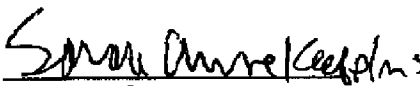


Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)		<b>RECORDATION FORM COVER SHEET TRADEMARKS ONLY</b>		U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office	
Tab settings ⇨ ⇨ ⇨ ▼ ▼ ▼ ▼ ▼ ▼ ▼					
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.					
<b>1. Name of conveying party(ies):</b> Congress Financial Corporation (Southern)  <input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State <input type="checkbox"/> Other _____  Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<b>2. Name and address of receiving party(ies)</b> Name: <u>One Price Clothing Stores, Inc.</u> Internal Address: _____ Street Address: <u>Highway 290, Commerce Park</u> City: <u>Duncan</u> State: <u>SC</u> Zip: <u>29334</u>  <input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input checked="" type="checkbox"/> Corporation-State <u>Delaware</u> <input type="checkbox"/> Other _____ <small>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No (Designations must be a separate document from assignment)          Additional name(s) &amp; address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</small>		
<b>3. Nature of conveyance:</b> <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input checked="" type="checkbox"/> Other <u>Release of Security Interest</u> Execution Date: <u>4/5/04</u>					
<b>4. Application number(s) or registration number(s):</b> A. Trademark Application No.(s) _____ _____ Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			B. Trademark Registration No.(s) <u>1,543,961</u> <u>1,599,994</u> Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>5. Name and address of party to whom correspondence concerning document should be mailed:</b> Name: <u>Sarah Anne Keefe, Esq.</u> Internal Address: _____ <u>Womble Carlyle Sandridge &amp; Rice, PLLC</u> <u>Suite 3500</u> Street Address: <u>One Atlantic Center</u> <u>1201 West Peachtree Street</u> City: <u>Atlanta</u> State: <u>GA</u> Zip: <u>30309</u>			<b>6. Total number of applications and registrations involved:</b> <span style="border: 1px solid black; padding: 2px;">2</span>		
			<b>7. Total fee (37 CFR 3.41):</b> .....\$ <u>65.00</u> <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account		
			<b>8. Deposit account number:</b> <u>50-0517</u>		
<b>DO NOT USE THIS SPACE</b>					
<b>9. Signature.</b>  <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">           Sarah Anne Keefe            Name of Person Signing         </div> <div style="width: 40%; text-align: center;">             Signature         </div> <div style="width: 20%; text-align: right;"> <u>4/21/04</u>            Date         </div> </div> <div style="text-align: center; margin-top: 5px;"> <span style="border: 1px solid black; padding: 2px;">25</span>  <small>Total number of pages including cover sheet, attachments, and document.</small> </div>					

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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

<hr/>		x
<b>In re:</b>	:	<b>Chapter 11</b>
	:	
<b>ONE PRICE CLOTHING STORES, INC., et al.,</b>	:	<b>Cases No. 04-40329 through 04-40331 (CB)</b>
	:	
<b>Debtors.</b>	:	<b>Jointly Administered</b>
	:	
<hr/>		x

**AMENDED ORDER (I) AUTHORIZING AND APPROVING SALE OF CERTAIN  
ASSETS OF THE DEBTORS, TO RAINBOW WOMEN'S RETAIL GROUP LTD.,  
FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS;  
(II) APPROVING ASSET PURCHASE AND SALE AGREEMENT;  
(III) AUTHORIZING AND APPROVING ASSUMPTION AND ASSIGNMENT OF  
EXECUTORY CONTRACTS AND UNEXPIRED LEASES;  
AND (IV) GRANTING CERTAIN RELATED RELIEF**

Upon the motion dated February 27, 2004 (the "Motion"), of the above-captioned debtors and debtors-in possession (collectively, the "Debtors"), for entry of an order under 11 U.S.C. §§ 105(a), 363, 365 and 1146(c) and Fed. R. Bankr. P. 2002, 6004 and 6006 (i) approving a purchase and sale agreement (the "Agreement"), a copy of which is attached hereto, among Rainbow Women's Retail Group Ltd. (the "Buyer"), and One Price Clothing Stores, Inc. (the "Seller"), and A.I.J.J. Enterprises, Inc. as guarantor (the "Guarantor"), and certain ancillary agreements (the "Ancillary Agreements") for each lease of non-residential real property attached to this Order as Schedule I (individually, an "Assumed Lease"), substantially in the forms attached as exhibits to the Agreement or filed with the Court, (ii) authorizing the Seller to sell (the "Sale") to the Buyer certain leases and assets (as defined more specifically in the Agreement, collectively the "Purchased Assets") free and clear of all (A) liens (other than assumed liabilities), (B) all liabilities (other than assumed liabilities), (C) Interests (as defined herein) and (D) Claims (as defined herein), (iii) authorizing the assumption and assignment of

