-petition security interest, lien or mortgage, whether those security interests, liens or mortgages existed as of the Petition Date or arise thereafter pursuant to this Order, and whether the property converted to cash existed as of the Petition Date or arose or was generated thereafter.

(d) The term "Budget" shall mean the 13 week budget attached as Exhibit "A" to this Order.

(e) The term "Chase Account" shall mean an existing account maintained by the Debtor with Chase Bank, or a debtor-in-possession (D-I-P) account opened by the Debtor with Chase Bank.

(f) The term "Chase Equipment Line" shall refer to the Advancing Promissory Note Converting to a Term Note dated January 28, 2005 in the original amount of \$600,000 executed by the Debtor payable to Chase Bank, and secured by the Chase Collateral (as defined below). The Debtor believes the amount drawn against the Chase Equipment Line is \$217,976.03.

(g) The term "Chase Receivable Line" shall refer to the Revolving Credit Note dated January 28, 2005 and executed by the Debtor payable to Chase Bank in the original principal amount of \$1.5 million, and secured by the Chase Collateral (as defined below) The Debtor believes the amount drawn against the Chase Receivable Line is \$1,100,000.

(h) The term "Advancing Note" shall refer to the Advancing Promissory Note Converting to a Term Note dated February 5, 2001, in the original principal amount of \$750,000 executed by the Debtor payable to Chase Bank, and secured by the Chase Collateral (as defined below). The Debtor believes the amount owing on the Advancing Note is \$137,500.

(i) The term the "Loan Agreements" shall include the Chase Equipment Line, the Chase Receivable Line and the Advancing Note and all other documents evidencing, securing, perfecting or relating thereto.

(j) The term "Chase Collateral" shall include all Accounts, Equipment and Inventory, and all Proceeds of the above, as respectively defined below, now owned or hereinafter acquired, and wherever located, together with all books and records of Debtor, whether in paper or in electronic format, relating to Accounts, Equipment and Inventory. As used herein, the following terms shall have the respective meanings set forth below in relation to the Chase Collateral: (i) "Accounts" shall include all accounts, general intangibles, instruments, negotiable documents, chattel paper, deposit accounts and intellectual property; (ii) "Equipment" shall mean all equipment, furniture, furnishings and fixtures, including all accessories and appurtenances to, renewals, replacement for any Equipment, and all documents or certifications of title relating to Equipment; (iii) "Inventory" means all inventory, both finished goods and raw materials, including without all limitation goods or supplies, returned or repossessed goods; and (iv) "Proceeds" means all products or proceeds, in cash or otherwise, on all Accounts, Inventory and Proceeds.

Accordingly, it is hereby ORDERED that:

1. The Motion is hereby granted on an interim basis as set forth below. However, any subsequent modification, vacation or stay of this Order, or any part thereof, including at the final hearing on the Motion, shall not affect any action or transfer made pursuant to this Order, including without limitation: (a) the use of Cash Collateral by the Debtor, (b) any payment made by the Debtor pursuant hereto to Chase Bank, or (c) the Replacement Liens granted to Chase Bank pursuant to paragraph 4 below.

2. The final hearing on the Motion shall be heard at _____ .m. on _____, 2005. A copy of this Order shall be served by the Debtor on the U.S. Trustee, Chase Bank, the 20 largest creditors and all parties filing notices of appearance as

soon as reasonably possible. Any objection to the relief sought herein on a final basis shall be served upon counsel for the Debtor by fax or email no later than 5:00 p.m. on August ____, 2005.

3. Until further Order of this Court, the Debtor is hereby authorized to use Cash Collateral in accordance with the Budget, including without limitation all Cash Collateral attributable to the Chase Collateral.

