

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11  
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Last Mile, Inc., : Case No. 11-14769 (shl)  
:  
Debtor. :  
:  
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FOURTH INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL,  
(II) GRANTING ADEQUATE PROTECTION, (III) MODIFYING  
THE AUTOMATIC STAY, AND (IV) SCHEDULING A FINAL HEARING

On October 21, 2011, the Court signed the *Interim Order (i) Authorizing Use of Cash Collateral, (ii) Granting Adequate Protection, (iii) Modifying the Automatic Stay, and (iv) Scheduling a Final Hearing* (Docket No. 19) (“Interim Cash Collateral Order”).

On November 9, 2011, the Court signed the *Second Interim Order (i) Authorizing Use of Cash Collateral, (ii) Granting Adequate Protection, (iii) Modifying the Automatic Stay, and (iv) Scheduling a Final Hearing* (Docket No. 36) (“Second Interim Cash Collateral Order”).

On December 15, 2011, the Court signed the *Interim Bridge Order (i) Authorizing Use of Cash Collateral, (ii) Granting Adequate Protection, (iii) Modifying the Automatic Stay, and (iv) Scheduling a Final Hearing* (Docket No. 50) (“Interim Bridge Cash Collateral Order”).

On December 23, 2011, the Court signed the *Third Interim Order (i) Authorizing Use of Cash Collateral, (ii) Granting Adequate Protection, (iii) Modifying the Automatic Stay, and (iv) Scheduling a Final Hearing* (Docket No. 60) (“Third Interim Cash Collateral Order”).

On January 17, 2012, the Court signed the *Interim Bridge Order (i) Authorizing Use of Cash Collateral, (ii) Granting Adequate Protection, (iii) Modifying the Automatic Stay,*

*and (iv) Scheduling a Final Hearing* (Docket No. 69) (“Second Interim Bridge Cash Collateral Order”).

The Debtor and the Lender hereby stipulate to extend the period through which the Debtor is authorized to use Cash Collateral<sup>1</sup>, as set forth herein.

Based on the entire record before the Court and good cause appearing therefore,

IT IS HEREBY ORDERED THAT:

1. Authorization to use Cash Collateral. Subject to the same terms, conditions and limitations contained in the Interim Cash Collateral Order (Docket No. 19), Second Interim Cash Collateral Order (Docket No. 36), the Interim Bridge Cash Collateral Order (Docket No. 50), the Third Interim Cash Collateral Order (Docket No. 60) and the Second Interim Bridge Cash Collateral Order (Docket No. 69) (collectively, the “Prior Orders”), each as modified hereby, and this Order, the Debtor is authorized to continue to use Cash Collateral for the period from December 15, 2011 through the date which is earliest to occur of (a) March 5, 2012; or (b) a Termination Declaration Date strictly pursuant to and in accordance with the Budget attached as Exhibit A to this Order, subject to the variance allowances contained in Section 3 of the Interim Cash Collateral Order (Docket No. 19), to satisfy (in the order of) (i) all payments required under their ground leases; (ii) all monthly payments to be made in escrow for insurance and taxes; and (iii) operational costs and expenses arising in connection with the administration of the Debtor’s estate.

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Interim Cash Collateral Order.

2. Events of Default. Notwithstanding anything contained to the contrary in the Prior Orders, the occurrence of any of the following events, unless waived by the Lender, shall constitute an event of default (collectively, the “Events of Default”):

a. the failure by the Debtor to perform, in any respect, any of the terms, provisions, conditions, covenants, or obligations under this Order;

b. the Debtor’s obtaining of credit or the incurring of indebtedness that is (i) secured by a security interest, mortgage or other lien on all or any portion of the Collateral which is equal or senior to any security interest, mortgage or other lien of the Lender, or (ii) entitled to priority administrative status which is equal or senior to that granted to the Lender;

c. any lien or security interest purported to be created under the Loan Documents shall cease to be, or shall be asserted by Debtor not to be, a valid and perfected lien on or security interest in any Collateral, with the priority required by the Loan Documents or herein;

d. the entry of an order by the Court granting relief from or modifying the automatic stay of section 362 of the Bankruptcy Code (i) to allow any creditor to execute upon or enforce a lien on or security interest in any Collateral having a value in excess of \$25,000, or (ii) with respect to any lien on or the granting of any lien on any Collateral to any state or local environmental or regulatory agency or authority, which in either case would have a material adverse effect on the business, operations, property, assets, or condition, financial or otherwise, of the Debtors;

