

Attorney Docket No. 4003-13400

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE

Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies)
 U.S. Bankruptcy Court for the Middle District of Georgia
 Columbus Division

Individual Association
 General Partnership Limited Partnership
 Corporation
 Other U.S. Bankruptcy Court

Additional name(s) and address(es) attached? Yes No

2. Name and address of receiving party(ies):
 Name: L & P Property Management Company
 Internal Address:
 Street Address: 4095 Firestone
 City/State/Zip: South Gate, CA 90280

Individual Association
 General Partnership Limited Partnership
 Corporation-State-Delaware
 Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
 (Designations must be a separate document from Assignment)

Additional name(s) and address(es) attached? Yes No

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other -Release of Lien

Execution Date: December 9, 2003

4. Application number(s) or registration number(s):

Mark if additional numbers attached

A. Trademark Application No.(s)	B. Trademark Registration No.(s): 0,852,822 for LANTUCK 1,786,793 for LANTUCK
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5. Name and address of party to whom correspondence concerning document should be mailed:
 Kristin Jordan Harkins
 CONLEY ROSE, P.C.
 5700 Granite Parkway, Suite 330
 Plano, TX 75024

6. Total number of applications and registration involved: 2

7. Total fee (37 CFR 3.41) \$ 65.00

Withdraw from Deposit Account No. 50-1515

Any deficiencies or overpayments are authorized to be charged to or credited to deposit account

8. Deposit Account Number: 50-1515
 (Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature,
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Albert C. Metrailler Albert C. Metrailler 1-16-04
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments and document: 16

CH \$65.00 501515 0852822

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF GEORGIA
COLUMBUS DIVISION

FILED
U.S. Bankruptcy Court
DEC - 9 2003

Deputy Clerk
Macon, Georgia

IN RE:

JOHNSTON INDUSTRIES, INC.,
JOHNSTON INDUSTRIES ALABAMA,
INC., TEXTEST INTERNATIONAL
FABRIC TESTING CORP. F/K/A
JOHNSTON INDUSTRIES COMPOSITE
REINFORCEMENTS, INC., GREATER
WASHINGTON INVESTMENTS, INC., J.I.
GEORGIA, INC., F/K/A T.J. BEALL CO.
AUTOGRAPHIX, INC.,

Debtors

CASE NOS. 03-40293
through 03-40298

Procedurally Consolidated Under
Case No. 03-40293

CHAPTER 11

**ORDER AUTHORIZING SALE OF ASSETS OF FIBER PRODUCTS DIVISION TO
LEGGETT & PLATT, INCORPORATED AND LEIGH FIBERS, INC., FREE AND
CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES**

THIS MATTER came before the Court for hearing on December 9, 2003 (the "Hearing") on the Motion to Approve Sale of Assets of Fiber Products Division to Leggett & Platt, ^{Incorporated} ~~Inc.~~ and Leigh Fibers, Inc., Free and Clear of Liens, Claims and Encumbrances (the "Sale Motion"), filed on November 21, 2003 by Johnston Industries, Inc. and its related debtor companies (collectively, the "Debtors"). The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure ("FRBP"), made applicable to this proceeding pursuant to FRBP 9014. 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.

Pursuant to the Sale Motion, the Debtors seek approval to sell their fiber products division (the "Sale"), which processes textile mill waste and converts the waste into high-quality, value added products, such as recycled fiber and waste, mop yarns, reworked towels, wiping cloths, automotive matting and mattress insulation pads ("Fiber Products Division") to Loggett & Platt, Incorporated ("L&P") and Leigh Fibers, Inc. ("LFI") (collectively, the "Buyers") pursuant to the terms of the Asset Purchase Agreement attached as Exhibit A to the Sale Motion (the "Purchase Agreement"). The Debtors assert that they believe that Debtor Johnston Industries Alabama, Inc., may own all the subject assets. However, other Debtors may hold some interests in some of the assets to be sold as authorized herein. Accordingly, each provision of this Order shall be binding upon and enforceable against each Debtor in this procedurally consolidated case, and their respective successors and assigns.