4. Chase Bank is hereby granted valid, perfected and enforceable new senior first priority post-petition replacement liens (collectively the "Replacement Liens") against all Chase Collateral acquired by the Debtor on or after the Petition Date. The Replacement Liens are hereby granted by Chase Bank pursuant to, and in accordance with, the terms of this Order without the necessity of the execution of any other document by the Debtor or Chase Bank, and shall be deemed as properly perfected and enforceable without the requirement of any other filing or action by either the Debtor or Chase Bank. The Replacement Liens granted to Chase Bank shall be senior and prior to all liens against the Chase Collateral, including senior to the rights of the Debtor or any trustee appointed under any Chapter in this or any subsequent proceeding under the Bankruptcy Code, except for the following: (a) liens held by taxing authorities, which shall remain senior to the Replacement Liens granted herein to Chase Bank, and (b) the rights of creditors holding security interests pursuant to the following financing statements each filed with the Secretary of State of Texas: (i) Filing No. 02-0020697127 filed on February 25, 2002 in favor of United International, L.L.C. and covering one Mazak QT-6G with parts catcher and barfeed s/n 153678; (ii) Filing No. 03-006908925 filed on November 1, 2002 in favor of MAC Funding Corporation covering one Mitsubishi Brand EDM System, Model EA8FP60EA, and (iii) Filing No. 00-451329 filed on March 13, 2000 in favor of Ameritas Life Insurance Corp., as thereafter continued, and relating to (A) fixtures annexed to the Debtor's real estate, (B) certain insurance proceeds, (C) rents and revenues from the land, buildings and

fixtures, (D) general intangibles relating to the development of the property, (E) certain stock owned by the Debtor, and (F) products and proceeds of the above.

5. To the extent that the Replacement Liens do not provide Chase Bank with adequate protection, Chase is hereby granted an administrative expense claim pursuant to section 507(b) of the Bankruptcy Code which shall have priority over all other claims, costs or expenses of administration, and which shall at all times be senior to the rights of the Debtor and any successor trustee under any Chapter in this or any subsequent proceeding pursuant to the Bankruptcy Code.

6. The Debtor is immediately authorized to pay to Chase Bank the following: (a) all accrued, unpaid interest on the Chase Equipment Line, the Chase Receivable Line and the Advancing Note through the date of the entry of this Order, and (b) hereafter all accrued, unpaid interest on both the Chase Equipment Line, Chase Receivable Line and the Advancing Note on the fifth day of each calendar month hereafter.

7. Chase Bank may request, pursuant to section 506 of the Bankruptcy Code, that the Court award Chase Bank a claim for: (a) all reasonable costs and expenses for which Chase Bank is entitled to receive reimbursement pursuant to the terms of the Loan Agreements, and (b) all professional fees and expenses incurred in connection with, or as a consequence of, the Debtor's bankruptcy proceeding, including without limitation fees and expenses arising in connection with the negotiation and preparation of this Order, to the extent provided by the Loan Agreements. However, nothing contained herein shall prejudice the right of the Debtor or any other party in interest to object to the allowance of and such claim in favor of Chase Bank for such expenses or fees.

8. Nothing contained in this Order, and no action or inaction by Chase Bank, shall be deemed as a consent by Chase Bank to any charge, lien, assignment or claim against the Chase Collateral pursuant to section 506(c) of the Bankruptcy Code.

9. During the term of this Order, the Debtor shall provide Chase Bank with reasonable access to the Debtor's books, records and management personnel, including without limitation providing Chase Bank with such information regarding the Debtor's use of cash collateral and the Budget or any successors, amendments, supplements or substitutes therefore as Chase Bank may reasonably request. In addition, the Debtor shall provide to Chase Bank a weekly borrowing base report running from Saturday through Friday, and being served on Chase Bank by the following Tuesday. The first such borrowing base report will cover the seven (7) day period ending on Friday, July 29, 2005, and will be served on Chase Bank by Tuesday, August 2, 2005.

10. Payments received by the Debtor on account of the Chase Collateral shall be deposited into the Chase Account. However, Chase Bank shall have no right to offset or otherwise exercise control over the Chase Account or any funds therein except upon further order of the Court.

END OF ORDER

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