e. reversal, vacatur, or modification (other than a modification with the express prior written consent of the Lender) of this Order;

f. dismissal of the Chapter 11 Case or conversion of the Chapter 11 Case to a chapter 7 case, or appointment in the Chapter 11 Case of a chapter 11 trustee or examiner with enlarged powers or other responsible person;

g. any misrepresentation of a material fact made after the Petition Date by the Debtor or its agents to the Lender about the financial condition of the Debtor, the nature, extent, location or quality of any Collateral, or the disposition or use of any Collateral, including Cash Collateral;

h. a material default by the Debtor in reporting financial information as and when required under the Interim Cash Collateral Order (Docket No. 19), Second Interim Cash Collateral Order (Docket No. 36), the Interim Bridge Cash Collateral Order (Docket No. 50), the Third Interim Cash Collateral Order (Docket No. 60), the Second Interim Bridge Cash Collateral Order (Docket No. 69), or this Order;

i. the sale of any material portion of the Debtor's assets outside the ordinary course of business without the prior written consent of the Lender, in its sole discretion;

j. the failure to comply with the Budget attached as Exhibit A to this Order, subject to the variance allowances contained in Section 3 of the Interim Cash Collateral Order, for any period, measured weekly as of the close of business on Wednesday of each following work week;

k. the filing by the Debtor of any motion seeking, or the granting of any motion providing for, reversal or modification of the Interim Cash Collateral Order (Docket No. 19), Second Interim Cash Collateral Order (Docket No. 36), or this Order;

l. the failure of the Debtor to file with the Bankruptcy Court on or before February 3, 2012, an application to employ an investment banking firm, reasonably acceptable to the Lender, to sell, restructure or refinance substantially all of the Debtor's assets;

m. the failure of the Debtor to make Adequate Protection Payments to the Lender in accordance with the Interim Cash Collateral Order (Docket No. 19);

n. an Event of Default, other than an Event of Default existing at the time of entry of this Order, occurs under the Loan Documents, which Event of Default the Debtor fails to cure within ten (10) days after the earlier of (i) the date upon which an officer of the Debtor obtains knowledge of such default or (ii) the date upon which the Debtor has received a record of such default from the Lender;

o. the filing of a motion by the Debtor for entry of an order staying or otherwise prohibiting the prosecution of any enforcement action by the Lender or any motion or pleading seeking to challenge the Lender's liens or otherwise commencing any cause of action against the Lender;

p. the appointment of an examiner or officer with special powers pursuant to Section 1104(a) of the Bankruptcy Code;

q. the Debtor files any motion or application, or the Bankruptcy Court allows the motion or application of any other person, which seeks approval for or allowance of any claim, lien, security interest ranking equal or senior in priority to the claims, liens and security interests granted to the Lender under the Interim Cash Collateral Order (Docket No. 19), Second Interim Cash Collateral Order (Docket No. 36), this Order or the Loan Documents or any such equal or prior claim, lien, or security interest shall be established in any manner, except in any

case, as expressly permitted under the Interim Cash Collateral Order (Docket No. 19), Second Interim Cash Collateral Order (Docket No. 36), or this Order;

r. this Order shall cease to be in full force and effect from and after the date of entry thereof by the Bankruptcy Court; or

s. the occurrence of any default or event of default under, or the failure of the Debtor to abide by any of the terms and conditions of, this Order.

3. Rights and Remedies Upon Event of Default. Immediately upon the occurrence and during the continuation of an Event of Default, the Lender may declare a termination, reduction or restriction of the ability of the Debtor to use any Cash Collateral (any such declaration, shall be referred to herein as a “Termination Declaration”). The Termination Declaration shall be given by email or facsimile (or other electronic means) to counsel to the Debtor, counsel to any Creditors’ Committee, and the U.S. Trustee (the earliest date any such Termination Declaration is made shall be referred to herein as the “Termination Declaration Date”). Upon the passage of five (5) days from the Termination Declaration Date (the “Termination Deadline”), the Debtor’s right to use Cash Collateral shall automatically cease unless the Debtor shall have cured such Event of Default in full prior to the expiration of such five (5) day period, and the Debtor shall no longer have the right to use or seek to use Cash Collateral. During such five (5) day period, the Debtor and the Creditors’ Committee shall have the right to seek a hearing solely for the purpose of seeking a determination of whether an Event of Default has occurred; upon the filing a motion prior to such five (5) day period on shortened notice seeking such a determination on an expedited bases, the Termination Deadline shall be tolled pending the Court’s decision on such motion. Upon the Termination Deadline, the automatic stay shall automatically be terminated without further notice or order, and the Lender

shall be permitted to exercise all remedies set forth herein and in the Loan Documents, as applicable, and as otherwise available at law against the Collateral, upon application or motion to the Court, and without restriction or restraint by any stay under sections 362 or 105 of the Bankruptcy Code, or otherwise, against the enforcement of the liens and security interest in the Collateral or any other rights and remedies granted to the Lender with respect thereto pursuant to the Loan Documents or this Interim Order, as applicable.