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certain contracts, real property leases and executory contracts (collectively, the "Assumed Leases" and individually, an "Assumed Lease"), and (iv) granting certain related relief, and this Court having entered an order (the "Procedures Order") approving, among other things, the proposed Bidding Procedures and notice of the Sale; and the Seller having determined that the Buyer has submitted the highest or otherwise best bid for the Purchased Assets and that a private sale was in the best interest of the Debtors' estates; and a hearing having been held on March 31, 2004 (the "Sale Hearing"); and adequate and sufficient notice of the Bidding Procedures, the Agreement, the Ancillary Agreements and all transactions contemplated thereunder and in this Order having been given in the manner directed by the Court in the Procedures Order; and all interested parties having been afforded an opportunity to be heard with respect to the Motion and all relief related thereto; and the Court having reviewed and considered (i) the Motion, (ii) the objections thereto, if any, and (iii) the arguments of counsel made, and the evidence proffered or adduced, at the Sale Hearing; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

**FOUND AND DETERMINED THAT:**

A. This Court has jurisdiction over the Motion under 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding under 28 U.S.C. § 157(b)(2)(A). Venue of these cases and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief sought in the Motion are sections 105(a), 363, 365 and 1146(c) of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330 (as amended, the "Bankruptcy Code"), and Rules 2002, 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

C. This court entered the Procedures Order on February 25, 2004, and the Procedures Order has become a final and non-appealable order and remains in full force and effect.

D. As evidenced by the affidavits of service filed with this Court and based on representations of counsel at the Sale Hearing, (i) due, proper, timely, adequate and sufficient notice of the Motion, the Auction, the Sale Hearing, the Sale and the transactions contemplated thereby, including without limitation, the assumption and assignment of the Assumed Leases, has been provided in accordance with Bankruptcy Code sections 102(1), 105(a), 363 and 365 and Bankruptcy Rules 2002, 6004 and 6006, and in substantial compliance with the Procedures Order; (ii) such notice was good, sufficient and appropriate under the circumstances; and (iii) no other or further notice of the Motion, the Auction, the Sale Hearing, the Sale or the transactions contemplated thereby including, without limitation, the assumption and assignment of the Assumed Leases), is or shall be required.

E. A reasonable opportunity to object and be heard with respect to the Motion and the relief requested therein (including the assumption and assignment of Assumed Leases and cure amounts, if any, identified by the Debtors) has been afforded to all interested persons and entities, including the following: (i) the Office of the United States Trustee; (ii) counsel to the Buyer; (iii) counsel to the Official Committee of Unsecured Creditors appointed in these cases (the "Committee"); (iv) counsel to Congress Financial Corp., as the agent (the "Agent") for the Debtors' prepetition and postpetition secured lenders. (the "Secured Lenders"); (v) all entities known to have expressed an interest in the Purchased Assets; (vi) all entities known to have asserted any Lien in or upon any of the Purchased Assets; (vii) all federal, state and local taxing authorities that have jurisdiction over the Purchased Assets; (viii) all governmental agencies having jurisdiction over the Purchased Assets, if any; (ix) the United States Attorney's office; (x)

the Securities and Exchange Commission; (xi) all non-Debtor parties to the Assumed Leases; and (xii) all other parties that filed a notice of appearance and demand for service of papers in these bankruptcy cases under Bankruptcy Rule 2002 as of the date of entry of the Procedures Order.

F. The Seller may sell the Purchased Assets free and clear of all liens and Interests (as defined below) because each entity with a security interest in any Purchased Assets to be transferred on the Closing Date, including the Assumed Leases, (i) has consented to the Sale (including the assumption and assignment of the Assumed Leases) or is deemed to have consented to the Sale; (ii) could be compelled in a legal or equitable proceeding to accept money satisfaction of such interest; or (iii) otherwise falls within the provisions of section 363(f) of the Bankruptcy Code, and therefore, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those holders of liens and Interests who did not object, or who withdrew their objections, to the Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of liens and Interests who did object are adequately protected by having their liens and Interests, if any, attach to the cash proceeds of the Sale ultimately attributable to the property against or in which they claim a Lien or interest, subject to the terms hereof.

G. Good and sufficient reasons for (i) approval of the Agreement and the Sale have been articulated and (ii) a private sale of the Assets. The relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest.

H. The Debtors have demonstrated both (i) good, sufficient and sound business purpose and justification and (ii) compelling circumstances for the Sale other than in the ordinary course of business, pursuant to section 363(b) of the Bankruptcy Code, in that, among other

things, the immediate consummation of the Sale to the Buyer is necessary and appropriate to maximize the value of the Debtors' estates; the Sale will provide means for the Debtors to maximize distributions to creditors; and absent consummation of the Sale, the Debtors may be forced to conduct a piecemeal liquidation of the Purchased Assets which is likely to yield substantially less proceeds available to distribute to creditors than the Sale.

I. The Buyer is a good faith purchaser under Bankruptcy Code section 363(m) and, as such, is entitled to all of the protections afforded thereby.

