

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Release of Security Interest as per U.S. Bankruptcy Court Order
CONVEYING PARTY DATA	
Name	Execution Date
NationsBank of North Carolina, N.A.	07/08/2005
RECEIVING PARTY DATA	
Name:	WP IP, LLC (formerly, WestPoint Stevens Inc.)
Street Address:	28 East 28th Street 8th Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10016
PROPERTY NUMBERS Total: 2	
Property Type	Number
Patent Number:	5194674
Patent Number:	5707404
CORRESPONDENCE DATA	
Fax Number:	(312)803-2209
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	312-464-3100
Email:	aocasio@loeb.com
Correspondent Name:	Adam G. Kelly - LOEB & LOEB LLP
Address Line 1:	321 N. Clark St., Suite 2300
Address Line 4:	Chicago, ILLINOIS 60654
ATTORNEY DOCKET NUMBER:	209944-10003
NAME OF SUBMITTER:	Adam G. Kelly
<p>Total Attachments: 32</p> <p>source=Bankruptcy Order 2005 Releasing All Prior Security Interests#page1.tif</p> <p>source=Bankruptcy Order 2005 Releasing All Prior Security Interests#page2.tif</p> <p>source=Bankruptcy Order 2005 Releasing All Prior Security Interests#page3.tif</p>	

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	
In re	:
	:
WESTPOINT STEVENS INC., <u>et al.</u> ,	:
	:
	:
	:
Debtors.	:
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**ORDER AUTHORIZING SALE OF SUBSTANTIALLY ALL OF THE SELLERS’
ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND
INTERESTS, THE ASSUMPTION OF CERTAIN LIABILITIES, APPROVAL OF
SUCCESSFUL BIDDER AND CERTAIN RELATED MATTERS**

This matter having come before the Court to consider the sale of substantially all of the assets of WestPoint Stevens Inc. (“WestPoint”), Westpoint Stevens Inc. I and Westpoint Stevens Stores, Inc. and certain trademarks of J.P. Stevens Enterprises, Inc. (collectively, the “Sellers”), as debtors and debtors in possession (J.P. Stevens & Co. Inc. (“J.P. Stevens”) is also a debtor and debtor-in-possession but is not a seller (Sellers and J.P. Stevens are referred to herein collectively as the “Debtors”)), free and clear of all liens, claims, encumbrances, and other interests pursuant to sections 105, 363, 365, and 1146 of title 11 of the United States Code (11 U.S.C. § 101 *et seq.*, the “Bankruptcy Code”) and in accordance with the terms of that certain Order, dated April 22, 2005 (the “Bidding Procedures Order”), establishing bidding procedures (the “Bidding Procedures”) in connection with the Debtors’ proposed sale of substantially all of the Sellers’ assets to the highest or best bidder (the “Sale”) and to consider certain related issues briefed and/or argued by the parties; and an auction for the assets (the “Auction”) having been conducted on June 23, 2005; and the Debtors having filed with the Court an auction report (the “Auction Report”) stating that the highest or best bid at the Auction was the bid of Textile Co., Inc., pursuant to and in accordance with the terms of that certain Asset Purchase Agreement (the

“Agreement”),¹ a copy of which is attached as Exhibit A hereto, between the Sellers and Textile Co., Inc. (the “Purchaser” and together with New Textile One, Inc., New Textile Two, Inc., and WS Textile Co. Inc., the “Purchasing Entities”), dated as of June 23, 2005 (the “Successful Bid”); and the Debtors having properly filed and served the Auction Report, dated June 23, 2005, notifying all parties in interest of the outcome of the Auction; and the hearing on approval of the Debtors’ selection of the Purchaser at the Auction and the Sale having been held before this Court beginning on June 24, 2005 at 10:00 a.m. (Eastern Time) and concluding on June 29, 2005 (the “Purchaser Selection Hearing”); and the Debtors having served notice of the Auction and the Purchaser Selection Hearing upon all known creditors (including former employees, retirees, tort claimants, and adjacent and nearby landowners for sites with potential environmental liabilities) and equity security holders of the Debtors; and the Debtors having published notice of the Auction and the Purchaser Selection Hearing in the national editions of *The New York Times* and *Wall Street Journal* on May 6, 2005; and the Court having considered each of the objections filed to the relief herein; and the Court having reviewed and considered the Auction transcript, the testimony and the exhibits admitted into evidence at the Purchaser Selection Hearing and the proceedings had before the Court in connection with this matter and throughout these cases; and good and sufficient cause appearing therefor, including for the reasons stated on the record in the Court’s bench ruling at the conclusion of the Purchaser Selection Hearing, which is incorporated herein,

THE COURT HEREBY FINDS AND DETERMINES THAT:

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Fed. R. Bankr. P. 7052, made applicable to this proceeding pursuant to Fed. R. Bankr. P. 9014.

B. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

C. This Court has jurisdiction over the transactions contemplated by the Agreement pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (N). The members of the Steering Committee, the First Lien Agent and the Collateral Trustee for the First Lien Debt have each consented to the jurisdiction of this Court, including with respect to issues regarding the Credit Agreement, the Collateral Trust Agreement and the Intercreditor Agreement that were determined by the Court at the Purchaser Selection Hearing and herein. Venue of these cases in this district is proper under 28 U.S.C. §§ 1408 and 1409.

D. The statutory predicates for the relief provided herein are sections 105(a), 363, 365, and 1146(c) of the Bankruptcy Code as supplemented by Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

E. As evidenced by the affidavits of service and publication previously filed with the Court, and based on the representations of counsel at the Purchaser Selection Hearing, (i) proper, timely, adequate and sufficient notice of the Auction, the Sale, and the Purchaser Selection Hearing has been provided in accordance with Bankruptcy Rules 2002(a), 6004(a) and 6006(c) and in compliance with the Bidding Procedures Order, (ii) such notice was good and sufficient, and appropriate under the particular circumstances, and reasonably calculated to reach and

apprise all holders of Interests (as hereinafter defined) about the Bidding Procedures, the Auction, and the Sale, and (iii) no other or further notice of the Auction, the Sale, or the Purchaser Selection Hearing is necessary. Further notice, as set forth herein, shall be provided to non-Debtor parties to pre-petition or post-petition contracts, leases or licenses which the Purchaser requests be assumed and assigned to it at Closing under the Agreement, which notice shall provide such counterparties an opportunity to object to the proposed assumption and assignment, including the proposed Cure Amount, in writing within 10 days of the date of mailing of such notice to such counterparty. Any such contracts, leases or licenses as to which the Purchaser has not changed the direction to assign to Purchaser prior to the Closing (or if the hearing to approve assumption and assignment of a particular contract, lease or licenses is held after the Closing, such later hearing date as to such contract, lease or license) is referred to herein as an “Acquired Contract” and are collectively referred to as “Acquired Contracts”.

