

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
DIAMOND GLASS, INC., <i>et al.</i> , ¹)	Case No. 08-10601 (CSS)
)	
Debtors.)	(Jointly Administered)
)	
)	Docket Ref. No.: 12

**ORDER PURSUANT TO SECTIONS 105, 362 AND 506(b) OF THE BANKRUPTCY
CODE AUTHORIZING THE PAYMENT OF CERTAIN PREPETITION
CLAIMS OF CERTAIN CRITICAL VENDORS AND FREIGHT CARRIERS**

Upon consideration of the motion (the "Motion")² of the above-captioned debtors and debtors in possession for entry of an order authorizing the Debtors, in their discretion, to pay the prepetition claims of certain critical vendors and service providers; and upon consideration of the Motion and all pleadings related thereto, including the Cogswell Affidavit; and the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and (c) notice of the Motion was due and proper under the circumstances; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors; and after due deliberation and good and sufficient cause appearing therefor, it is hereby:

ORDERED, that the Motion is granted; and it is further

ORDERED, an interim basis, and subject to the conditions set forth in this Order, the Debtors are hereby authorized, but not directed, in their sole discretion, and in the reasonable exercise of their business judgment, to pay certain prepetition claims of certain Critical Vendors

¹ The Debtors in these proceedings are: Diamond Glass, Inc. (Tax ID No. XX-XXX8853); and D1 Subsidiary Corp., a wholly owned subsidiary of Diamond Glass (Tax ID No. XX-XXX3494), each with a mailing address of 220 Division Street, Kingston, PA 18704. Diamond Glass, Inc. is formerly known as Diamond Glass Companies, Inc. and Diamond Triumph Auto Glass, Inc.

² Capitalized terms used but otherwise not defined herein shall have the meaning ascribed to such terms in the Motion.

(the "Critical Vendor Claims"), provided however, unless objections are filed with this Court by April 17, 2008 at 4:00 p.m. (ET) (the "Objection Deadline") and served upon the Debtors' counsel, the Debtors shall be authorized to pay, without further order of the Court, any and all Critical Vendor Claims, provided further, that to the extent that an objection is filed by the Objection Deadline, a final hearing with respect to the payment of Critical Vendor Claims will be held on April 24, 2008 at 2:00 p.m. (ET); and it is further

ORDERED, that the Debtors' payment of the Critical Vendor Claims shall not exceed \$5 million (the "Critical Vendor Cap") in the aggregate unless otherwise ordered by the Court; and it is further

ORDERED, that the Debtors shall undertake all appropriate efforts to cause each Critical Vendor to enter into an agreement with the Debtors (the "Trade Agreement"), including, but not limited to, the following terms:

- (a) The amount of such Critical Vendor's estimated prepetition claim, after accounting for any setoffs, other credits and discounts thereto, shall be as mutually determined in good faith by the Critical Vendor and the Debtors (but such amount shall be used only for purposes of the Order and shall not be deemed a claim allowed by the Court, and the rights of all parties in interest to object to such claim shall be fully preserved until further order of the Court);
- (b) The Critical Vendor's agreement to be bound by the Customary Trade Terms (including, but not limited to, credit limits, pricing, cash discounts, timing of payments, allowances, rebates, coupon reconciliation, normal product mix and availability and other applicable terms and programs), which were favorable to the Debtors and in effect between such Critical Vendor and the Debtors on a historical basis for the period within one-hundred twenty (120) days of the Petition Date, or such other trade terms as mutually agreed to by the Debtors and such Critical Vendor;
- (c) The Critical Vendor's agreement to provide goods to the Debtors based upon Customary Trade Terms, and the Debtors' agreement to pay the Critical Vendor in accordance with such terms;
- (d) The Critical Vendor's agreement not to file or otherwise assert against any of the Debtors, their estates or any of their respective assets or property (real or personal) any lien (a "Lien") (regardless of the statute or other

legal authority upon which such Lien is asserted) related in any way to any remaining prepetition amounts allegedly owed to the Critical Vendor by the Debtors arising from goods provided to the Debtors prior to the Petition Date, and that, to the extent that the Critical Vendor has previously obtained such a Lien, the Critical Vendor shall immediately take all necessary actions to release such Lien;