J. The Seller has full corporate power and authority to execute the Agreement, the Ancillary Agreements, and all other documents contemplated thereby, and to consummate the transactions contemplated by the Agreement. The Agreement, the Ancillary Agreements and all of the transactions contemplated thereby have been duly and validly authorized by all necessary corporate action of each of the Seller. No consents or approvals other than the authorization and approval of this Court are required for each of the Seller to consummate the Sale.

K. The Agreement was negotiated, proposed and entered into by the Seller and the Buyer without collusion, in good faith and from arm's-length bargaining positions. The Buyer is not an "insider" of any of the Debtors, as that term is defined in section 101 of the Bankruptcy Code. Neither the Debtors nor the Buyer have engaged in any conduct that would cause or permit the Agreement to be avoided under section 363(n) of the Bankruptcy Code.

L. The consideration provided by the Buyer pursuant to the Agreement (i) is fair and reasonable, (ii) is the best offer for the Purchased Assets, and (iii) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possessions or the District of Columbia.

M. The Agreement was not entered into for the purpose of hindering, delaying or defrauding creditors under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

N. The transfer of the Purchased Assets to the Buyer pursuant to the Agreement will be a legal, valid, and effective transfer of the Purchased Assets, and vests or will vest the Buyer with all right, title, and interest of the Seller to the Purchased Assets free and clear of liens or other interests (i) that purport to give to any party a right or option to effect any forfeiture, modification or termination of the Seller's or the Buyer's interests in the Purchased Assets or (ii) in respect of restrictions, rights of first refusal, options to purchase, charges or interests of any kind or nature, if any, (collectively, the "Interests"), with all such non-assumed Interests to attach to the Seller's interest in the proceeds of the Sale (the "Sale Proceeds") in order of priority, subject to any rights, claims and defenses of the Debtors with respect thereto and subject to the remaining provisions of this Order.

O. Neither the Buyer nor its affiliates, successors or assigns, nor any guarantor, as a result of any action taken in connection with the purchase of the Purchased Assets: (a) are a successor to the Debtors; (b) have, de facto or otherwise, merged with or into the Debtors; or (c) are a continuation or substantial continuation of the Debtors or any enterprise of the Debtors.

P. The Debtors have demonstrated that assuming and assigning the Assumed Leases in connection with the Sale is an exercise of their sound business judgment, and that such assumption and assignment is in the best interests of the Debtors' estates.

Q. The Debtors have cured, or have provided adequate assurance of cure of, any monetary default existing prior to the Closing Date, which is the effective date of assumption of the Assumed Leases, within the meaning of section 365(b)(1)(A) of the Bankruptcy Code, under

the Assumed Leases, and have provided compensation or adequate assurance of compensation to any non-Debtor party to such contracts or leases for any of their actual pecuniary losses resulting from any default arising prior to the Closing Date under any such Assumed Leases, within the meaning of section 365(b)(1)(B) of the Bankruptcy Code (collectively, the "Cure Amounts").

R. As of the Closing Date, each of the Assumed Leases will be in full force and effect and enforceable against the non-Debtor party thereto.

S. On or before the Closing Date, the Debtors will pay in full all undisputed Cure Amounts. On the Closing Date, the Debtors will segregate an amount of the sale proceeds equal to the asserted amount of any disputed Cure Amounts relating to Assumed Leases pending the resolution of any such dispute by this Court or mutual agreement of the parties. Any party to any Assumed Lease who objected to the Cure Amounts (a "Cure Amount Objection") is protected by having such disputed portion of such Cure Amount segregated on or before the date on which such Assumed Lease is assumed.

T. The Debtors have, to the extent necessary, satisfied the requirements of sections 365(b)(1) and 365(f) of the Bankruptcy Code in connection with the Sale, the assumption and assignment of the Assumed Leases and shall upon assignment thereof on the Closing Date, be relieved from any liability for any breach thereof (other than the liability to pay Cure Amounts on or before the Closing or following the Closing, as applicable).

U. The sale of the Purchased Assets is a critical and necessary element in Debtors' anticipated distribution to unsecured creditors under a plan of reorganization or plan of liquidation and such sale is in contemplation thereof.



V. The Auction was duly noticed and held. The Debtors' decision to remove the Assets from the Auction was supported by the Creditors' Committee and the secured lenders and is an appropriate exercise of the Debtors' business judgment.

W. Based upon the testimony of the parties at the hearing held on March 31, 2004, the Court finds that with respect to the Debtors' lease for store # 74 located at Citiside, Charlotte, North Carolina, Buyer is deemed to be a replacement in kind to the Debtors, and that with respect to the Debtors' lease for store # 850 located at Melbourne Shopping Center, Melbourne, Florida, Buyer is deemed to be a replacement tenant similar in operation to the Debtors' operation. Accordingly, the Court hereby overrules the objection filed by Inland Retail Real Estate Limited Partnership (Docket No. 375) (the "Inland Objection").