F. No further bids or offers for the Purchased Assets shall be considered or accepted after the date hereof unless the Successful Bid shall be terminated in accordance with its terms. No chapter 11 plan or further order is necessary to approve or implement the transactions contemplated in the Agreement; however, if the Purchaser requests the Debtors to proceed with a chapter 11 Plan to implement such transaction, the Debtors shall so proceed unless the Purchaser later revokes such request, in which case the Debtors shall cease proceeding with such a plan. The Debtors may nevertheless choose to proceed to confirm a liquidating chapter 11 plan after the Closing.

G. As demonstrated by (i) the testimony and other evidence proffered or adduced at the Purchaser Selection Hearing, and (ii) the representations of counsel made on the record at the Purchaser Selection Hearing, the Debtors and their financial advisor, Rothschild Inc.

(“Rothschild”), diligently and in good faith marketed the Sellers’ assets to secure the highest or best offer therefor in compliance with the Bidding Procedures Order by, *inter alia*, delivering offering materials to potential purchasers (and in addition, delivering the Bidding Procedures Order to each of the entities that had previously expressed an interest in the Debtors’ assets), inviting potential purchasers to meet with the Debtors’ management, Rothschild, and other professionals of the Debtors, providing each potential purchaser with the opportunity to conduct extensive due diligence, and otherwise conducting an open and fair sale process culminating in an Auction in which each potential purchaser had an opportunity to bid for the Debtors’ assets in accordance with the Bidding Procedures previously approved by the Court. The terms and conditions set forth in the Successful Bid, and the transactions contemplated thereby, including the amount of the purchase price, represent fair and reasonable terms and conditions, constitute the highest and best offer obtainable for the Seller’s assets and are fair and adequate. The Rothschild methodology for valuing the Auction bids, including the Successful Bid and the prior two non-credit bids of the WL Ross/Steering Committee group, was reasonable and appropriate, and the Rothschild methodology was applied consistently and fairly to the bids of the Purchasing Entities and the affiliates of the WL Ross/Steering Committee group. The Debtors’ marketing efforts, the Rothschild methodology, and the Auction resulted in a market test and a fair valuation of the Purchased Assets. Further, the Auction was duly noticed and conducted in a noncollusive, fair, and good faith manner, and a reasonable opportunity has been given to any interested party to make a higher and better offer. Without limiting the foregoing, the facts that an affiliate of the Successful Bidder holds First Lien Debt and Second Lien Debt, or that the Steering Committee holds First Lien Debt, did not unfairly skew the Auction or the valuation of the bids. The bids were made by sophisticated parties who are experienced with bankruptcy

auctions and distressed companies, and they were not made under duress. Without limiting the foregoing, Wilbur Ross and his affiliates were not at the time of the Auction, creditors of the Debtors. The last two non-credit bids of the WL Ross/Steering Committee group were made on a comparable format to the Successful Bid, including a substantial and material cash portion of the proposed purchase price, and were not provisional, which further confirms the fairness of the Auction and the valuation of the Purchased Assets established by the Auction.

H. Each Debtor has full corporate power and authority to execute the Agreement and all other documents contemplated thereby, and the sale of the Purchased Assets in accordance with the Agreement by the Sellers and related matters have been duly and validly authorized by all necessary corporate action of each of the Debtors. Each Debtor has all of the corporate power and authority necessary to consummate the transactions contemplated by the Agreement and has taken all corporate action necessary to authorize and approve the Agreement and the consummation by such Debtor of the transactions contemplated thereby. No consents or approvals, other those expressly provided for in the Agreement, are required for the Debtors to consummate such transactions.

I. The Successful Bid is the highest and best bid at the Auction, and the Debtors' decision to accept the Successful Bid, approval of the Agreement, and consummation of the transactions contemplated in the Agreement and the exhibits thereto are appropriate under the circumstances of these cases and are in the best interests of the Debtors, their creditors, their estates and other parties in interest. The Purchaser Selection Hearing constituted the hearing to approve entry of the Sale Order under the Agreement, no further Sale hearing is needed, and this Order constitutes both the Selection Order and the Sale Order under the Agreement.

J. The Debtors have demonstrated compelling circumstances and a good, sufficient and sound business purpose and justification for the Sale under the Agreement, under section 363(b) and (f) of the Bankruptcy Code, prior to, and outside of, a chapter 11 plan.

K. The Agreement and the transactions it contemplates were negotiated, proposed and entered into by the Debtors and the Purchasing Entities without collusion, in good faith, and from arm's-length bargaining positions. Neither the Debtors nor the Purchasing Entities have engaged in any conduct that would cause or permit the Agreement to be avoided under 11 U.S.C. § 363(n).

L. The Purchasing Entities are good faith purchasers under section 363(m) of the Bankruptcy Code and, as such, are entitled to all of the protections afforded thereby.

M. The Purchasing Entities are not "insiders" of any of the Debtors, as that term is defined in section 101 of the Bankruptcy Code.

N. The consideration provided by the Purchasing Entities pursuant to the Agreement (i) is fair and reasonable, (ii) is the highest and best offer for the Purchased Assets and constitutes the Successful Bid pursuant to the Bidding Procedures Order, and (iii) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

O. The transfer of the Purchased Assets to the Purchaser will be a legal, valid, and effective transfer of the Purchased Assets and will vest, effective as of the Closing, (i) the Purchaser with all right, title, and interest of the Sellers to the Purchased Assets free and clear (with the exception of the Assumed Liabilities) of Liens, claims, encumbrances, and other interests (collectively, the "Interests"), including, but not limited to, (1) those that purport to give to any party a right or option to effect any forfeiture, modification, right of first refusal, or