On October 10, 2003, the Court entered an "Order (1) Approving Procedures for Sales, Including Terms for Submission of Competing Offers and Auction Procedures; (2) Approving Procedures Regarding Assumption and Assignment of Executory Contracts and Unexpired Leases; and (3) Setting Deadline for the Filing of Objections to the Proposed Sale" (the "Procedures Order") setting forth the procedures for an Auction (as defined in the Procedures Order) to be conducted with the Qualified Bidders (as defined in the Procedures Order) who submit Qualified Bids (as defined in the Procedures Order) no later than two days prior to the Sale Hearing. Under the Procedures Order, the Buyers qualified as a Stalking Horse Bidder (as defined in the Procedures Order) are entitled to a Break-Up Fee (as calculated and determined under the Procedures Order) in the event that the Court had approved a sale to another Qualified Bidder. At the Sale Hearing, the Debtors represented to the Court that there were no other Qualified Bidders other than the Buyers and, accordingly, the Buyers were selected as the

Successful Bidder (as defined in the Procedures Order). The Debtors requested that the Court approve the sale to the Buyers and approve the Purchase Agreement.

The Sale Motion and Debtors' Notice of Sale and Opportunity to Object ("Notice of Sale Motion") having been served upon all interested parties listed on Debtors' Service List; the Court having reviewed the Sale Motion, the record and all other pleadings and proceedings in these cases; the Court having heard the statements of counsel at the hearing and being fully advised in the premises, after due deliberation and sufficient cause appearing therefor, the Court HEREBY FINDS AS FOLLOWS:

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.
2. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this District and this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The Notice of Sale Motion has been given in accordance with FRBP Rules 2002(A)(2) and 6004. The Notice of Sale Motion constitutes good and sufficient notice of the Sale Motion and no other or further notice of the Sale Motion or the entry of this Order need be given.
4. A reasonable opportunity has been afforded any interested party to make an offer for the assets of the Debtors used in Debtors' Fiber Products Division that the Buyers are to acquire under the Purchase Agreement (the "Acquired Assets").
5. Sound business reasons exist for the sale of the Acquired Assets in accordance with the terms of the Purchase Agreement. Entry into the Purchase Agreement and consummation of the transactions contemplated thereby constitute the exercise of sound business judgment by the Debtors and such acts are in the best interests of all the Debtors and their

respective estates and creditors. The Court finds that the Debtors have articulated good and sufficient business reasons justifying the sale of the Acquired Assets pursuant to 11 U.S.C. §§ 105 and 363. The transactions contemplated by the Sale Motion and the Purchase Agreement satisfy all applicable provisions of the Bankruptcy Code.

6. The consideration to be paid by the Buyers pursuant to the Purchase Agreement constitutes the highest and best offer the Debtors have received for the Acquired Assets and represents fair and adequate, sufficient, and reasonably equivalent value for the Acquired Assets.

7. A sale of the Acquired Assets other than one free and clear of liens, claims, and encumbrances would negatively impact upon the Debtors' bankruptcy estates, and would yield substantially less value for the Debtors' estates with less certainty than the available alternatives. Thus, any alternative to a sale free and clear of liens, claims, and encumbrances would be of substantially less benefit to the Debtors' estates. Therefore, the sale of the Acquired Assets contemplated by the Purchase Agreement is in the best interests of the Debtors, their respective estates and creditors, and other parties in interest.

8. As permitted by the Purchase Agreement, LFI has elected not to assume, and is not assuming under the transactions contemplated by the Purchase Agreement, either the WPS Supply Agreement (as defined in the Purchase Agreement) or any portion of the Boeing Secured Note (as defined in the Sale Motion).

9. L&P and LFI independently and collectively have acted in good faith and are entitled to all protections and benefits afforded an entity that purchases assets pursuant to 11 U.S.C. § 363(m).