X. To the extent that Buyer operates in a manner consistent with the use clause, and does not use the tradename "Rainbow Apparel", the Buyer's use under Lease # 261 located in Holland Windsor Crossing Shopping Center, Virginia Beach, Virginia shall not be, nor shall it constitute, a "Prohibited Use Breach" under the landlord's lease with Fashion Bug #3180, Inc. In addition, Buyer's sale of women's apparel in up to 30% of the store's sales area, calculated in accordance with the lease, will not breach the exclusive use provisions in the Fashion Bug lease. Buyer has agreed that it shall operate Store # 261 in a manner that complies with the permitted uses set forth in the lease for Store # 261 and does not breach the exclusive use provisions in the Fashion Bug lease.

Y. The alleged termination of the lease for Store # 163 between Harsch Investment Realty LLC and the Debtors for the property located in Alameda, California was invalid and of no effect since the February 12, 2004 termination letter sent by the landlord was in violation of the automatic stay under § 362 of the Bankruptcy Code.

Z. Buyer's operation of its typical retail store will not constitute a breach of any exclusivity provision of YDB Three Lakes LC for the center located in Three Lakes Plaza, Tamarac, Florida (Store # 641)

AA. With respect to the lease for the Debtor's Store # 129 ("Lease 129"), located in Cermak Plaza, Berwyn, Illinois, the objection by the landlord, Cermak Plaza Associates, LLC ("Cermak") is hereby overruled and the Court finds that the Buyer's intended use for the premises does not violate the use clause under the lease and is consistent with the Debtors' use. The Court further finds that the Buyer does not violate the exclusive provisions contained in Cermak's lease with Discovery.

BB. Buyer's proposed use for Store # 230 located in Springfield Gardens, New York will comply with the use provisions of the lease with Mattone Group Springex LLC, and will not violate the exclusivity provisions with Payless Shoe Source or Large Apparel of New York d/b/a Ashley Stewart; and it is therefore

**ORDERED, ADJUDGED AND DECREED THAT:**

1. The Motion is GRANTED (other than with respect to matters previously addressed on a final basis by the Procedures Order). All relief granted on a final basis by the Procedures Order is hereby incorporated by reference to this Order and remains in full force and effect.

2. Any objections to the entry of this Order or the relief granted herein and requested in the Motion that have not been withdrawn, waived or settled, and all reservations of rights included therein, hereby are denied and overruled on the merits with prejudice.

**Approval of the Agreement**

3. The Agreement and the Ancillary Agreements, and all of the terms and conditions thereof, including, but not limited to, the sale of the Purchased Assets and assumption of any assumed liabilities in exchange for the Purchase Price, as set forth in the Agreement, are hereby approved.

4. Pursuant to sections 363(b) and (f) of the Bankruptcy Code, the Debtors are authorized and (subject to the applicable closing conditions set forth in the Agreement) directed to consummate the Sale, pursuant to and in accordance with the terms and conditions of the Agreement.

5. The Debtors are authorized and (subject to the applicable closing conditions set forth in the Agreement) directed to execute and deliver, and empowered to perform under, consummate and implement, the Agreement, collectively with all additional instruments and documents (including, without limitation, the Ancillary Agreements) that may be reasonably requested by the Buyer for the purpose of transferring the Purchased Assets to the Buyer or as may be necessary or appropriate to the performance of the obligations contemplated by the Agreement. The automatic stay imposed by section 362 of the Bankruptcy Code is modified solely to the extent necessary to implement the provisions of this Order.

**Transfer of Purchased Assets**

6. Pursuant to sections 105(a), 363(f) and 365 of the Bankruptcy Code, the Purchased Assets shall be transferred to the Buyer and, as of the Closing Date, shall be free and clear of (a) all liens and interests, and (b) all debts arising under, relating to, or in connection with any acts of the Debtors, claims (as that term is defined in section 101(5) of the Bankruptcy Code), liabilities, obligations, demands, guaranties (other than guarantees of Assumed Leases by

Guarantor or affiliates, if any) options, rights, contractual commitments, restrictions, rights of first refusal, interests and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these cases, and whether imposed by agreement, understanding, law, equity or otherwise (including, without limitation, claims and encumbrances (i) that purport to give to any party a right or option to effect any forfeiture, modification, profit sharing interest, right of first refusal, purchase or repurchase right or option, or termination of any of the Seller's or the Buyer's interests in the Purchased Assets, or any similar rights, or (ii) in respect of taxes, restrictions, rights of first refusal, charges or interests of any kind or nature (collectively, as defined in this clause (b), "Claims"), with the exception of any assumed liabilities set forth in the agreement. All non-assumed liens, Interests and Claims shall attach to the Debtors' interest in the Sale Proceeds, in the order of their priority, with the same validity, force and effect which they now have against the Purchased Assets, subject to any rights, claims and defenses the Debtors or the Agent may possess with respect thereto.