termination of the Purchaser's interest in the Purchased Assets, or any similar rights, (2) those relating to Taxes arising under or out of, in connection with, or in any way relating to the operation of the Debtors' assets prior to the Closing, and (3) (a) those arising under all mortgages, deeds of trust, security interests, conditional sale or other title retention agreements, pledges, Liens, judgments, demands, encumbrances, rights of first refusal or charges of any kind or nature, if any, including, but not limited to, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership, and (b) all debts arising in any way in connection with any agreements, acts, or failures to act, of any of the Debtors or any of the Debtors' predecessors or affiliates, Claims (as that term is defined in the Bankruptcy Code), obligations, liabilities, demands, guaranties, options, rights, contractual or other commitments, restrictions, interests and matters of any kind and nature, whether known or unknown, contingent or otherwise, whether arising prior to or subsequent to the commencement of these bankruptcy cases, and whether imposed by agreement, understanding, law, equity or otherwise, including, but not limited to, Claims otherwise arising under doctrines of successor liability and related theories, any employment or labor agreements; any pension, welfare, compensation, or other employee benefit plans, agreements, practices, and programs, including, without limitation, any pension plan of a Debtor, any other employee, worker's compensation, occupational disease, or unemployment or temporary disability related Claim, any products liability or similar Claims, whether pursuant to any state or federal laws or otherwise, including, without limitation, asbestos Claims; Environmental Liabilities; any bulk sales or similar law, any brokerage commissions or similar claims relating to any of the Debtors' assets; tort Liabilities, including all Liabilities relating to personal injury and other tort claims of any nature and related matters, of Debtors and their Affiliates, or relating to the Business or any assets or properties of Debtors and their

Affiliates, and any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended, in each case, to the fullest extent permitted by law, to the extent permitted by law; and (ii) Aretex, the other First Lien Lenders, and, to the extent applicable, the other Second Lien Lenders with their proportionate share of the Parent Shares and/or Subscription Rights (or shares received upon exercise of the Subscription Rights) pursuant to Section 3.3(c) of the Agreement and Paragraphs R, 6, and 12 of this Order in satisfaction of their replacement lien on the Sale proceeds under Paragraph 6 of this Order. With the exception of the right of the First Lien Lenders and Second Lien Lenders to receive such Sale proceeds under this Order and the Agreement at Closing in satisfaction of their replacement liens therein as provided for under Paragraphs R, 6, and 12 of this Order, the consideration to be received under the Equity Commitment Agreement and the Rights Offering Sponsor Agreement and the Parent Common Stock acquired pursuant thereto is also free and clear of all such Interests. The Parent Shares, the Subscription Rights, the shares received upon exercise of the Subscription Rights (including in connection with the backstop of such Subscription Rights) and/or under the Equity Commitment Agreement and the Rights Offering Sponsor Agreement are collectively referred to herein as the "Securities".

P. The Purchasing Entities would not have entered into the Agreement and would not consummate the transactions contemplated thereby, thus adversely affecting the Debtors, their estates, and their creditors, if the sale of the Purchased Assets to the Purchaser, the assignment of the Acquired Contracts to the Purchaser, the assumption of the Assumed Liabilities by the Purchaser and the Securities were not free and clear of all Interests, as described above, or if the Purchasing Entities would, or in the future could, be liable for any of

the Interests, other than Assumed Liabilities. The Purchasing Entities shall not be required or deemed to purchase any Excluded Assets or assume any Excluded Liabilities.

Q. The Debtors have satisfied the standard set forth in section 363(f) of the Bankruptcy Code for selling the Purchased Assets free and clear of all Interests, inasmuch as (i) the First Lien Debt will be satisfied in full at Closing by the release of the Parent Shares and the portion of the Subscription Rights as set forth Paragraphs R, 6, and 12 of this Order (subject to any reallocation by further order of this Court prior to Closing as provided in Paragraphs R and 6 hereof) and (ii) the Second Lien Lenders shall receive at Closing such portion of the Subscription Rights as set forth in Paragraphs R, 6, and 12 of this Order hereof (subject to any reallocation by further order of this Court prior to Closing as provided in Paragraphs R and 6 hereof). Without prejudice to any rights of the First Lien Agent and the First Lien Collateral Trustee therein on behalf of the First Lien Lenders, the Second Lien Agent shall also retain on behalf of the Second Lien Lenders their Interests and superpriority administrative claims against Excluded Assets, including the escrow under the Adequate Protection Order, the European Proceeds, and any cash proceeds held by the Debtors. Any valid miscellaneous secured claims related to the Purchased Assets with priority over the liens of the First Lien Agent, the Collateral Trustee, and the Second Lien Agent are being assumed by Purchaser pursuant to the Section 2.3(a)(x) of the Agreement or paid to the applicable Seller's estate to satisfy such claims pursuant to Section 3.1(a) of the Agreement. As to all parties other than the First Lien Agent, the Collateral Trustee, and the Steering Committee, section 363(f)(2) of the Bankruptcy Code is satisfied. As to the First Lien Agent, the Collateral Trustee, and the Steering Committee, the standards of both section 363(f)(3) and 363(f)(5) of the Bankruptcy Code are satisfied for the reasons stated by the Court on the record of the Purchaser Selection Hearing, either of which sections are sufficient to

authorize the Sale to be free and clear. The Sale under the Agreement also satisfies section 363(e) of the Bankruptcy Code. Based on the Auction price and the replacement lien provided under Paragraph 6 of this Order, the Sellers are receiving at least \$95 million of value in excess of the claims of the First Lien Lenders, or more (based on the testimony of Arthur Newman of Blackstone), which for purposes of section 363(e) of the Bankruptcy Code adequately protects the First Lien Lenders prior to Closing, and the release of the replacement collateral to the First Lien Lenders pursuant to Paragraphs R, 6, and 12 of this Order hereof shall adequately protect them and satisfy their secured claim as of Closing.

R. As more fully set forth in the record at the Purchaser Selection Hearing, the Sale and the release of the Subscription Rights to the Second Lien Lenders are permitted under the terms of section 2.13 of the Intercreditor Agreement pursuant to (i) the mandatory prepayment and (ii) adequate protection exceptions thereunder, and (iii) if a chapter 11 plan were to be confirmed, the chapter 11 plan exception such section would also be applicable. Aretex, the Second Lien Agent and the other Second Lien Lenders are not proposing a “plan” within the meaning of section 2.4 of the Intercreditor Agreement. Unless any First Lien Lender, Second Lien Lender, or any other party with an Interest in such Sale proceeds requests a hearing (on no less than five (5) business days notice) for the Court to determine that, due to changed circumstances which materially affect the value of the Successful Bid, the Subscription Rights as allocated below, together with release of any other Sale consideration to the First Lien Lenders, will not satisfy the claim of the First Lien Lenders (in which case such Subscription Rights shall be reallocated among the First Lien Lenders (including Aretex)) and the Second Lien Lenders (including Aretex), the Purchasing Entities shall issue Subscription Rights to purchase 9,349,185 shares of Parent Common Stock (constituting approximately 65.608% of the Subscription