4. Notwithstanding anything contained in Paragraph 17 of the Interim Cash Collateral Order to the contrary, Cash Collateral in an amount not to exceed \$25,000 in the aggregate may be used by the Creditors' Committee for allowed fees and expenses incurred solely by the Creditors' Committee to investigate the validity, amount, extent, perfection, priority, enforceability or avoidability of the Prepetition Liens, the Loan, and the Prepetition Collateral of the Lender; provided, however, that for cause shown, the Court may increase such cap.

5. A final hearing has been rescheduled on the Debtor's Motion for an Order Pursuant to Sections 105(a), 363(c)(2), and 507(b) of the Bankruptcy Code and Rules 4001(b), (d) and 9014 of the Federal Rules of Bankruptcy Procedure Authorizing Debtors to Use Cash Collateral for March 5, 2012 at 2:00 p.m. (Eastern Time) before the Honorable Sean H. Lane, United States Bankruptcy Court for the Southern District of New York.

6. To the extent not expressly amended or modified by the terms of this Order, all other provisions of the Prior Orders shall remain in full force and effect.

Dated: January 26, 2012  
New York, New York

/s/ Sean H. Lane  
UNITED STATES BANKRUPTCY JUDGE

SIGNED AND DATED AS SET FORTH ABOVE.

APPROVED BY:

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**PROPOSED COUNSEL FOR DEBTOR  
AND DEBTOR-IN-POSSESSION**

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**COUNSEL FOR MANUFACTURERS  
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WILMINGTON TRUST FSB**



d/b/a Sting Last Mile  
 Second 13 Week Cash Flow Projection  
 as of January 15, 2012

	Weeks 1-13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22	Week 23	Week 24	Week 25	Week 26	Weeks 14-26
	Actuals	01/21/12	01/28/12	02/04/12	02/11/12	02/18/12	02/25/12	03/03/12	03/10/12	03/17/12	03/24/12	03/31/12	04/07/12	04/14/12	TOTALS
<b>Cash Balance</b> , beginning	\$ 293,300	\$ 335,636	\$ 302,576	\$ 288,578	\$ 308,768	\$ 388,679	\$ 434,226	\$ 415,988	\$ 360,178	\$ 352,264	\$ 241,454	\$ 403,716	\$ 377,906	\$ 393,242	\$ 335,636
<b>CASH RECEIPTS</b>															
Cash Collections	1,322,329	125,000	150,000	125,000	75,000	125,000	125,000	45,000	75,000	100,000	105,000	125,000	100,000	70,000	1,345,000
USAC / SLD Receipts	524,923		100,000	90,000		100,000	125,000	55,000			125,000	175,000	20,000		790,000
USAC / RHC Receipts	101,210		33,752		117,825		47,762				47,762				247,101
Misc Rec	2,732														-
<b>TOTAL CASH RECEIPTS</b>	<b>1,951,194</b>	<b>125,000</b>	<b>283,752</b>	<b>215,000</b>	<b>192,825</b>	<b>225,000</b>	<b>297,762</b>	<b>100,000</b>	<b>75,000</b>	<b>100,000</b>	<b>277,762</b>	<b>300,000</b>	<b>120,000</b>	<b>70,000</b>	<b>2,382,101</b>
<b>Total Cash Available</b>	<b>2,244,494</b>	<b>460,636</b>	<b>586,328</b>	<b>503,578</b>	<b>501,593</b>	<b>613,679</b>	<b>731,988</b>	<b>515,988</b>	<b>435,178</b>	<b>452,264</b>	<b>519,216</b>	<b>703,716</b>	<b>497,906</b>	<b>463,242</b>	<b>2,717,737</b>
<b>CASH PAID OUT</b>															
<b>Operating Expenses</b>															
Payroll	569,400	98,000		96,000		93,000		92,000		90,000		90,000		90,000	649,000
Benefits / Workers Comp	71,291	1,810		16,310	6,250	810	1,000	16,310	6,250	810	1,000	810	15,500	7,060	73,920
Regulatory Fees / Taxes	54,314				6,664				6,664				6,664		19,992
Cost of Sales	1,035,428	37,250	170,000	65,000	85,000	50,000	170,000	30,000	60,000	85,000	105,000	105,000	65,000	90,000	1,117,250
Operating Expenses	62,490	16,000	2,500	2,500	10,000	4,500	20,000	2,500	5,000	5,000	4,500	5,000	2,500	10,000	90,000
Revolver Interest	104,573					26,143				25,000					51,143
Reserve of Misc. Expenses	10,654	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	65,000
<b>Total Operating Expenses</b>	<b>1,908,149</b>	<b>158,060</b>	<b>177,500</b>	<b>184,810</b>	<b>112,914</b>	<b>179,453</b>	<b>196,000</b>	<b>145,810</b>	<b>82,914</b>	<b>210,810</b>	<b>115,500</b>	<b>205,810</b>	<b>94,664</b>	<b>202,060</b>	<b>2,066,305</b>
<b>Restructuring Charges</b>															
Debtor's Prof. Fees	-		35,000				50,000					50,000			135,000
M&T Fees & Expenses	-		35,000				35,000					35,000			105,000
Committee Prof. Expenses	-		40,000				35,000					35,000			110,000
Investment Banker Fees	-			10,000				10,000					10,000		30,000
Utility Deposits	709		4,000												4,000
UST Fees	-		6,250											10,000	16,250
<b>TOTAL Restructuring Charges</b>	<b>709</b>	<b>-</b>	<b>120,250</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>120,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,000</b>	<b>10,000</b>	<b>10,000</b>	<b>400,250</b>
<b>TOTAL CASH PAID OUT</b>	<b>1,908,858</b>	<b>158,060</b>	<b>297,750</b>	<b>194,810</b>	<b>112,914</b>	<b>179,453</b>	<b>316,000</b>	<b>155,810</b>	<b>82,914</b>	<b>210,810</b>	<b>115,500</b>	<b>325,810</b>	<b>104,664</b>	<b>212,060</b>	<b>2,466,555</b>
<b>Cash Balance</b> , ending	<b>\$ 335,636</b>	<b>\$ 302,576</b>	<b>\$ 288,578</b>	<b>\$ 308,768</b>	<b>\$ 388,679</b>	<b>\$ 434,226</b>	<b>\$ 415,988</b>	<b>\$ 360,178</b>	<b>\$ 352,264</b>	<b>\$ 241,454</b>	<b>\$ 403,716</b>	<b>\$ 377,906</b>	<b>\$ 393,242</b>	<b>\$ 251,182</b>	<b>\$ 251,182</b>
A/R, beginning	\$ 3,004,246	\$ 3,336,635	\$ 3,211,635	\$ 2,940,383	\$ 3,463,383	\$ 3,283,058	\$ 3,058,058	\$ 2,772,796	\$ 3,410,796	\$ 3,335,796	\$ 3,248,296	\$ 2,970,534	\$ 2,683,034	\$ 3,301,034	\$ 3,336,635
Sales- MRC	2,214,774			738,000				738,000					738,000		2,214,000
Sales - NRC	75,061		12,500		12,500		12,500			12,500		12,500		12,500	75,000
Refund/Credits	(8,984)														-
Cash Collections	(1,948,461)	(125,000)	(283,752)	(215,000)	(192,825)	(225,000)	(297,762)	(100,000)	(75,000)	(100,000)	(277,762)	(300,000)	(120,000)	(70,000)	(2,382,101)
A/R, ending	<b>\$ 3,336,635</b>	<b>\$ 3,211,635</b>	<b>\$ 2,940,383</b>	<b>\$ 3,463,383</b>	<b>\$ 3,283,058</b>	<b>\$ 3,058,058</b>	<b>\$ 2,772,796</b>	<b>\$ 3,410,796</b>	<b>\$ 3,335,796</b>	<b>\$ 3,248,296</b>	<b>\$ 2,970,534</b>	<b>\$ 2,683,034</b>	<b>\$ 3,301,034</b>	<b>\$ 3,243,534</b>	<b>\$ 3,243,534</b>

Beginning Balance of Cash + AR 3,297,546

Ending Balance of Cash + AR 3,494,716

Net Difference in Cash + AR Since Beginning of Filing 197,170