7. With the exception of any assumed liabilities in the Agreement, 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, holding liens, Interests or Claims of any kind or nature whatsoever against or in the Debtors or the Purchased Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non contingent, liquidated or unliquidated, 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' business prior to the Closing Date or the transfer of the Purchased Assets to the Buyer, shall be and hereby are forever barred, estopped and permanently enjoined from asserting, prosecuting or otherwise pursuing against the Buyer, its property, its successors and

assigns, its affiliates or any guarantor of the Purchased Assets, such persons' or entities' liens, Interests or Claims. Following the Closing Date, no holder of a lien or interest in or Claim against the Debtors (other than holders of any expressly assumed liabilities) shall interfere with the Buyer's title to or use and enjoyment of the Purchased Assets based on or related to such liens, Interests or Claims, and all such liens, Claims and Interests, if any, shall be, and hereby are channeled, transferred and attached solely and exclusively to the Sale Proceeds.

8. Notwithstanding anything in this Order to the contrary, on the Closing Date, the Debtors shall transfer to the Agent that portion of the Sale Proceeds necessary (after payment or escrow of all taxes, closing costs and Cure Amounts) in reduction of the obligations of the Debtors to the Secured Lenders under the DIP Loan Agreement and the Agent is hereby authorized to apply such transferred amounts to such DIP Loan obligations pursuant to the terms of the DIP Orders without further order of this Court. The application of such transferred amounts shall be subject only to the terms of the Interim and Final DIP Orders and to the rights of the Committee, if any, thereunder.

9. The transfer of the Purchased Assets to the Buyer pursuant to the Agreement shall not result in (i) the Buyer or any guarantor having any liability or responsibility for any Claim (other than for Permitted liens or assumed liabilities) against the Debtors or against an insider of the Debtors, or (ii) the Buyer or any guarantor having any liability or responsibility to the Debtors except pursuant to the Agreement and this Order.

10. The Buyer and any guarantor shall have no liability or responsibility for any liability or other obligation of the Debtors arising under or related to the Purchased Assets other than as expressly set forth in the Agreement. Without limiting the effect or scope of the foregoing, the transfer of the Purchased Assets from the Debtors to the Buyer does not and will

not subject the Buyer or any guarantor or their affiliates, successors or assigns or their respective properties (including the Purchased Assets) to any liability for Claims against the Debtors or the Purchased Assets by reason of such transfer under the laws of the United States or any state, territory or possession thereof applicable to such transactions.

11. Neither the Buyer nor its affiliates, nor any guarantor, their successors or assigns shall be deemed, as a result of any action taken in connection with the purchase of the Purchased Assets to: (a) be a successor to the Debtors; (b) have, de facto or otherwise, merged with or into the Debtors; or (c) be a continuation or substantial continuation of the Debtors or any enterprise of the Debtors.

12. Neither the Buyer nor its affiliates, nor any guarantor, their successors or assigns is acquiring or assuming any liability, warranty or other obligation of the Debtors, including, without limitation, any tax incurred but unpaid by the Debtors prior to the Closing Date, including, but not limited to, any tax, any fine or penalty relating to a tax, or any addition to tax, whether or not previously assessed, fixed or audited, whether or not paid, and whether or not contested before and adjudicated by a judicial or administrative tribunal of competent jurisdiction, except for any assumed liabilities as expressly provided in the Agreement.

13. The Debtors shall be exempt from liability for any transfer tax, stamp or similar tax relating to the Purchased Assets in accordance with Section 1146(c). On or before the Closing Date, and to the extent not exempt under Section 1146(c) and/or any other applicable law, the Debtors will pay, or shall segregate and reserve Sale Proceeds sufficient to pay, their share of transfer taxes, income taxes, sales taxes, utility charges, real property taxes, personal property taxes or similar ad valorem obligations which the Debtors are obligated to pay under the Agreement, and to the extent not paid at Closing, shall pay such amounts out of such segregated

funds when and as due. Nothing herein shall be deemed an admission of any such liability by Debtors nor prevent Debtors from challenging the amount, validity or priority of any such taxes or obligations.

14. The transfer of the Purchased Assets to the Buyer pursuant to the Agreement constitutes a legal, valid and effective transfer of the Purchased Assets, and shall vest the Buyer with all right, title and interest of the Debtors in and to the Purchased Assets free and clear of all liens, Claims and Interests (other than assumed liabilities) of any kind or nature whatsoever.

15. On the Closing Date, this Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance and transfer of the Purchased Assets or a bill of sale transferring good and marketable title in the Purchased Assets to the Buyer. Each and every federal, state, territory 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.