Rights) directly to the First Lien Lenders, pro rata, and Subscription Rights to purchase 4,900,815 shares of Parent Common Stock (constituting approximately 34.392% of the Subscription Rights) directly to the Second Lien Lenders, pro rata, pursuant to Section 3.3(c) of the Agreement, subject to an adjustment for any change in the unpaid balance of the First Lien Debt between June 30, 2005 and the Closing Date. Any such hearing shall occur before the Closing. Subject to the adjustment, if any, specified in this Paragraph, the release of such replacement collateral shall satisfy the Claims of the First Lien Lenders against the Debtors in full and shall partially satisfy the Claims of the Second Lien Lenders against the Debtors. In determining the unpaid balance of the First Lien Debt as of the Closing, any cash paid to the Collateral Trustee or the First Lien Agent prior to or at the Closing but not distributed to the First Lien Lenders as of the Closing Date shall be deemed to have been paid to reduce such balance due on the First Lien Debt. To provide adequate time for the First Lien Lenders and/or the Second Lien Lenders to file a motion and schedule a hearing prior to the Closing as provided in this paragraph, the Debtors and Purchaser shall provide the First Lien Agent, the Second Lien Agent and counsel to the Steering Committee no less than twenty (20) business days notice of the date scheduled for the Closing.

S. As of June 30, 2005, prior to the application of the adequate protection payment made by the Debtors on that date and prior to the application of funds presently held by the First Lien Agent, the aggregate amount owed to the First Lien Lenders, including accrued interest, is \$488,371,841.20. As of June 30, 2005, the aggregate amount owed to the Second Lien Lenders, including accrued interest, is \$167,508,904.11. Exhibits B and C hereto set forth the percentage holdings of the First Lien Lenders and the Second Lien Lenders, respectively, as of the date of the applicable exhibit. The First Lien Agent and Second Lien Agent shall advise the Debtors and

the Purchasing Entities in writing as of the Closing Date of (i) any changes to the percentage holdings, as applicable and (ii) the amount owed, including any unpaid accrued interest and costs, as of the Closing Date on their applicable facility, and shall provide a draft of such advice to the Debtors and the Purchasing Entities with the then current information ten (10) days prior to the scheduled Closing.

T. As of the date hereof, the overall value of the Successful Bid and the Purchased Assets is \$703.5 million. As of the date hereof, the value of the Parent Shares is \$297.3 million. As of the date hereof, the net value of the Subscription Rights is \$278.5 million. Such values shall be used at Closing, unless otherwise ordered by the Court pursuant to the procedure in Paragraph R of this Order prior to Closing. After the Closing, there will be no further adjustment to the value of the Successful Bid or reallocation of the Subscription Rights or shares acquired thereunder between the First Lien Lenders and Second Lien Lenders.

U. J.P. Stevens (i) has full corporate power and authority to execute the Indemnity Agreement attached as Exhibit S to the Agreement (the "Indemnity Agreement") and all other documents contemplated thereby, which Indemnity Agreement has been duly and validly authorized by all necessary corporate action of J.P. Stevens, (ii) has all of the corporate power and authority necessary to consummate the transactions contemplated by the Indemnity Agreement, and (iii) has taken all corporate action necessary to authorize and approve the Indemnity Agreement and the consummation by J.P. Stevens of the transactions contemplated thereby. No consents or approvals, other than those expressly provided for in the Indemnity Agreement, are required for J.P. Stevens to consummate such transactions.

V. The Sale is a prerequisite to the Debtors' ability to confirm and consummate any chapter 11 plan or plans, and is a transfer pursuant to section 1146(c) of the Bankruptcy Code,

which shall not be taxed under any law imposing a stamp, transfer, or any other similar tax in the event that a chapter 11 plan for the Debtors is confirmed. The applicable amount of transfer taxes shall be placed in an interest bearing escrow with First American Title Company or another mutually acceptable party pending confirmation of a chapter 11 plan for the Debtors and shall be released together with accrued interest less any applicable escrow fees to (i) the Purchaser upon confirmation of any such chapter 11 plan or (ii) the applicable transfer taxing authority in the event that the applicable chapter 11 case is dismissed or converted to a case under chapter 7 of the Bankruptcy Code. Any requirement to pay such transfer taxes at the Closing shall be satisfied by payment into the foregoing escrow.

W. The Agreement provides for the assumption and assignment of the Acquired Contracts, which is an integral part of the Purchased Assets being purchased by the Purchaser. In accordance with the Bidding Procedures Order, the Debtors will file with the Court one or more schedules (the “Cure Schedule”) setting forth the proposed list of Acquired Contracts and the amounts, if any, that the Debtors believe are required to be paid to the non-Debtor party of each proposed Acquired Contract in accordance with section 365(b) of the Bankruptcy Code (the “Cure Costs”). The Cure Schedule will be served upon all non-Debtor parties to such proposed Acquired Contracts not less than ten (10) days prior to the deadline to object to the assumption and assignment of the Acquired Contracts and the Cure Costs associated therewith (the “Cure Objection Deadline”). Nothing herein shall prejudice the ability of the Purchaser to exclude assets, including, without limitation, any contract, lease or license, prior to the Closing under the Agreement.

X. In accordance with the terms of the Agreement, the Purchaser shall satisfy all Cure Costs solely as such costs are determined in a Final Order of this Court for each Acquired

Contract as of the Closing or promptly after such later date as an Order determining such Cure Costs for a particular Acquired Contract shall be entered. In the absence of a timely objection after proper service of the Cure Schedule, the Cure Cost for any such Acquired Contract is deemed to be accurate, and the fact that the Purchaser is acquiring the Purchased Assets and hiring certain of the Debtors' personnel and is adding additional capital to the business constitutes adequate assurance of future performance under such Acquired Contract within the meaning of section 365(b)(1)(C) of the Bankruptcy Code.

Y. Aretex as a First Lien Lender has an allowed claim in the face amount of \$193,503,839.26, plus accrued and accruing interest and costs (reduced by any payments made after the date hereof) and is entitled, based on its present holdings, to not less than 39.989% of any securities or other property delivered to and allocated among the First Lien Lenders.

Z. Aretex as a Second Lien Lender has an allowed claim in the face amount of \$84,500,000, plus accrued and any accruing interest and costs (reduced by any payments made after the date hereof) and is entitled, based on its present holdings, to not less than 51.212% of any securities or other property or assets delivered to and allocated among the Second Lien Lenders.

