



UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY Caption in Compliance with D.N.J. LBR 9004-2(c)	
LOWENSTEIN SANDLER PC Kenneth A. Rosen, Esq. (KR 4963) S. Jason Teele, Esq. (SJT 7390) Cassandra M. Porter, Esq. (CMP 3571) 65 Livingston Avenue Roseland, New Jersey 07068 Tel: (973) 597-2500 Fax: (973) 597-2400 <i>Counsel to the Debtors and Debtors in Possession</i>	
In re: U.S. EAGLE CORPORATION, <i>et al.</i> <p style="text-align: center;">Debtors.</p>	Chapter 11 Case No. 11-10392 (NLW) Jointly Administered

**STIPULATION AND CONSENT ORDER APPROVING BUDGET PURSUANT TO
FINAL CASH COLLATERAL ORDER**

The relief set forth on the following pages, numbered two (2) through three (3) is hereby **ORDERED**.

DATED: 03/05/2012


 Honorable Novalyn L. Winfield
 United States Bankruptcy Judge

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Debtor: U.S. Eagle Corporation *et al.*

Case No.: 11-10392 (NWL)

Caption: STIPULATION AND CONSENT ORDER APPROVING BUDGET PURSUANT TO FINAL CASH COLLATERAL ORDER

The above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) and Comerica Bank (“**Comerica**”) by and through its counsel of record hereby enter into this Stipulation and Consent Order:

WHEREAS, on January 6, 2011, each of the Debtors filed voluntary petitions for relief pursuant to chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of New Jersey (the “**Court**”); and

WHEREAS, on January 21, 2011, the Court entered the Final Order Authorizing Use of Cash Collateral [Docket No. 46] (the “**Final Cash Collateral Order**”); and

WHEREAS, the Debtors and Comerica now seek to amend the Final Cash Collateral Order further as follows, and upon notice to the Official Committee of Unsecured Creditors (the “**Committee**”), the Debtors and Comerica, **HEREBY**, stipulate and agree as follows:

1. The Final Cash Collateral Order, including the findings contained therein, and all consideration included as part of the adequate protection afforded to Comerica shall remain in full force and effect.

2. The Budget attached hereto as **Exhibit A**, including all disbursements set forth therein, is approved, and shall replace the existing budget (the “**Budget**”).

3. Starting on the date of this stipulation, the Debtors will provide Comerica and Committee with a report at least once every fourteen (14) days outlining its marketing efforts, including those of the Debtors’ professionals 321 Capital Partners, LLC, Lee & Associates, and Hilco Real Estate, LLC, concerning the Debtors’ remaining assets.

4. In consenting to the continued use of cash collateral as set forth in this Stipulation, Comerica is not (a) obligating itself to agree to a further extension or amendment to the Budget, (b) waiving its ability to condition any consent to a future sale of the Debtors’ assets

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Debtor: U.S. Eagle Corporation *et al.*

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upon its receiving the proceeds from such sale net of costs of sale from such assets, nor (c) waiving its ability to object to requests for the extension of and of the so-called "Exclusivity Periods" of Bankruptcy Code section 1121

5. Comerica's consent to the continued use of cash collateral as set forth in this Stipulation is further conditioned upon (a) the Debtors' providing Comerica with weekly updates of the status of receipts and collections on account of the account receivable of any of the Debtors, a report on deposits into any account receiving the proceeds of such accounts receivable, and an accounts receivable agings report, and (b) the commencement of an audit relating to the line of credit with Comerica Bank by no later than February 28, 2012 and the debtors' cooperation in enabling Comerica to complete the same. The weekly updates referenced in subpart (a) of this paragraph will be provided to the Committee.

STIPULATED AND AGREED to as of this 29th day of February, 2012.

PRYOR CASHMAN LLP

LOWENSTEIN SANDLER PC

By: /s/ Conrad Chiu
Conrad K. Chiu, Esq.

By: /s/ Jason Teele
S. Jason Teele, Esq.

-and-

Attorneys for Debtors and Debtors in Possession

Maria K. Pum, Esq.
(admitted Pro Hac Vice January 14, 2011)
HENDERSON, CAVERLY, PUM & CHARNEY
LLP

Attorneys for Comerica Bank

EXHIBIT “A”