16. This Order is and shall be effective as a determination that all liens (other than assumed liabilities), Claims and Interests shall be, and are, without further action by any person or entity, released, divested, terminated and discharged with respect to the Purchased Assets and the Assumed Leases as of the Closing Date. In furtherance of the foregoing, the provisions of this Order authorizing the sale and assignment of the Purchased Assets free and clear of all Claims, liens and Interests shall be self-executing, and notwithstanding the failure of Buyer, the Debtor, or any other party to execute, file or obtain releases, termination statements, assignment consents or other instruments to effectuate, consummate and/or implement the provisions hereof or the Agreement with respect to the sale of the Purchased Assets and the assumption and assignment of the Assumed Leases, all Claims, liens and Interests on the Purchased Assets shall

be, and hereby are, deemed to be divested, terminated and discharged, with such Claims, liens and Interests to attach solely and exclusively to the Sale Proceeds.

17. This Order 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.

18. The Debtors are hereby authorized, in accordance with sections 105(a), 363 and 365 of the Bankruptcy code, to (a) assume and assign to the Buyer, effective upon the Closing Date, the Assumed Leases, and/or to transfer, sell and deliver to the Buyer all of Seller's right, title and interest in and to the Assumed Leases, free and clear of all liens, Interests and Claims of any kind or nature whatsoever, and (b) execute and deliver to the Buyer the Ancillary Agreements and such other documents or other instruments as may be necessary to assign and transfer the Assumed Leases to the Buyer.

19. The requirements of sections 365(b)(1) and 365(f)(2) of the Bankruptcy Code are hereby deemed satisfied with respect to the Assumed Leases (subject to the "Cure Amount" procedures set forth herein).

20. The Assumed Leases shall be transferred to, and remain in full force and effect for the benefit of, the Buyer, without any default or event of default thereunder, notwithstanding any provision in any such Assumed Lease (including provisions of the type described in sections



365(b)(2), (c)(1) and (f)(1) of the Bankruptcy Code) which prohibits, limits, restricts or conditions such assignment or transfer. The Assumed Leases shall be assigned to the Buyer without modification, as such leases existed on the Petition Date, unless agreed to in writing by the non-Debtor party or as expressly set forth in this Order. The non-Debtor party to each Assumed Lease shall be deemed to have consented to such assignment under section 365(c)(1)(B) of the Bankruptcy Code (unless such non-Debtor party filed an objection to the assignment to the Buyer and such objection was withdrawn or overruled by the Court). In either event, Buyer shall enjoy all of the rights and benefits under each such Assumed Lease as of the applicable Closing Date without the necessity of obtaining such non-Debtor party's written consent to the assumption and assignment thereof.

21. The information provided by and about the Buyer is and shall be deemed to constitute "adequate assurance of future performance" under the Bankruptcy Code (including under sections 365(b)(1) and (3) and 365(f) thereof).

22. Pursuant to section 365(k) of the Bankruptcy Code, except for Cure Amounts, the Debtors and their estates shall be relieved from any liability for any breach of any Assumed Lease after such assignment to and assumption by the Buyer on the Closing Date.

23. All liquidated monetary defaults, claims or other obligations of the Debtors arising or accruing or relating to time periods under each Assumed Lease prior to the assumption of such Assumed Lease (without giving effect to any acceleration clauses or any default provisions of the kind specified in Bankruptcy Code section 365(b)(2)) shall be determined in accordance with the Procedures Order and this Order, and any undisputed portion of such defaults, claims or other obligations shall be promptly cured and paid by the Debtors upon the

Closing Date or, for any disputed portion thereof, upon the later determination of the Cure Amount.

24. Subject to the terms hereof with respect to the Cure Amounts, all defaults or other obligations of the Debtors under the Assumed Contracts and Leases arising or accruing prior to the Closing Date have been cured or shall promptly be cured by the Debtors in accordance with the terms hereof such that the Buyer, and any guarantor, if any, their successors and assigns shall have no liability or obligation with respect to any default or obligation arising, related to or accruing under any Assumed Lease on or prior to the Closing Date, including, but not limited to, year-end adjustments for percentage rent, CAM, taxes or other charges). Each non-Debtor party to an Assumed Lease is forever barred, estopped and permanently enjoined from asserting against the Buyer, any guarantor or their successors and assigns or their property or affiliates, or any thereof, any breach or default under any Assumed Lease, any claims of lack of consent relating to the assignment thereof, or any counterclaim, defense, setoff, right of recoupment or any other matter arising prior to the Closing Date for such Assumed Lease or with regard to the assumption and assignment thereof pursuant to the Agreement or this Order.

25. Upon assignment of the Assumed Contracts and Leases to the Buyer on the Closing Date, no default shall exist under any Assumed Lease and no non-Debtor party to any Assumed Lease shall be permitted to declare a default by the Buyer under such Assumed Lease or otherwise take action against the Buyer as a result of any Debtors' financial condition, insolvency, bankruptcy or failure to perform any of their obligations under the Assumed Contracts and Leases, including any failure to pay any amounts necessary to cure any Debtors' defaults thereunder. Upon entry of this Order and assumption and assignment of the Assumed

Contracts and Leases, the Buyer shall be deemed in compliance with all terms and provisions of the Assumed Contracts and Leases.