AA. Purchaser is entitled to operate the facilities being acquired after Closing under the current Permits held by the applicable Seller until such time as such Permits are assigned to Purchaser or Purchaser obtains similar Permits in its own name.

BB. The Debtors have demonstrated that the assumption and assignment of the Acquired Contracts to the Purchaser at Closing is an exercise of their sound business judgment, and the assumption and assignment of the Acquired Contracts is in the best interests of the Debtors, their estates, and their creditors. The Acquired Contracts being assigned to, and the

post-Closing liabilities and Cure Costs being assumed by, the Purchaser are an integral part of the Purchased Assets being purchased and the consideration paid by the Purchaser.

NOW THEREFORE, THE COURT HEREBY ORDERS, ADJUDGES, AND DECREES AS FOLLOWS:

1. The Agreement, and all of the terms and conditions thereof and exhibits thereto, is hereby approved.
2. All objections filed or otherwise lodged with respect to the Agreement or the entry of the Sale Order that have not been withdrawn, waived or resolved as set forth herein and all other reservations of rights included therein, are overruled on their merits with prejudice and may not be reasserted. Except as otherwise provided in this Order, including the Court's bench ruling, the objections of the Steering Committee to the findings of fact and conclusions of law and the ruling granted herein are overruled. The following objections were hereby resolved or withdrawn with prejudice as follows:
 - (a) Alamance County's Limited Objection with Respect to § 1146(c) Relief. Resolved by Paragraphs V and 38 of this Order.
 - (b) Wal-Mart Stores, Inc. Limited Objection. Notwithstanding any other provision of this Order, Wal-Mart's rights and defenses, if any, with respect to accounts and receivable sold to Purchasing Entities by Sellers, including but not limited to any right of setoff or recoupment, are not impaired by this Order.
 - (c) Fuller Sales, Inc. and Ful-Dye, Inc.'s Limited Objection. Agreed stipulation being finalized.
 - (d) Objection of Counties of Comal, Denton and Hays, Texas. The appropriate taxes due to the extent that they are determined in a further order of this Court to be secured claims with priority over First and Second Lien Debt, shall be paid by Purchaser as Assumed Liabilities.
 - (e) Objection of City of San Marcos, San Marcos C.I.S.D. and City of Denton, Texas. The appropriate taxes due, to the extent that they are determined in a further order of this Court to be secured claims with priority over First and Second Lien Debt, shall be paid by Purchaser as Assumed Liabilities.

- (f) Objection of Leaseplan USA, Inc. Previously withdrawn.
- (g) Limited Objection to Silver Sands Joint Venture Partners II. Previously withdrawn.
- (h) Limited Objection of D.A. Moore Corporation. To the extent that the mechanics lien is valid, the amount is owed and the mechanics lien primes the First and Second Lien Debt positions on the asserted collateral, it shall be assumed by Purchaser as an Assumed Liability.
- (i) Response of Pension Benefit Guaranty Corporation. Previously withdrawn.

3. The Purchasing Entities are hereby found to be the Successful Bidder and the Agreement and the transactions contemplated thereby the highest and best bid at the Auction under the Bidding Procedures Order. Pursuant to 11 U.S.C. § 363(b), the Debtors are authorized to perform their obligations under and comply with the terms of the Agreement, and the Sellers are authorized to consummate the Sale, pursuant to and in accordance with the terms and conditions of this Order and the Agreement.

4. The Debtors are authorized and directed to execute and deliver and empowered to perform under, consummate and implement the Agreement, together with all additional instruments and documents that a Debtor or the Purchaser deem necessary or appropriate to implement the Agreement and effectuate the transactions contemplated by the Agreement, and to take all further actions as may be requested by the Purchaser for the purpose of assigning, transferring, granting, conveying and conferring to the Purchaser or reducing to possession, the Purchased Assets, or as may be necessary or appropriate to the performance of the obligations as contemplated by the Agreement.

5. This Order and the Agreement shall be binding in all respects upon all creditors of and holders of equity interests in any Debtor (whether known or unknown), agents,

trustees and collateral trustees, any holders of Interests, all non-Debtor parties to the Acquired Contracts (subject to the timely filing of objections to the assumption and assignment of such Contracts), all successors and assigns of the Purchaser, each Debtor and their Affiliates and subsidiaries, the Purchased Assets, and any subsequent trustees appointed in the Debtors' chapter 11 cases or upon a conversion of any such case to chapter 7 under the Bankruptcy Code, and shall not be subject to rejection. Nothing contained in any chapter 11 plan confirmed in these bankruptcy cases, the confirmation order confirming any such chapter 11 plan, any order approving the winddown or dismissal of the Debtors' chapter 11 cases or any subsequent chapter 7 case for a Debtor, any order entered upon the conversion of these cases to chapter 7 of the Bankruptcy Code or any other order entered in these cases shall conflict with or derogate from the provisions of the Agreement or this Order.

6. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, at the Closing the Purchased Assets shall be transferred to the Purchaser free and clear of all Interests of any kind or nature whatsoever (including those specifically described in Paragraph P of this Order), with the exception of the Assumed Liabilities, with the Interests of the First Lien Lenders and Second Lien Lenders attaching to the Sale proceeds, including the Parent Shares and the Subscription Rights, to the same extent, validity, and priority that they attached to the Purchased Assets immediately prior to the Closing. All such Interests of any kind or nature whatsoever shall be and shall be deemed to be satisfied at the Closing upon the release (or tender of release) of such replacement collateral provided for in Section 3.3(c) of the Agreement and Paragraphs R and 12 of this Order (and, without prejudice to any rights of the First Lien Agent and the First Lien Collateral Trustee therein on behalf of the First Lien Lenders, in the case of the Second Lien Lenders of their Interest in and superpriority administrative claims against the Excluded

Assets, including the escrow under the Adequate Protection Order), or in the case of miscellaneous secured claims with priority over the First Lien Debt and Second Lien Debt by either (i) assumption thereof by Purchaser pursuant to Section 2.3(a)(x) of the Agreement or (ii) payment thereof by the Debtors pursuant to Section 3.1(a) of the Agreement. The Securities purchased, retained by or released, or deemed released, to Aretex or its Affiliates, the other First Lien Lenders and the other Second Lien Lenders are, upon such release, hereby found to be purchased, received, and retained, as the case may be, by each of them, free and clear of all Interests of any kind or nature whatsoever (including those set forth in the findings and conclusions of this Order and those attaching to the Parent Shares and Subscription Rights as referred to in the first sentence of this Paragraph 6). Nothing in this Paragraph 6 shall affect the Purchaser's obligations with respect to Assumed Liabilities under the Agreement.