8. All objections to the relief granted herein have been withdrawn or resolved by the interested parties, or are otherwise hereby overruled.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

- A. The Sale Motion is granted in its entirety, it being understood that LFI is not assuming either the WPS Supply Agreement (as defined in the Purchase Agreement) or any portion of the Boeing Secured Note (as defined in the Sale Motion).
- B. The Debtors are authorized and directed to implement and consummate all of the transactions (the "Sale") contemplated by the Purchase Agreement with the Buyers in accordance with the terms thereof and this Order.
- C. The Debtors are authorized and directed to sell and, with respect to executory contracts, assume and assign the Acquired Assets to the Buyers in accordance with the terms of the Purchase Agreement and this Order.
- D. The Purchase Agreement between the Debtors and the Buyers is hereby approved and shall be deemed in full force and effect, binding and benefiting each Debtor, L&P, and LFI. This Order shall additionally constitute the authorization by and on behalf of each Debtor's respective boards of directors and shareholders with regard to all matters relating to the Purchase Agreement and the Sale.
- E. Upon the closing of the Sale, by virtue of this Order, title to the Acquired Assets shall pass to L&P and LFI pursuant to the Purchase Agreement, and L&P's and LFI's respective title to and possession of the Acquired Assets shall be deemed to be free and clear of: (a) any security interests, liens or encumbrances of any kind, whether of record or not of record, and including, without limitation, the security interests of Congress Financial Corporation, for itself and as agent for other lenders (the "Bank Group"), securing the Debtors' obligations to the Bank Group, (b) any demands or claims of the Bank Group or other creditors and any other third party

against any Debtor with respect to the Acquired Assets, whether known or unknown, fixed or liquidated, contingent or otherwise, including without limitation liens, claims, debts, pledges, offsets, set-offs, recoupments and charges, employment related claims, payroll taxes and successor, product, environmental, tax and other liabilities (the "Claimants"); (c) any interests of shareholders or other interests in any Debtor; and (d) any third-party claiming an interest in the Acquired Assets or any person claiming through, by or on behalf of any Debtor, whether such claim, demand, lien, or interest be direct or indirect, known or unknown, or claiming that L&P or LFI is a successor, successor-in-interest or pursuant to any other theory.

F. On the Closing Date of the sale contemplated by the Purchase Agreement and from time to time thereafter when requested by either Buyer, the creditors of the Debtors are authorized and directed to execute such documents and take all other actions as may be necessary or are reasonably requested by either Buyer to document the release or termination of their liens on or claims against the Acquired Assets, if any, as such liens or claims have been recorded or may otherwise exist. If any creditor fails to take such actions, (a) any Debtor or either Buyer is authorized to file in any Uniform Commercial Code jurisdiction any release or termination of any security interest in favor of any creditor of any of the Debtors, but solely to the extent covering any of the Acquired Assets, (b) the Debtors are hereby authorized to take any such other actions as are requested with respect to any of the Acquired Assets and (c) without limitation upon the foregoing, either Buyer is authorized to file, register or otherwise record a certified copy of this Order which, once filed, registered or otherwise recorded, shall constitute evidence of the release of all liens and claims against or in the Acquired Assets of any kind or nature whatsoever.

G. No objections were filed as to the Sale itself. The only party to file an objection was Chambers County, Alabama ("Chambers County"). Chambers County filed an objection to address the payment of property taxes out of the proceeds of the sale. The Court finds that the Debtors previously escrowed from the sale of the Core Business an amount sufficient to pay all outstanding property and ad valorem taxes that constitute liens with priority over the liens of the Bank Group. Accordingly, this objection has been resolved by the escrowing of such funds.

H. The Debtors have established sound business justifications in support of the Sale. After considering the circumstances herein, the Court has determined that the Buyers' offer presents the best opportunity for the estates to realize the highest distribution possible to all creditors.

I. The Debtors have carried and satisfied the burden of demonstrating that the Sale will aid the Debtors' liquidation or reorganization and the Debtors have met the standards set out in *In re Lionel Corp.*, 772 F.2d 1063, 1071 (2d. Cir. 1983).

J. The transactions contemplated in the Sale Motion, as approved and implemented herein, are in compliance with and satisfy all applicable provisions of the Bankruptcy Code, including, but not limited to 11 U.S.C. §§ 105 and 363(b), (f) and (o) and 365. The terms and conditions of the Purchase Agreement, the Sale, and the other transactions approved by this Order are fair and reasonable.

K. The Buyers' offer, as approved herein, is the highest and best offer for the Acquired Assets.

L. The purchase price to be paid by the Buyers constitutes full and adequate consideration and reasonably equivalent value for the Acquired Assets.

M. The transfer of the Acquired Assets upon closing to the Buyers for the consideration set forth in the Purchase Agreement is in the best interest of the Debtors' estates, their respective creditors and all parties-in-interest.