26. Notwithstanding any other provisions in this Order, upon assumption of the Assumed Contracts and Leases, the Buyer shall assume (subject to paragraphs 27 through 31 below) all liabilities arising under the Assumed Contracts and Leases which arise and accrue on and after the Closing Date.

**Additional Provisions For Property Leases**

27. None of the Assumed Leases have been terminated and all of the Assumed Leases remain in full force and effect. Notwithstanding any provision in any lease, reciprocal easement agreement, or local law to the contrary, Buyer may perform alterations and remodeling to the extent necessary to operate its retail operations at the leased premises and to replace and modify existing signage.

28. Any provisions in any Assumed Lease of the Debtors, or in applicable law, that directly or indirectly prohibits, restricts, or conditions the assignment or subletting of such Assumed Lease to Buyer, or that imposes a fee or penalty or requires profit sharing or payment of consideration upon any assignment or sublease of an Assumed Lease to Buyer, or purports to increase the rent or terminate the lease, or purports to give any party a right of first refusal or option to purchase the lease, or which requires any minimum sales amount for 2003 or 2004 are deemed and found to be void and unenforceable anti-assignment provisions. Notwithstanding any term of any of the Assumed Leases to the contrary, any extension or renewal options or other rights contained in the Assumed Leases which purport to be personal only to the Debtors or to a named entity in such Assumed Lease or to be exercisable only by the Debtors or by a named entity or an entity operating under a specific trade name constitute unenforceable restrictions on

assignment and such extension or renewal options or other rights may be freely exercised to their full extent by Buyer and its respective successors and assigns. All extension or renewal options which Debtors purported to exercise for any Assumed Lease as of the date hereof is hereby found to be valid, effective and in force and may be relied upon and utilized by Buyer.

29. Notwithstanding any provision in any Assumed Lease to the contrary, the leased premises may, except to the extent restricted by any exclusivity or use restrictions applicable to a Assumed Lease in a "shopping center", be used by Buyer for its proposed retail use (including accessory office, and storage use) and the sale of general merchandise or any use consistent with the use clause contained in the leases.

30. Buyer shall operate Store # 261 in a manner that complies with the permitted uses set forth in the Lease for such store and in a manner which does not conflict with the Fashion Bug exclusive use provisions. Buyer shall not trade under the name "Rainbow Apparel" at Store #261, nor shall Buyer engage primarily in the selling of women's clothing at Store #261 (meaning no more than 30% of the store's sales' area, calculated in accordance with the lease, shall be devoted exclusively to the sale of women's clothing).

31. Any provision in any Assumed Lease that requires any user of the Leased Premises to operate under the name "One Price", "Once Price Clothing", "Best Price", or any particular trade name, and any covenant that requires the use of the leased premises to be similar to that of the Debtors (including any clause requiring a "one price" or "ceiling price" concept) are deemed and are found to be void and unenforceable anti-assignment provisions as applied to Buyer.

32. Any provisions contained in any Assumed Lease which have or would have the effect of requiring Buyer to continuously operate its business at any leased premises is void and

unenforceable as applied to Buyer for a period of sixty (60) days following the Closing Date (and Buyer may remain "dark" for such sixty-day period). Buyer shall have the right to close the stores in order to stock, refixture, change signage and otherwise prepare the stores for opening under Buyer's trade names and such shall not be deemed a default under the leases or deemed a violation of a continuous operations clause, use, a renovation or alternations clause or any other provision that prevents Buyer from taking possession, posting signage or renovating the stores. Buyer may operate the Stores under any trade names acquired from Debtors and/or any of Buyer's trade names, including, but not limited to Rainbow, Rainbow Kids, Rainbow Plus, S-7-9, One Price, Kid Spot, Best Price, Foxmoor, Ups N Downs, Plymouth and Caren Charles.

**Additional Provisions**

33. The considerations provided by the Buyer for the Purchased Assets under the Agreement is fair and reasonable and may not be avoided under Bankruptcy Code section 363(n).

34. The transactions contemplated by the Agreement are undertaken by the Buyer in good faith, as that term is used in Bankruptcy Code section 363(m) 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 to the Buyer, unless such authorization is duly stayed prior to the consummation of the Sale. The Buyer is a good-faith purchaser of the Purchased Assets, and is entitled to all of the benefits and protections afforded by section 363(m) of the Bankruptcy Code.

35. This Court retains jurisdiction to enforce and implement the terms and provisions of 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 Buyer, (b) compel

assumption of any assumed liabilities by the Buyer, (c) resolve any disputes arising under or related to the Agreement, except as otherwise provided therein, and (d) interpret, implement and enforce the provisions of this Order.

36. All entities who are presently, or on the Closing Date may be, in possession of some or all of the Purchased Assets hereby are directed to surrender possession of the Purchased Assets either to (i) the Debtors prior to the Closing Date for subsequent transfer to the Buyer on the Closing Date or (ii) to the Buyer on the Closing Date.

37. On or before the Closing Date, each of the Debtors' creditors (including all creditors who hold liens or interests of record) is authorized and directed to execute such documents and take all other actions as may be necessary to release its liens and interests in the Purchased Assets, if any, as such liens and interests may have been recorded or otherwise exist.

38. If any person or entity that has filed financing statements, mortgages, mechanic's liens, lis pendens or other documents or agreements evidencing liens or interests with respect to the Purchased Assets shall not have delivered to the Debtors and the Buyer prior to the Closing Date in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all liens and interests which the person or entity has with respect to the Debtors and/or the Purchased Assets or otherwise, then (i) the Debtors hereby are authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to such assets and contracts and (ii) the Buyer hereby is authorized to file, register or otherwise record a certified copy of this Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all liens and interests in the Purchased Assets as of the Closing Date of any kind or nature whatsoever (other than any assumed liabilities).

39. Any amounts payable by the Seller pursuant to the Agreement, the Ancillary Agreements, and all of the transactions contemplated thereby, shall (i) constitute administrative priority expenses of the Seller's estates pursuant to sections 503(b) and 507(a)(1) of the Bankruptcy Code, (ii) be paid by the Seller in the time and manner provided in the Agreement without further order of this Court and (iii) not be discharged, modified or otherwise affected by any plan of reorganization of any of the Seller.

40. The terms and provisions of the Agreement and this Order shall be binding in all respects upon, and shall survive and shall inure to the benefit of, the Debtors, their estates, any trustee(s) under any chapter of the Bankruptcy Code in any of these cases, the Buyer, any guarantor, and their respective affiliates, successors and assigns, and any affected third parties, notwithstanding any subsequent dismissal or conversion of any of these cases or the appointment of any trustee(s) under any chapter of the Bankruptcy Code in any of these cases.

41. All persons who hold Claims against or Interests in (other than assumed liabilities expressly assumed in the Agreement) the Debtors are forever barred, estopped and permanently enjoined from asserting or prosecuting any claims or causes of action against the Buyer, any guarantor, their affiliates, or any of its respective officers, directors, employees, attorneys or advisors, arising out of or in connection with the Sale.

42. After the Closing Date, no person or entity, including, without limitation, any federal, state or local taxing authority, may (a) attach or perfect a lien or security interest against any of the Purchased Assets on account of, or (b) collect or attempt to collect from the Buyer or guarantor or any of their affiliates, any tax (or other amount alleged to be owing by one or more of the Debtors) (i) for any period commencing before and concluding prior to or after the Closing

Date, or (ii) assessed prior to and payable after the Closing Date, except as otherwise specifically provided in the Agreement.

43. No bulk sales law or any similar law of any state, territory or other jurisdiction shall apply in any way to any of the transactions under the Agreement, and Debtors and Buyer are exempt and excused from complying with bulk transfer laws or regulations that might affect consummation of the transactions contemplated by the Agreement or the relief provided in this Order.

44. The Agreement, the Ancillary Agreements and any related sale agreements may be modified, amended or supplemented by the parties thereto, in a writing signed by such parties, 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.

45. Nothing contained in any chapter 11 plan confirmed in these cases or any order confirming any such plan or in any other order in these cases (including any order entered after any conversion of these cases under chapter 7 of the Bankruptcy Code) shall alter, conflict with, or derogate from, the provisions of the Agreement or this Order.

46. The Debtors shall serve a copy of this Order on all parties in interest who have asserted any Claim, Lien or Interest in the Purchased Assets (including all lienholders of record).

47. The failure specifically to include any particular provisions of the Agreement in this Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the Agreement be authorized and approved in its entirety. Likewise, all of the provisions of this Order are nonseverable and mutually dependent.



48. All radius restrictions set forth in any Assumed Lease will not be applicable to existing stores of Buyer and/or its affiliates, and any such provisions are hereby waived.

49. Notwithstanding the provisions of Bankruptcy Rules 6004(g) and 6006(d), this Order shall not be stayed for ten (10) days after the entry hereof, but shall be effective and enforceable immediately upon issuance hereof, provided, however, that closing of the transactions referenced herein shall be stayed until 1:00 p.m., Friday, April 2, 2004. Time is of the essence in closing the transactions referenced herein and the Debtors and the Buyer intend to close the Sale as soon as practicable. Therefore, any party objecting to this Order must exercise due diligence in filing an appeal and pursuing a stay, or risk its appeal being foreclosed as moot.

50. The requirement under Rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York for the filing of a separate memorandum of law is waived.

Dated: New York, New York  
April 5, 2004

/s/Cornelius Blackshear  
UNITED STATES BANKRUPTCY JUDGE