7. All persons and entities including, but not limited to, all debt security holders, equity security holders, governmental, tax, and regulatory authorities, lenders, trade and other creditors, collateral trustee, agent, or lender, holding Interests of any kind or nature whatsoever against or in a Debtor, or the Purchased Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated), arising under or out of, in connection with, or in any way relating to, the Debtors, the Purchased Assets, the operation of the Debtors' assets prior to the Closing or the Sale, are forever barred, estopped, and permanently enjoined from asserting such persons' or entities' Interests after the Closing against the Purchasing Entities, their successors or assigns, their property, the Purchased Assets, or the Securities or any Person that holds the Securities. Nothing in this Paragraph 7 shall affect the Purchaser's obligations with respect to Assumed Liabilities under the Agreement.

8. Except for the Assumed Liabilities specifically assumed in the Agreement, the Purchasing Entities shall have no liability or responsibility for any liability or other obligation of the Debtors arising under or related to the Debtors or their assets, in each case to the extent permitted by applicable law. Without limiting the generality of the foregoing, and except as otherwise specifically provided herein and in the Agreement, the Purchaser shall not be liable for any Claims against the Debtors or any of their predecessors or Affiliates, and the Purchaser shall have no successor or vicarious liability of any kind or character including, but not limited to, any theory of antitrust, environmental, successor or transferee liability, labor law, *de facto* merger, substantial continuity or product line, whether known or unknown as of the Closing, now existing or hereafter arising, whether fixed or contingent, with respect to the Debtors or any obligations of the Debtors arising prior to the Closing, including, but not limited to, liabilities on account of any of the Excluded Liabilities, in each case to the extent permitted by applicable law.

9. The sale, transfer, assignment and delivery of the Purchased Assets shall not be subject to any Interests, and Interests of any kind or nature whatsoever shall remain with, and continue to be obligations of, the Debtors, with the exception of the Assumed Liabilities. Upon the Closing, all Persons holding Interests against or in the Debtors or the Purchased Assets of any kind or nature whatsoever (including, but not limited to, the Debtors and/or their respective successors, including any trustees thereof, creditors, collateral trustees, agents, lenders, employees, unions, former employees and shareholders, adjacent and nearby landowners, administrative agencies, governmental units, secretaries of state, federal, state and local officials, maintaining any authority relating to any environmental, health and safety laws, and their respective successors or assigns) shall be, and hereby are, forever barred, estopped, and

permanently enjoined from asserting, prosecuting, or otherwise pursuing such Interests of any kind or nature whatsoever against the Purchasing Entities, their property, their successors and assigns, or the Purchased Assets, the Securities or any Person that holds the Securities, as an alleged successor or otherwise, with respect to any Interest of any kind or nature whatsoever such Person or entity had, has, or may have against or in a Debtor, a Debtor's estate, their respective officers, directors, shareholders, the Purchased Assets or the Securities, other than the right to enforce Assumed Liabilities under the Agreement. Upon the Closing, no holder of an Interest in the Debtors shall interfere with the Purchaser's title to or use and enjoyment of the Purchased Assets or any Person's title to or use of the Securities based on or related to such Interest or otherwise.

10. The transactions set forth herein are exempt from any bulk sales or similar laws, each of which is expressly overridden.

11. The transfer of the Purchased Assets to the Purchaser pursuant to the Agreement constitutes a legal, valid, and effective transfer of the Purchased Assets, and shall vest the Purchaser with all right, title, and interest of the Sellers in and to the Purchased Assets free and clear of all Interests other than the Assumed Liabilities.

12. In furtherance of Paragraph 6 hereof, the Purchasing Entities and the Debtors shall cause the release and distribution of the Parent Shares, pro rata, directly to the First Lien Lenders (including Aretex) and the Subscription Rights, pro rata, directly to the First Lien Lenders (including Aretex) and, to the extent applicable, the Second Lien Lenders (including Aretex) in accordance with Section 3.3(c) of the Agreement and Paragraphs R and 6 above. In connection with the release, distribution, purchase, and receipt of such Securities, all parties, including the First Lien Lenders and Second Lien Lenders, shall comply with applicable law.

The Purchasing Entities shall be entitled to conclusively rely on the accuracy of the updated debt balances and the updated Exhibits B and C to be delivered by the First Lien Agent and Second Lien Agent immediately prior to Closing pursuant to Paragraph S of this Order, which the First Lien Agent and Second Lien Agent shall timely provide.

13. Except with respect to Assumed Liabilities, if any Person or entity that has filed financing statements, mortgages, mechanic's liens, lis pendens, or other documents or agreements evidencing Interests in the Debtors or the Purchased Assets shall not have delivered to the Debtors prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all Interests which the Person or entity has with respect to the Debtors or the Purchased Assets or otherwise, then, effective upon the Closing, (a) the Debtors are hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the Person or entity with respect to the Debtors or the Purchased Assets and (b) the Purchaser is hereby authorized to file, register, or otherwise record a certified copy of this Order, which shall constitute conclusive evidence of the release of all Interests in the Debtors or the Purchased Assets of any kind or nature whatsoever. The foregoing provision notwithstanding, the provisions of this Sale Order authorizing the sale and assignment free and clear shall be self-executing, and notwithstanding the failure of Debtors, Purchaser or any other party to execute, file or obtain release, termination statements, assignments or other instruments to effectuate, consummate, and/or implement the provisions hereof or the Agreement with respect to the sale and assignment of the Purchased Assets, all Claims and Liens against and Interests in the Purchased Assets shall be deemed released as provided herein.

14. Except with respect to the Assumed Liabilities, on the Closing of the Sale, each of the Sellers' creditors and any other holder of an Interest is authorized and directed to execute such documents and take such other actions as may be necessary to release its Interests in the Purchased Assets, if any, as such Interests may have been recorded or may otherwise exist.