CASH COLLATERAL BUDGET

US EAGLE CONSOLIDATED et al - DIP
CASE # 11-10392 (NLW)
CASH COLLATERAL BUDGET

DRAFT - TENTATIVE & PRELIMINARY
SUBJECT TO CHANGE

CASE-TO-DATE WEEK >>	61	62	63	64	65	66	
BUDGET WEEK >>	1	2	3	4	5	6	6-WEEK
CASH BUDGET	03/04/12	03/11/12	03/18/12	03/25/12	04/01/12	04/08/12	BUDGET
Beginning Cash Balance ^{1,2}	\$2,747,007	\$2,408,734	\$2,416,606	\$3,857,687	\$3,749,647	\$3,665,462	\$2,747,007
Cash Receipts:							
A/R Collections	308,694	308,694	308,694	254,271	268,271	213,847	1,662,471
Rental Income	49,707	-	-	-	-	49,707	99,414
Other Receipts ^{2,3}	-	46,000	2,000,000	36,512	50,000	46,000	2,178,512
Total Cash Receipts	358,401	354,694	2,308,694	290,783	318,271	309,554	3,940,397
Cash Disbursements - Operating ⁴							
Wage / Salary Employee Obligations	145,332	68,973	68,973	68,973	89,187	113,973	555,410
Sales Commissions	-	-	45,000	-	-	-	45,000
Vendor Payments	252,217	157,050	132,050	132,050	166,217	197,050	1,036,633
Insurance	22,154	-	41,891	-	-	22,154	86,199
Federal / State Income Taxes	-	-	12,000	-	-	-	12,000
State Sales Taxes	-	7,100	-	95,100	-	-	102,200
Property Taxes	6,200	-	-	-	-	4,180	10,380
Utilities	8,750	2,500	2,500	2,500	8,750	2,500	27,500
Rent	69,008	-	-	-	23,102	45,906	138,017
Office Expenses	450	450	450	450	450	450	2,700
TCS Wind Down	2,500	2,500	2,500	2,500	2,500	2,500	15,000
Other / Misc	7,250	7,250	7,250	7,250	7,250	7,250	43,500
Total Operating Disbursements	513,861	245,823	312,614	308,823	297,455	395,963	2,074,539
Cash Flows From Operations	(155,460)	108,872	1,996,081	(18,040)	20,815	(86,409)	1,865,859
Cash Disbursements - Restructuring: ⁵							
Legal Counsel (Lowenstein)	25,000	25,000	25,000	25,000	25,000	25,000	150,000
CRO (Traxi)	25,000	25,000	25,000	25,000	25,000	25,000	150,000
Adequate Protection Payments	24,501	-	-	-	-	27,174	51,675
Principal Repayment-Revolving Credit ⁶	-	46,000	500,000	35,000	50,000	46,000	677,000
Lenders Fees & Expenses	5,000	5,000	5,000	5,000	5,000	5,000	30,000
Creditor's Comm. Professionals	103,312	-	-	-	-	69,881	173,193
US Trustee	-	-	-	-	-	86,362	86,362
Total Restructuring Disbursements	182,813	101,000	555,000	90,000	105,000	284,417	1,318,230
Cash Flow	(338,273)	7,872	1,441,081	(108,040)	(84,185)	(370,826)	547,628
<i>Adjustment to Net Cash Flow</i>	-	-	-	-	-	-	-
Ending Cash Balance	\$2,408,734	\$2,416,606	\$3,857,687	\$3,749,647	\$3,665,462	\$3,294,636	\$3,294,636
COLLATERAL VALUE ANALYSIS	03/04/12	03/11/12	03/18/12	03/25/12	04/01/12	04/08/12	
Cash	\$2,408,734	\$2,416,606	\$3,857,687	\$3,749,647	\$3,665,462	\$3,294,636	
Accounts Receivable	2,885,814	2,796,989	2,673,165	2,603,765	2,520,364	2,616,220	
Inventory	2,209,615	2,204,904	2,200,942	2,196,981	2,193,019	2,101,675	
Machinery & Equipment	102,049	102,049	102,049	102,049	102,049	102,049	
Real Estate	4,400,000	4,400,000	4,400,000	4,400,000	4,400,000	4,400,000	
Collateral Value	12,006,213	11,920,548	13,233,843	13,052,441	12,880,894	12,514,579	
Additional Collateral Value ⁷	13,700,000	13,700,000	13,700,000	13,700,000	13,700,000	13,700,000	
Total Collateral Value	25,706,213	25,620,548	26,933,843	26,752,441	26,580,894	26,214,579	
Working Capital Revolver	1,688,115	1,642,115	1,142,115	1,107,115	1,057,115	1,011,115	
Term Loan	-	-	-	-	-	-	
M&E Term Loans	-	-	-	-	-	-	
Real Estate Mortgages	3,079,476	3,079,476	3,079,476	3,079,476	3,079,476	3,079,476	
Total Sr. Secured Debt (Comerica)	4,767,591	4,721,591	4,221,591	4,186,591	4,136,591	4,090,591	
EXCESS COLLATERAL POSITION	\$20,938,622	\$20,898,957	\$22,712,252	\$22,565,850	\$22,444,303	\$22,123,988	

Notes:

- Cash balance reflects \$1.0 million being held in a certificate of deposit ("C.D."), pursuant to the Order approving the sale of the TCS assets. Also, see note #2.
- Upon receipt of the cash held in escrow from the sale of TCS assets, a total of \$3.0 million in cash will be held (including the \$1.0 million C.D.) pursuant to the Order approving the sale of the TCS assets. Also, see note #1.
- Other receipts include the following: \$50K for the TCS All Stripe Trade Name; \$92K in estimated rent through the interim period ending 04/30/12; \$10K for the sale of local IP in Sacramento; \$10K for the sale of local IP in Newhall and \$15K for the sale of local IP in Las Vegas. Timing of these payments are estimated and may vary.
- Budget does not reflect carry forward of any unused operating disbursements through WE 02/26/12.
- Budgeted amounts are for illustrative purposes and reflect projected payments by the Debtors, not payments authorized by the Court, the Debtors, or Comerica, each of which reserves all of its rights with respect to objecting or not objecting to such payments. Until this Budget is approved by the Court, Comerica Bank reserves the right to withdraw its consent to the disbursements set forth herein in a writing delivered to counsel for the Debtors. Upon receipt of such notice, the Debtors' use of cash collateral shall cease pending further order of the Court after notice and a hearing, which may be sought on an expedited basis.
- Timing of principal payments are estimated and may vary.
- Represents additional Adequate Protection collateral provided to Comerica.