N. For good and valid reasons, the Court may authorize and approve a sale of the Acquired Assets pursuant to 11 U.S.C. § 363(b), and the assignment and assumption of any executory contracts included in the Acquired Assets pursuant to 11 U.S.C. § 365, without the necessity of following the procedures and making the findings required for confirmation of a plan of reorganization. Such relief is within the sound discretion of the Court. In light of the existing business exigencies of the Debtors' bankruptcy cases, the Sale is justified and appropriate in light of the legitimate and compelling reasons stated in the Sale Motion.

O. The Sale and the transfer of the Acquired Assets to the Buyers represents an arms-length transaction and has been negotiated in good faith between the parties. L&P and LFI, individually and collectively, as the Buyers and as transferees of the Debtors' Acquired Assets, are good faith purchasers within the meaning of 11 U.S.C. § 363(m) and, as such are entitled to the full protections of 11 U.S.C. § 363(m). L&P and LFI, individually and collectively as the Buyers, are hereby granted the protections provided good-faith purchasers under 11 U.S.C. § 363(m), including, with respect to the transfer of any executory contract to be assumed and assigned as part of the Sale pursuant to 11 U.S.C. § 365, whether such assumption and assignment are approved pursuant to this Order or by subsequent order of the Court.

P. L&P and LFI have proceeded in good faith in all respects in connection with this proceeding in that:

- (i) L&P and LFI recognized that the Debtors were free to deal with any other party interested in acquiring the Acquired Assets;

- (ii) All payments to be made by the Buyers in connection with the Sale have been disclosed; and
- (iii) Neither L&P nor LFI have not violated section 363(n) of the Bankruptcy Code by any action or inaction.

Q. Both L&P and LFI are third-parties, unrelated to any Debtor and the terms of the Buyers' purchase of the Acquired Assets as set forth in the Purchase Agreement are fair and reasonable under the circumstances of this case.

R. The Debtors may sell the Acquired Assets, and assume and assign executory contracts included in the Acquired Assets, in accordance with the terms of the Purchase Agreement and this Order free and clear of all interests, liens, claims and encumbrances pursuant to 11 U.S.C. §§ 105 and 363(b) and (f) and 365.

S. The Sale to the Buyers does not constitute a sub rosa Chapter 11 plan of reorganization because the Sale does not propose to:

- (i) Impair or restructure existing debt or equity interests;
- (ii) Impair or circumvent creditors' voting rights under any future Chapter 11 plan of reorganization;
- (iii) Circumvent Chapter 11 safeguards such as disclosure requirements; or
- (iv) Classify claims, cure defaults, extend debt maturities or compromise claims or controversies.

T. Neither L&P nor LFI constitute a successor to any Debtor because:

- (i) Neither L&P nor LFI are expressly or impliedly agreeing to assume any Debtor's debts, except as specifically set forth in the Purchase Agreement;
- (ii) The Sale does not amount to a consolidation, merger or de facto merger of

any Debtor, and L&P or LFI;

- (iii) Neither L&P nor LFI is merely a continuation of any Debtor, and
- (iv) The Sale is not being entered into fraudulently or in order to escape liability from any Debtor's debt.

U. The purchase of the Acquired Assets by Buyers will not cause either L&P or LFI to be deemed, under any theory of law or equity, a successor in any respect to the Debtors' businesses, including without limitation, within the meaning of any revenue, pension, ERISA tax, labor or environmental law, rule or regulation, or under any products liability law with respect to any Debtor's liability or any other law, rule or regulation. Without limiting the generality of the foregoing, neither L&P nor LFI is assuming any obligations of any Debtor, except with respect to certain obligations specifically assumed under the terms of the Purchase Agreement. Neither L&P nor LFI shall be liable in any way (as a successor entity or otherwise) for any claims that any Claimants or any third party may have against any Debtor and/or the Acquired Assets, with the exclusive and limited exception of those certain obligations specifically assumed under the terms of the Purchase Agreement. Further, neither L&P nor LFI shall be liable for any employment or employee related claims against any Debtor or any of their affiliates, or for any of the Debtors or any of their affiliates' employment or employee related debts, obligations or liabilities, whether asserted or unasserted, actual or contingent, known or unknown, secured or unsecured, inclusive of any claims related to labor practices, payroll, payroll taxes, health, welfare or benefit payments or the like, arising before or after this Chapter 11 case. All Claimants and any other third parties are hereby permanently enjoined from asserting or prosecuting any claims against L&P, LFI, or Buyers' respective affiliates, including, without limitation, claims arising from any Debtor's ownership, use and operation of the