15. It is a condition to the Closing of the Sale that, on the Closing, the Purchaser shall: (a) pay \$5,000,000 in cash at Closing to the Debtors towards the professional fee carveout pursuant to Section 3.1(a)(f) of the Agreement, (b) pay the Cash Purchase Price (less the Deposit Amount) to the administrative agent under the DIP Credit Agreement on behalf of Sellers, by wire transfer of immediately available funds into an account or accounts designated in writing by the administrative agent pursuant to Section 3.3 (a)(i) of the Agreement (provided nothing in this Order waives or modifies Purchaser's closing condition under Section 10.1(m) of the Agreement or other closing conditions); (c) deliver to the administrative agent under the DIP Credit Agreement, on behalf of Sellers the Letter of Credit Purchase Price to satisfy obligations under the DIP Credit Agreement pursuant to Section 3.3 (a)(ii) of the Agreement, and (d) to the extent provided in the Agreement, assume and pay all Cure Costs associated with assignment of the Acquired Contracts at Closing, or if the Cure Costs hearing with respect to a particular Acquired Contract is not held until after the Closing, promptly after an Order determining the Cure Costs for the applicable Acquired Contract is entered; provided, no Cure Costs shall be due with respect to a contract, lease or license which Purchaser initially designates for assignment but changes that direction prior to Closing, or if later, the date of the final hearing to approve assignment of the applicable contract, lease or license. On the Closing, the Deposit Amount shall be applied to the Cash Purchase Price and shall be delivered by the Escrow Agent to the administrative agent under the DIP Credit Agreement pursuant to Section 3.2 (a) of the

Agreement. The administrative agent under the DIP Credit Agreement shall advise the Debtors and the Purchaser of the Obligations (as defined in the DIP Credit Agreement) due under the DIP Credit Agreement as of the date of the Closing, and it is a further condition to the Closing (and to the sale free and clear of the administrative agent's liens) that the administrative agent shall have received at the Closing Full Payment (as defined in the DIP Credit Agreement) with respect to such Obligations.

16. The Debtors will file the Cure Schedule with the Court setting forth the proposed Acquired Contracts and the Cure Costs required to be paid to each non-Debtor party thereto in accordance with section 365 of the Bankruptcy Code. The Cure Schedule will be served upon all non-Debtor parties to the proposed Acquired Contracts not less than ten (10) days prior to the Cure Objection Deadline. To the extent objections, if any, to (i) the Cure Costs set forth on the Cure Schedule or (ii) the Debtors' ability to assume and assign an Acquired Contract pursuant to section 365 of the Bankruptcy Code (each a "Cure Objection") are timely filed and not resolved consensually, a hearing will be conducted before the Court to consider such objections. If no such objection is timely filed with respect to an Acquired Contract, that Contract shall be deemed assumed and assigned under section 365 of the Bankruptcy Code pursuant to the terms of the Agreement.

17. Aretex as a First Lien Lender is hereby found to have an allowed claim in the face amount of \$193,503,839.26 of principal plus \$1,789,247.83 of unpaid interest as of June 30, 2005 (prior to receipt of its pro-rata share of the adequate protection payment made by the Debtors on that date and prior to receipt of its pro rata share of funds presently held by the First Lien Agent) and is entitled based on its present holdings of First Lien Debt to not less than 39.989% of any securities or other property released or delivered to and allocated among the

First Lien Lenders. Such amount shall be adjusted for any payments or unpaid accruals between June 30, 2005 and the Closing Date.

18. Aretex as a Second Lien Lender is hereby found to have an allowed claim in the face amount of \$84,500,000 and is entitled based on its present holdings of Second Lien Debt to not less than 51.212% of any securities or other properties or assets release or delivered to and allocated among the Second Lien Lenders. Such amount shall be adjusted for any payments and unpaid accruals (if any) between June 30, 2005 and the Closing Date.

19. Subject to the resolution of any Cure Objections, the Debtors' assumption and assignment to the Purchaser of the Acquired Contracts, pursuant to section 365 of the Bankruptcy Code and subject to and conditioned upon the Closing, and the Purchaser's assumption of such contracts on the terms set forth in the Agreement, is hereby approved, and the requirements of section 365(b)(1) of the Bankruptcy Code with respect thereto are hereby deemed satisfied.

20. Subject to the resolution of any Cure Objections, the Debtors are hereby authorized and directed in accordance with sections 105(a), 363(b) and 365 of the Bankruptcy Code and the terms of the Agreement to (a) assume and assign to the Purchaser, effective upon the Closing, the Acquired Contracts free and clear of all Interests of any kind or nature whatsoever other than the Assumed Liabilities, and (b) execute and deliver to the Purchaser such documents or other instruments as the Purchaser deems may be necessary to assign and transfer the Acquired Contracts and Assumed Liabilities to the Purchaser.

21. Subject to the resolution of any Cure Objections, (a) the Debtors may assume each of their respective Acquired Contracts in accordance with section 365 of the Bankruptcy Code; (b) the Sellers may assign each Acquired Contract in accordance with sections

363(b) and 365 of the Bankruptcy Code; and any provisions in any Acquired Contract that prohibit or condition the assignment of such Acquired Contract or allow the non-debtor party to such Acquired Contract to terminate, recapture, impose any penalty, condition renewal or extension, or modify any term or condition upon the assignment of such Acquired Contract, constitute unenforceable anti-assignment provisions which are void and of no force and effect; and (c) upon Closing, in accordance with sections 363(b) and 365 of the Bankruptcy Code, the Purchaser shall be fully and irrevocably vested in all right, title and interest of each Acquired Contract. Subject to the resolution of any Cure Objections, any portions of the property leases with respect to any of the Leased Real Property which purport to permit the landlords thereunder to cancel the remaining term of any of such leases if Sellers discontinue their use or operation of the Leased Real Property are void and of no force and effect, and shall not be enforceable against the Purchaser, its assignees and sublessees, and the landlords under such leases shall not have the right to cancel or otherwise modify such leases or increase the rent, assert any Claim, or impose any penalty by reason of such discontinuation, Sellers' cessation of operations, the assignment of such leases to the Purchaser, or the interruption of business activities at any of the leased premises.

22. Subject to the resolution of any Cure Objections, all defaults or other obligations of the Sellers under the Acquired Contracts arising or accruing prior to the Closing (without giving effect to any acceleration clauses or any default provisions of the kind specified in section 365(b)(2) of the Bankruptcy Code) shall be cured at the Closing or as soon thereafter as practicable by payment of the Cure Costs by the Purchaser, and the Purchaser shall have no liability or obligation arising or accruing prior to the date of the Closing, except as otherwise expressly provided in the Agreement.

23. Subject to the resolution of any Cure Objections, following the Closing, each non-Debtor party to an Acquired Contract will be forever barred, estopped, and permanently enjoined from (i) asserting against the Debtors or the Purchaser, or the property of any of them, any default arising prior to or existing as of the Closing or, against the Purchaser, any counterclaim, defense, setoff or any other Claim asserted or assertable against the Debtors; and (ii) imposing or charging against the Purchaser or its Affiliates any rent accelerations, assignment fees, increases or any other fees as a result of the Sellers' assumption and assignments to the Purchaser of the Acquired Contracts. The validity of such assumption and assignments of Acquired Contracts shall not be affected by any dispute between Debtors and any non-Debtor party to an Acquired Contract.