- (e) The Critical Vendor's acknowledgment that it has reviewed the terms and provisions of the Order and consents to be bound thereby;
- (f) The Critical Vendor's agreement that it will not separately assert or otherwise seek payment of any reclamation claims; and
- (g) The Critical Vendor's agreement that it has received payment of a prepetition claim but subsequently refuses to supply goods to the Debtors on Customary Trade Terms, any payments received by the Critical Vendor on account of its Critical Vendor Claim will be deemed to have been in payment of then outstanding post-petition obligations owed to such Critical Vendor, and that such Critical Vendor shall immediately repay to the Debtors any payments received on account of its Critical Vendor Claim to the extent that the aggregate amount of such payments exceed the post-petition obligations then outstanding, without the right of setoff or reclamation.

ORDERED, that the Debtors may, in their sole discretion, declare a Trade Agreement with an individual Critical Vendor to have terminated, together with the other benefits to the Critical Vendor as contained in this Order, on the date the Debtors deliver notice to the Critical Vendor that the Critical Vendor has not complied with the terms and provisions of the Trade Agreement or has failed to continue to provide Customary Trade Terms to the Debtors; and it is further

ORDERED, that if a Trade Agreement is terminated as set forth above, or a Critical Vendor who has received payment of a prepetition claim later refuses to continue to supply goods to the Debtors on Customary Trade Terms during the pendency of these chapter 11 cases, the Debtors may, in their discretion, declare that provisional payments made to the Critical Vendor on account of prepetition Trade Claims be deemed to have been in payment of then outstanding postpetition amounts owed to such Critical Vendor without further order of the

Court or action by any person or entity. A Critical Vendor shall then immediately repay to the Debtors any payments made to it on account of its Critical Vendor Claim to the extent that such payments exceed the postpetition amounts then owing to such Critical Vendor, without the right of setoff or reclamation, it being the express intention of this Court to return the parties to the status quo in effect as of the date of entry of this Order with respect to all prepetition claims if a Trade Agreement is terminated; and it is further

ORDERED, that the execution of a Trade Agreement by the Debtors shall not be declared a waiver of any other cause of action, including avoidance actions, that may be held by the Debtors; and it is further

ORDERED, that the Debtors are authorized, in the Debtors' sole discretion, to pay Freight Claims in an amount not to exceed \$100,000 absent for the order of the Court; and it is further

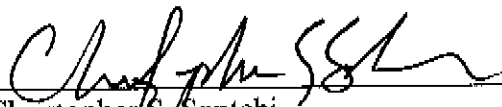
ORDERED, that upon the Debtors' payment of the Freight Claims, any Lien securing such Freight Claim shall be immediately released, void and of no further force and effect, without further action by the Debtors; and it is further

ORDERED, that nothing in the Motion or this Order, or the Debtors' payment of any claims pursuant to this Order, shall be deemed or construed: (a) as an admission as to the validity of any claim or Lien, including, but not limited to, any claim or Lien of a Freight Carrier against the Debtors or their estates; (b) as a waiver of the Debtors' rights to dispute any claim or Lien, including, but not limited to, any claim or Lien asserted by a Freight Carrier; (c) as approval or assumption of any agreement, contract or lease pursuant to section 365 of the Bankruptcy Code; or (d) to prejudice any of the Debtors' rights to seek relief under any section of the Bankruptcy Code on account of any amounts owed or paid to any Freight Carrier; and it is further

ORDERED that notwithstanding any applicability of Federal Rule of Bankruptcy Procedure 6004(g), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED, that this Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: Wilmington, Delaware
April 2, 2008



Christopher S. Sontchi
United States Bankruptcy Judge