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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re)	Chapter 11
)	
SUNBEAM CORPORATION,)	Case No. 01-40291 (AJG)
)	
Debtor.)	

**STIPULATION AND ORDER REGARDING INTERIM APPROVAL OF
THIRD INTERIM APPLICATION FOR PAYMENT OF FEES AND
REIMBURSEMENT OF EXPENSES OF
CHANIN CAPITAL PARTNERS**

WHEREAS, on March 15, 2001, the Official Committee of Unsecured Creditors of the Debtors (“Committee”) filed its Application for Order Authorizing the Employment and Retention of Chanin Capital Partners as Financial Advisors to the Unsecured Creditors Committee *Nunc Pro Tunc* to February 23, 2001 pursuant to sections 328 and 1103 of title 11, United States Code (the “Bankruptcy Code”);

WHEREAS, on April 15, 2001, this Court granted that motion, and has entered an Order Authorizing and Approving the Employment of Chanin Capital Partners as Financial Advisor to the Official Committee of Unsecured Creditors;

WHEREAS, on March 1, 2001, this Court entered a Final Order Authorizing Debtor in Possession to Enter into Post-Petition Financing Agreement and Obtain Post-Petition Financing Pursuant to Sections 363 and 364 of the Bankruptcy Code and Providing Adequate Protection

and Granting Liens, Security Interests, and Superpriority Claims (“Final DIP Order”), which provided, in relevant part, for a budget that limited the payment of the Committee’s professionals of up to \$600,000.

WHEREAS, on March 18, 2002, Chanin filed its Third Interim Application of Chanin Capital Partners, Financial Advisor for the Statutory Committee of Unsecured Creditors, for Allowance and Compensation for Services Rendered and for Reimbursement of Expenses from October 1, 2001 through January 31, 2002, requesting the allowance and payment of \$700,000 in fees and the reimbursement of \$3,946.60 in expenses (the “Third Interim Application”);

WHEREAS, on June 10, 2002, Wachovia Bank, National Association (formerly known as First Union National Bank), for itself and as agent for certain lenders pursuant to a post-petition credit agreement (“Agent,” and with those lenders collectively, the “Lenders”), filed the Objection of Agent and Lenders to the Third Interim Application of Chanin Capital Partners, asserting that (i) Chanin should not be paid because the amounts sought exceeded the \$600,000 cap for the fees of the Committee’s professionals provided for in the budget to the Final DIP Order, (ii) the amounts sought were “unreasonable,” and (iii) the Lenders should not be forced to fund fees and costs used by professionals of the Committee to be used in litigation against the Lenders;

WHEREAS, on June 13, 2002, Sunbeam filed the Debtor’s Joinder in the Objection of Agent and Lenders to the Third Interim Fee Application of Chanin Capital Partners (the Lenders objection and the Debtor’s objection shall be referred to together herein as the “Objections”);

WHEREAS, Chanin, the Lenders, and the Debtor wish to resolve the need for a hearing with respect to the Objections, interim compensation, and reimbursement of expenses to Chanin.

NOW THEREFORE, Chanin, the Lenders, and the Debtor hereby stipulate and agree, subject to approval of the Court, as follows:

ORDERED, that, subject to the terms hereof, the fees and reimbursable expenses of Chanin requested pursuant to the Third Interim Application shall be allowed solely on an interim basis in the amount of \$700,000 and \$3,946.60 respectively pursuant to section 331 of the Bankruptcy Code. It is further

ORDERED, that no payment of the allowed fees and reimbursable expenses of Chanin as professionals to the Committee pursuant to the Third Interim Application shall be made at this time. Payment shall be made in accordance with the Debtor's Third Amended Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, dated October 2, 2002, in the event and solely to the extent such fees and expenses are allowed pursuant to a final order approving Chanin's application for final allowance and payment of compensation and reimbursement of costs. It is further

ORDERED, that Chanin reserves its rights to seek the payment of the full amount of the fees and reimbursable expenses awarded pursuant to the Third Interim Application pursuant to, *inter alia*, sections 330, 507(a) and 1129(a)(9) of the Bankruptcy Code and pursuant to a final application for compensation and reimbursement of costs. It is further

ORDERED, that the Lenders and the Debtor reserve all rights to oppose and to object to Chanin's application for final allowance and for payment of any of the fees and reimbursable costs awarded pursuant to Chanin's Third Interim Application and nothing in this Order shall in any way be deemed to prejudice, limit or compromise any such right or shall constitute res

judicata or collateral estoppel as to the merits of any issue. As a result, the Objections are withdrawn. It is further

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ORDERED that the Final DIP Order and documents related thereto shall remain in full force and effect.

Dated: October ____, 2002
New York, New York

WEIL, GOTSHAL & MANGES

SIMPSON, THACHER & BARTLETT

/s/George A. Davis
By: George A. Davis (GD 2761)

/s/Alice Belisle Eaton
By: Peter V. Pantaleo (PP 5932)
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Attorneys for Chanin Capital Partners

SO ORDERED:

s/ Arthur J. Gonzalez 11/6/2002
Hon. Arthur J. Gonzalez,
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re)	Chapter 11
)	
SUNBEAM CORPORATION,)	Case No. 01-40291 (AJG)
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FEE PAY SCHEDULE

THIRD INTERIM FEE PERIOD OCTOBER 1, 2001 TROUGH JANUARY 31, 2002							
APPLICANT	DATE/ DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED AND PAYABLE BY DEBTOR
Chanin Capital Partners	03/21/02 713	\$ 700,000.00	\$ 700,000.00	\$ 0.00	\$ 700,000.00	\$ 3,964.60	\$ 3,946.60