Acquired Assets. Any and all alleged liens, claims and encumbrances, including those asserted by Congress Financial Corporation (Southern) or the Bank Group, and any Debtor's other pre-petition and post-petition secured lenders, secured creditors, and any governmental units, shall be transferred, affixed, and attached to the proceeds of the Sale, with the same validity, priority, force and effect as such liens had upon the Acquired Assets immediately prior to the closing.

V. To the extent any objection or response to the Sale, the Sale Motion, and/or the Purchase Agreement was not otherwise withdrawn, waived or settled, such responses and objections, and all reservations of rights therein, are overruled and denied.

W. Pursuant to 11 U.S.C. §§ 105, 363, and 1146, the Sale shall be exempt from any sales, use, transfer and documentary tax and any "bulk sales" laws. If either Buyer, in its sole discretion, pays any such tax, the Buyer shall have the right of reimbursement as set forth in the Purchase Agreement.

X. The Debtors are authorized, empowered and hereby directed to deliver a bill of sale, assignments and such other documentation as is required by the terms of the Purchase Agreement to evidence the transfer required herein. Chuck Rossi, as CFO of the Debtors, is hereby authorized and directed to execute the Purchase Agreement,¹ bill of sale, assignments and such other documentation for and on behalf of the Debtors, and such execution shall be deemed to be the fully authorized action of the Debtors. The failure specifically to include any particular provision of the Purchase Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Purchase Agreement be authorized and approved in its entirety. The Purchase Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in

¹ L. Gene Cone, as an authorized officer of the Debtors, executed the Purchase Agreement, and such execution is hereby ratified. AL

accordance with the terms thereof without further order of the Court, provided that any such modification, amendment or supplement is not material.

Y. This Court shall retain exclusive jurisdiction to interpret and enforce the provisions of the Purchase Agreement and this Order in all respects and further to hear and determine all matters arising from the construction or implementation of this Order or the Purchase Agreement, and any and all disputes between any Debtor, on the one hand, and L&P and LFI, on the other hand, relating thereto.

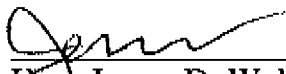
Z. The provisions of this Order are nonseverable and mutually dependent.

AA. This Order shall inure to the individual benefit of L&P, LFI, each Debtor, and their respective successors and assigns, including but not limited to any Chapter 11 or Chapter 7 trustee that may be appointed in any Debtor's bankruptcy case and may be enforced by any one of them. This Order shall be binding upon any trustee, party, entity, or other fiduciary that may be appointed in connection with these cases or any other or further cases involving any Debtor, whether under Chapter 7 or Chapter 11 of the Bankruptcy Code. Nothing contained in any plan of reorganization confirmed in these cases or the order of confirmation confirming any plan of reorganization shall conflict with or derogate from the provisions of this Order.

BB. All cash proceeds shall be promptly paid by the Debtors to the Bank Group.

CC. Pursuant to Rule 6004(g) of the Federal Rules of Bankruptcy Procedure, this Order shall be effective immediately upon entry. Pursuant to Rule 7054 of the Federal Rules of Bankruptcy Procedure, adopting Rule 54(b) of the Federal Rules of Civil Procedure, this Order is a final judgment and constitutes an express determination that there is no just reason for delay and entry of judgment is expressly directed.

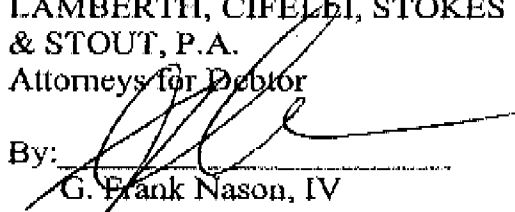
SO ORDERED this 9th day of December, 2003.



Hon. James D. Walker, Jr.
United States Bankruptcy Judge

Prepared and presented by:

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