24. The failure of the Debtors or the Purchaser to enforce at any time one or more terms or conditions of any Acquired Contract shall not be a waiver of such terms or conditions, or of the Debtors' and the Purchaser's rights to enforce every term and condition of the Acquired Contracts.

25. Except as provided in the Agreement or this Order, after the Closing, the Sellers and their estates shall have no further liabilities or obligations with respect to any Assumed Liabilities and all holders of such Claims are forever barred and estopped from asserting such Claims against the Debtors, their successors or assigns, their property or their assets or estates. Purchaser shall only be liable for such liabilities to the extent set forth in the Agreement. All holders of Claims are forever barred and estopped from asserting Claims against the Purchasing Entities and the Purchased Assets and the Securities related to the Excluded Assets and the Excluded Liabilities.

26. Applicable permitting authorities shall allow the Purchaser to operate the facilities being acquired after Closing under the current Permits held by the applicable Seller until such time as such Permits are assigned to Purchaser or Purchaser obtains similar Permits in its own name.

27. The consideration provided by the Purchaser for the Purchased Assets under the Agreement constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

28. The consideration provided by the Purchaser for the Purchased Assets under the Agreement is fair and reasonable, and the Sale may not be avoided under section 363(n) of the Bankruptcy Code.

29. This Order (a) shall be effective as a determination that, except for the Assumed Liabilities, at Closing all Interests of any kind or nature whatsoever existing as to the Purchased Assets prior to the Closing have been unconditionally released, discharged and terminated, and that the conveyances described herein have been effected, and (b) shall be binding upon and shall govern the acts of all entities including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other Persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Purchased Assets.

30. Each and every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement.

31. The Purchasing Entities shall have no obligation to pay wages, bonuses, severance pay, benefits (including, without limitation, contributions or payments on account of any under-funding with respect to any and all pension plans) or any other payment with respect to employees or former employees of the Debtors. Purchaser shall have the Assumed Liabilities specifically set forth in Sections 2.3 (a)(ii), (iii), (iv), (v), or (xiii) of the Agreement to the extent set forth therein. The Purchasing Entities shall have no liability with respect to any collective bargaining agreement, employee pension plan, employee welfare or retention, benefit and/or incentive plan to which any Debtor is a party and relating to the Debtors' assets (including, without limitation, arising from or related to the rejection or other termination of any such agreement), and the Purchasing Entities shall in no way be deemed a party to or assignee of any such agreement, and no employee of the Purchasing Entities shall be deemed in any way covered by or a party to any such agreement, and all parties to any such agreement are hereby enjoined from asserting against the Purchasing Entities, the Purchased Assets, the Securities or any Person that holds the Securities any and all Claims arising from or relating to such agreement. The Purchaser is assuming the Maine CBA subject to the Agreement.

32. All entities who are in possession of some or all of the Purchased Assets on the Closing are hereby directed to surrender possession of the Purchased Assets to the Purchaser at Closing.

33. This Court retains jurisdiction to enforce and implement the terms and provisions of this Order, the Agreement, all amendments thereto, any waivers and consents

thereunder, and of each of the agreements executed in connection therewith in all respects including, but not limited to, retaining jurisdiction to (a) compel delivery of the Purchased Assets to the Purchaser, (b) compel delivery of the Parent Shares and Subscription Rights in accordance with the Agreement and this Order and any subsequent order, if any, pursuant to Paragraph R of this Order; (c) compel delivery of the purchase price or performance of other obligations owed by or to the Debtors, (d) resolve any Cure Objections, (e) resolve any disputes arising under or related to the Agreement, including, without limitation, as provided in Article XII of the Agreement, except as otherwise provided therein, (f) interpret, implement, and enforce the provisions of this Order, and (f) protect the Purchaser against (i) any of the Excluded Liabilities or (ii) the assertion of any Interests against the Purchased Assets, of any kind or nature whatsoever.

34. The transactions contemplated by the Agreement are undertaken by the Purchasing Entities without collusion and in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and, accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale (including the assumption and assignment of any of the Acquired Contracts), unless such authorization is duly stayed prior to Closing pending such appeal. The Purchasing Entities are entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

35. The terms and provisions of the Agreement and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, their estates, and their creditors, the Purchaser and its respective affiliates, successors, and assigns, and any affected third parties including, but not limited to, all Persons asserting an Interest in the Purchased

Assets, notwithstanding any subsequent appointment of any trustee(s) under any chapter of the Bankruptcy Code, as to which trustee(s) such terms and provisions likewise shall be binding.

36. The failure specifically to include any particular provisions of the Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Agreement be authorized and approved in its entirety.

37. The Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on the Debtors' estates or creditors or result in a material, substantive modification of the Agreement. Any such modification, amendment, or supplement shall promptly be filed with the Court, and shall be marked to indicate any such change unless such change is obvious.

38. The transfer of the Purchased Assets pursuant to the Sale is a transfer pursuant to section 1146(c) of the Bankruptcy Code, and, accordingly, shall not be taxed under any law imposing a stamp tax or a sale, transfer, or any other similar tax. Each and every federal, state and local government agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transfer of any of the Acquired Assets, all without imposition or payment of any stamp tax, transfer tax, or similar tax. The applicable amount of transfer taxes shall be placed in an interest bearing escrow with First American Title Company or other mutually acceptable party pending confirmation of a chapter 11 plan and shall be released together with accrued interest less any applicable escrow fees to (i) the Purchaser upon confirmation of any chapter 11 plan for the Debtors or (ii) the applicable

transfer taxing authority in the event that the applicable chapter 11 case is dismissed or converted to a case under chapter 7 of the Bankruptcy Code.

39. Any fees, expenses and costs of the First Lien Agent, the Collateral Trustee and the Second Lien Agent that remain unpaid shall be paid at Closing, or as soon thereafter as approved by Order of the Court after notice and hearing. Debtors and Purchaser reserve the right to object to such fees, expenses and costs.

40. Nothing herein shall be deemed to prejudice or alter the Purchasing Entities' rights under the Agreement, including, without limitation, the conditions to Closing; provided, that to the extent there is any conflict between this Order and the Agreement, this Order shall govern.

41. The provisions of this Order are non-severable and mutually dependent.

Dated: New York, New York
July 8, 2005

/s/ Robert D. Drain
HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE