05-08-2001

101706907

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027

4/30/01

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- [X] New
- [ ] Resubmission (Non-Recordation) Document ID #
- [ ] Correction of PTO Error Reel # Frame #
- [ ] Corrective Document Reel # Frame #

Conveyance Type

- [X] Assignment
- [ ] License
- [ ] Security Agreement
- [ ] Nunc Pro Tunc Assignment
- [ ] Merger
- [ ] Change of Name

Effective Date Month Day Year

- [X] Other: Order of Bankruptcy Court

Conveying Party

Mark if additional names of conveying parties attached

Execution Date Month Day Year

Name (line 1): GCO, Inc.

Formerly:

- [ ] Individual
- [ ] General Partnership
- [ ] Limited Partnership
- [X] Corporation
- [ ] Association
- [ ] Other
- [ ] Citizenship/State of Incorporation/Organization

Receiving Party

- [ ] Mark if additional names of receiving parties attached

Name: Carpet Co-Op of America Association

DBA/AKA/TA:

Composed of:

Address (line 1): 4301 Earth City Expressway

Address (line 2): Earth City (City) Missouri (State/Country) 63045 (Zip Code)

- [ ] Individual
- [ ] General Partnership
- [ ] Limited Partnership
- [ ] If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. *(Designation must be a separate document from Assignment)*
- [X] Corporation
- [ ] Association

05/07/2001 AGHMED1 00000152 1770673
01 40.00 OP
02 125.00 OP

- [ ] Other
- [ ] Citizenship/State of Incorporation/Organization: Delaware

FOR OFFICE USE ONLY

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

GCO, Inc.

United States Trademark Registrations

Mark	Registration No.
GCO	1,770,673
GCO CARPET OUTLET AND DESIGN	2,162,577
GEO CARPET OUTLETS	1,779,888
GCO CREDIT PLUS AND DESIGN	2,171,706
GCO YOUR GEORGIA CARPET OUTLET AND DESIGN	2,011,361

United States Trademarks Applications

Mark	Application No.
GEORGIA CARPET OUTLETS AND DESIGN	74/025,415

Domestic Representative Name and Address

Enter for the first Receiving party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area code and Telephone Number (314) 345-6450

Name: Alan S. Nemes, Esq.

Address (line 1): Blackwell Sanders Peper Martin LLP

Address (line 2): 720 Olive Street – 24th Floor

Address (line 3): St. Louis, Missouri 63101

Address (line 4):

Pages Enter the total number of pages of the attached conveyance document # including any attachments. 26

Trademark Application Number(s) or Registration Number(s) X Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)	Registration Number(s)
	SEE ATTACHED

Number of Properties Enter the total number of properties involved. # 6

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): $ $165.00

Method of Payment: Enclosed ☒ Deposit Account ☐

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

If insufficient, please debit Deposit Account Number: # 11-0160

Authorization to charge additional fees: Yes ☒ No ☐

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. Charges to deposit account are authorized, as indicated herein.

Alan S. Nemes.	Alan S. Nemes	4.26.01
Name of Person Signing	Signature	Date

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE:	)	Chapter 11
	)	Judge Bihary
FLOORING AMERICA, INC., et al.,	)	
	)	Case Nos. 00-68370 through
Debtors.	)	00-68391 and 00-68190
	)	
	)	Jointly Administered under
	)	Case No. 00-68370

ORDER PURSUANT TO SECTIONS 363 & 365 OF THE BANKRUPTCY CODE AUTHORIZING A) SALE OF CERTAIN ASSETS FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES, B) ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS, C) REJECTION OF CERTAIN EXECUTORY CONTRACTS, AND D) ALLOWING THE EXECUTION OF NEW AGREEMENTS BETWEEN THE BUYER AND CERTAIN NONDEBTOR PARTIES TO TERMINATED EXECUTORY CONTRACTS

Presently before the Court are (1) "Debtors' Motion for an Order Approving (i) Election and Bidding Procedures for Sale of Certain Assets of Debtors Related to Flooring America, Inc (U.S. and Canada) and GCO Franchise Groups; (ii) Rejection of Non-Participating Franchisees' Franchisee Agreements; (iii) the Sale of Certain Assets of Debtors Related to Flooring America, Inc. (U.S. and Canada) and GCO Franchise Groups," filed by Debtors Flooring America, Inc., 4 Floors, Inc., Advance Floor Decorators, Inc., Bailey & Roberts CarpetMax of Tennessee, Inc., C&S Textiles, Inc., Flooring America Franchising, L.P., CarpetMax of Utah, Inc., CarpetMax Retail Stores, Inc., CarpetsPlus of America, Inc., Colorado Carpet & Rugs, Inc., Everythingdecor, Inc., Floor Source Distributors, Inc., GCO Carpet Outlet, Inc., **GCO, Inc.**, Investor Management, Inc., Karen's Inc., Manasota Carpet, Inc., Maxim Equipment Leasing Company, Inc., Maxim Industries, Inc., Maxim Retail Group, Inc., Maxim Retail Stores, Inc., Tri-R of Orlando, Inc., and Wadsworth & Owens Decorating Center, Inc., Debtors and Debtors-in-possession (the "Debtors"), dated October 17, 2000 (the "Sale Motion") and (2) Debtors' Motion for an Order Authorizing the Assumption and Assignment of CarpetMax Canada Franchise

Agreement (the "Canadian Motion"). The Sale Motion and the Canadian Motion seek entry of a combined order (the "Sale Order") under Sections 105, 363, 365, and 1146(c) of the Bankruptcy Code (11 U.S.C. §§ 101-1330) and Federal Rules of Bankruptcy Procedure 2002, 6004, 6006, and 9014 authorizing (i) the sale by Debtors of substantially all of the assets relating to the Flooring America Franchise Group, the GCO Franchise Group (the "Franchise Groups"), and the Everythingdecor.com assets (collectively the "Assets") to Carpet Co-op of America Association ("Buyer"), (ii) the solicitation by Buyer of the Debtors' franchisees in the Franchise Groups to enter into new agreements between the Buyer and certain of the Franchisees (the "Solicitation"), (iii) the assumption and assignment to Buyer the CarpetMax Canada Agreement (the "Canadian Agreement"), and (iv) the rejection of certain executory contracts, including without limitation certain franchise agreements with the Franchise Groups (the "Rejected Contracts"), all on the terms outlined in the Order Approving Election and Bidding Procedures for Sale of Flooring America (U.S. and Canada) Franchise Groups, Free and Clear of Liens, Claims, Encumbrances and Interest; (ii) for Authority to Reject Non-Participating Franchisees' Franchise Agreements; (iii) Notice of Objection Deadlines for Such Procedures and Sale, and (iv) Scheduling Hearings Thereon, and Approving Form, Manner and Sufficiency of Notice Thereof dated October 17, 2000 (the "Bidding Procedures Order"). The Sale Motion, the Canadian Motion, and the Bidding Procedures Order have been served by Debtors on all parties required by the Court, and the Court scheduled and conducted a hearing on the Sale and Canadian Motion at 2:00 p.m. on November 13, 2000 (collectively the "Sale Approval Hearing").

The Debtors having certified that notice of the Sale Approval Hearing was provided by proper service of the Bidding Procedures Order pursuant to the terms thereof; the Court having found that the service of the Sale Motion, the Canadian Motion and the notice of the Sale Approval Hearing is sufficient under the circumstances for the purposes of Federal Rules of Bankruptcy Procedure 2002(a)(2) and 6004(a) and (c), and that no other or further notice is necessary; the Court having considered the presentations and proffers by counsel and all objections to the Sale Motion and the Canadian Motion;

and the Court being fully advised in the premises and having considered the relief sought in the Sale Motion and Canadian Motion and having found good cause to grant the relief requested thereby:

THIS COURT HEREBY MAKES THE FOLLOWING FINDINGS AND CONCLUSIONS OF LAW:

A. The Court has jurisdiction to hear and determine the Sale Motion and Canadian Motion pursuant to 28 U.S.C. §§ 157 and 1334.

B. Venue is proper pursuant to 28 U.S.C. § 1409(a).

C. Determination of the relief requested by the Sale Motion and Canadian Motion is a "core" proceeding under 28 U.S.C. § 157(b)(2)(A) and (N). The relief requested by the Sale Motion and Canadian Motion is predicated upon Sections 105, 363, 365, and 1146(c) of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 2002, 6004, 6006, and 9014.

D. The Debtors have followed the procedures for giving notice of the Sale Motion, the Canadian Motion, and the Sale Approval Hearing as set forth in the Bidding Procedures Order.

E. Proper, timely, adequate, and sufficient notice of the Sale Motion, the Canadian Motion and the Sale Approval Hearing has been provided in accordance with Section 102(1) of the Bankruptcy Code, Federal Rules of Bankruptcy Procedure 2002, 6004, 6006, and 9014, due process of law, and the Bidding Procedures Order, and no further notice of the Sale Motion, and the Canadian Motion, the Sale Approval Hearing, or the entry of this Sale Order is required.

F. A reasonable opportunity to object or to be heard regarding the relief requested by the Sale Motion and the Canadian Motion has been afforded to all interested persons and entities, including (i) all persons or entities who claim any liens, claims, encumbrances, or interests against the Assets or the Debtors, (ii) all parties to the Canadian Agreement, (iii) all parties to the Rejected Contracts, (iv) the creditors of the Debtors, (v) the Official Committee of Unsecured Creditors, (vi) the Official Franchisee Committee, (vii) the Office of the United States Trustee, (viii) counsel for the Indenture Trustee and the holders of the Senior Subordinated Notes, and (ix) all other persons or entities

filing a written request for notices in this case. Further, a reasonable opportunity has been afforded any interested person or entity to make a higher and better offer to purchase the Assets upon the terms and conditions and within the time period set forth in the Bidding Procedures Order.

G. It is uncontroverted that (i) subject to entry of this Order, the Debtors have full corporate power and authority to consummate the transactions hereunder; (ii) subject to entry of this Order, the Debtors have been duly and validly authorized by all necessary corporate action to agree to the terms contained herein and to file the Sale Motion and the Canadian Motion; and (iii) no consents or approvals, other than the approval of this Court, are required for the Debtors to consummate such transactions.

H. Sale of the Assets as provided in this Sale Order, including without limitation the assumption and assignment of the Canadian Agreement, the rejection of the Rejected Contracts, and providing for the Solicitation, reflects the exercise of the Debtors' sound business judgment.

I. Approval of the relief requested by the Sale Motion, the Canadian Motion and consummation of the sale of the Assets at this time are in the best interests of the Debtors, their creditors, other parties in interest, and of the estates. The Court finds that the Debtors have articulated good and sufficient business justification for the sale of the Assets, for the assumption and assignment of the Canadian Agreement, and the rejection of the Rejected Contracts, pursuant to Section 363(b) of the Bankruptcy Code, including arms length negotiation, "best price" after out of court marketing efforts, unavailability of continued debtor in possession financing, the inability to continue serving franchisees' needs, and the need for cooperation of franchisees.

J. The terms and conditions of Buyer's offer are fair and reasonable. The offer by Buyer represents the highest and best offer for the Assets, and the purchase price for the Assets (the "Purchase Price") is (i) fair and reasonable, (ii) will provide a greater recovery for the Debtors' creditors than would be provided by any other practical available alternative, and (iii) constitutes reasonably equivalent and fair market value under the Bankruptcy Code and applicable nonbankruptcy law.

K. The Buyer has provided adequate assurance, pursuant to Section 365 of the Bankruptcy Code, of Buyer's future performance under the Canadian Agreement including demonstrating experience in related types of enterprises as well as financial and business capacity.

L. The assumption and assignment of the Canadian Agreement, the rejection of the Rejected Contracts, and procedures for the Solicitation, are in the best interest of the Debtors, their creditors, other parties in interest, and of the estates and are in accordance with the provisions of Section 365 of the Bankruptcy Code.

M. The terms of the sale by Debtors to Buyer were negotiated, proposed, and entered into by the parties without collusion, in good faith, and from "arm's-length" bargaining positions. The Buyer is a good faith buyer as defined pursuant to Section 363(m) of the Bankruptcy Code and, as such, is entitled to the protections afforded thereby. Neither the Debtors nor the Buyer have engaged in any conduct that would cause or permit the sale of the Assets and the assumption and assignment of the Canadian Agreement to be avoided under Section 363(n) of the Bankruptcy Code. The Term Sheet attached to the Sale Motion (the "Term Sheet") originally contemplated the parties' entering into an asset acquisition agreement that would replace the Term Sheet, and pursuant to which the sale would occur. As a result of the time constraints involved in this transaction, the parties agreed to allow the sale to occur subject to the terms and conditions set forth in this Sale Order.

N. This is a final order and enforceable upon entry. To the extent necessary under Federal Rules of Bankruptcy Procedure 5003, 9006, 9014, 9021, and 9022, and due to the high likelihood of a very rapid decline in the value of the Assets, there is no just reason for delay in the implementation of this Sale Order, and therefore the ten-day stay imposed by Federal Rule of Bankruptcy Procedure 6004(g) shall not apply to the transactions contemplated by this Sale Order and the Buyer will be acting in good faith within the meaning of Section 363(m) of the Bankruptcy Code in immediately closing the transactions contemplated by the terms of this Sale Order following entry of this Sale Order, including without limitation the assumption and assignment to Buyer of the Canadian Agreement, rejection by

Debtors of the Rejected Contracts, and the entering into new agreements between the Buyer and certain of the franchisees in the Franchise Groups pursuant to the permitted solicitation by Buyer of the franchisees in the Franchise Groups.

O. The transfer of the Assets and the assumption and assignment of the Canadian Agreement pursuant to the terms of this Sale Order (i) are or will be legal, valid, and effective transfers of property of the Debtors' estates to the Buyer, and (ii) vest or will vest the Buyer with all right, title, and interest in and to the Assets free and clear of all liens, claims, interests, licenses, sublicenses, assignments, and encumbrances under Section 363(f) of the Bankruptcy Code except as provided herein. Those nondebtor parties with liens, claims, interests, licenses, sublicenses, assignments, or encumbrances as to the Assets who did not object, or who withdrew their objections, or whose objections have been overruled on the merits, to the Sale Motion or to the Term Sheet are adequately protected by either distributing the sales proceeds to such parties or having their liens, claims, interests, licenses, sublicenses, assignments, or encumbrances attach to the cash proceeds from the sale of the Assets as provided in this Order, against or in which they assert such lien, claim, encumbrance, license, sublicense, assignment, or interest to the extent valid, enforceable, and ultimately attributable to the Assets.

P. Except for those obligations expressly assumed by the Buyer pursuant to the terms of this Sale Order, the transfers of the Assets, the assumption and assignment of the Canadian Agreement, the rejection of the Rejected Contracts, and the Solicitation of the Franchise Groups, do not and will not subject the Buyer to any debts, liabilities, obligations, commitments, responsibilities, or claims of any kind or nature whatsoever, whether known or unknown, contingent or otherwise, existing as of the date hereof or hereafter arising, of, against or by the Debtors, any affiliate of Debtors, or any other person by reason of such transfers, rejections, assignments and/or solicitations under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia applicable to such transactions, and also including without limitation any environmental, warranty, and product liability claims.

Q. The sale of the Assets to the Buyer is a prerequisite to the Debtors' ability to confirm and consummate a plan or plans of liquidation; therefore, the transactions contemplated by this Sale Order, the Sale Motion, and the Term Sheet are a sale in contemplation of a plan and, accordingly, a transfer pursuant to Section 1146(c) of the Bankruptcy Code, which shall not be taxed under any law imposing a stamp tax or similar tax.

R. Franchisees have been afforded adequate notice and due process in connection with affording them reasonable information and a reasonable opportunity to make an election to be a Participating Franchisee by means of notices served upon them by Debtor, by being furnished with copies of operative documents (including without limitation, the Sale Motion, relevant co-operative and franchise agreements, addenda thereto, term sheets, a Uniform Franchise Offering Circular in the case of GCO franchisees and the opportunity to be present at presentations), by having an opportunity to rescind their elections and to consult with their own counsel.

S. The sale is affirmatively supported by the Official Franchisees' Committee and Foothill Capital Corporation.

T. Notwithstanding any other provision herein, any accounts receivable assigned to Buyer are assigned subject to rights, claims and defenses of account debtors, including set-off and recoupment but without any right of the account debtor to receive any monies from Buyer.

U. A Response of CarpetMax Canada, Inc. to Debtor's Motion for an Order authorizing the Assumption and Assignment of CarpetMax Canada Franchise Agreement was filed November 9, 2000 together with attachments thereto (collectively "CarpetMax Canada Response") and the parties have agreed to a resolution of issues raised therein as set forth in this Order.

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

1. The Bidding Procedures Order is hereby ratified and reaffirmed in all respects.

2. The Sale Motion and the Canadian Motion be, and they hereby are, granted, to the extent set forth herein.

3. All objections, if any, to the Sale Motion, the Canadian Motion or the relief requested therein that have not been withdrawn, waived, or settled, and all reservations of right therein, are overruled on the merits.

4. The terms and conditions of this Sale Order, and the transactions contemplated hereby, are hereby approved in all respects.

5. The sale of the Assets pursuant to the terms of this Sale Order, is hereby authorized and directed under Section 363(b) of the Bankruptcy Code.

6. Pursuant to Sections 363(b) and 365 of the Bankruptcy Code, the Debtors are hereby authorized, directed, and empowered to fully assume, perform under, consummate, and implement the relief granted by the terms of this Sale Order, together with executing and delivering all additional instruments and documents that may be reasonably necessary or desirable to implement this Sale Order and to take all further actions as may reasonably be requested by the Buyer for the purpose of assigning, transferring, granting, conveying, and conferring to the Buyer, or reducing to possession, any or all of the Assets as may be necessary or appropriate to the performance of the obligations contemplated by this Order.

7. Closing on the transactions contemplated by this Sale Order shall occur on or about November 15, 2000, unless modified by the parties, but shall be effective as of November 14, 2000 so long as said sale closes (the date the transaction closes is the "Closing Date"). The purchase price has been established as Eight Million Seven Hundred Thousand Dollars ($8,700,000) calculated according to Schedule 2 of the Term Sheet and is based on the certification to the Court by Carpet Co-op of America Association (hereinafter "CCAA") as set forth in **Exhibit 1** that based upon the list of purchases/sales received from Debtors (i) the 192 Flooring America franchisees that have elected to join FA Cooperative, Inc. as of Friday, November 10, 2000 have an aggregate "1999 purchase volume" of

approximately $148,246,000, and (ii) the 52 GCO franchisees that have elected to join the Stone Mountain Carpet Mill Outlet, Inc. as a franchisee by noon on Saturday, November 11, 2000 have an aggregate "1999 sales volume" of approximately $81,725,000 (collectively (i) and (ii) along with any other franchisee that elects to participate are referred to the "Participating Franchisees.") (FA Cooperative, Inc. and Stone Mountain Carpet Mill Outlet, Inc. are individually and collectively referred to as "CCAA System".) For purposes of applying Schedule 2 to the Term Sheet, the "1999 purchase volume" against which the threshold shall be applied for Flooring America Franchisees shall be $217,582,000. For purposes of applying Schedule 2 to the Term Sheet, the "1999 sales" volume against which the threshold shall be applied for GCO Franchisees shall be $104,544,178. The purchase price is to be reduced by $149,975.00 being the adjustment referred to in the Term Sheet based upon an actual inventory taken at the Debtors' warehouses. The purchase price will also be subject to a post-closing adjustment as set forth in the Term Sheet for each Flooring America franchisee which becomes a member of FA Cooperative, Inc., and each GCO franchisee which becomes a franchisee of Stone Mountain Carpet Mill Outlet, Inc. between the Closing Date and the day six months after the Closing Date. Such adjustment shall be made as set forth in the Term Sheet and based on "1999 purchase volume" and "1999 sales volume" as set forth above. Although Buyer is obligated to pay for each existing Flooring America or GCO franchisee that elects to join a CCAA System, Buyer is under no obligation to accept any franchisee that Buyer chooses not to accept; however, any such electing franchisee that is not accepted by Buyer is a Participating Franchisee for purposes of treatment of their claims by Debtor and Buyer and any electing franchisee that is accepted by Buyer is a Participating Franchisee for all purposes. Debtor shall assign and transfer to Buyer all rights, title and interest in and to the claims of the Debtors against vendors for the portion of rebates that the Debtors would have been obligated to pay to Participating Franchisees, subject to any claims, defenses, and counterclaims of any vendor. The Debtors will retain their claims to the remaining portion of the rebates. The assets to be transferred to Buyer shall be the Assets as described on **Exhibit 2** which is attached to this Sale Order

and expressly made a part of this Sale Order, and shall include the accounts receivable of Debtors and notes listed on **Exhibit 2** from those Participating Franchisees who have joined a CCAA System on or before 30 days from the Closing Date and which arose from operations of the Franchise Groups and any and all proceeds collected or "set off" with respect thereto.

8. Pursuant to Sections 105(a) and 363(f) of the Bankruptcy Code, except as provided herein, the Assets shall be transferred to the Buyer free and clear of all liens, claims, encumbrances, licenses, sublicenses, assignments, or interests of any kind whatsoever, including without limitation any liens, claims, encumbrances, licenses, sublicenses, assignments, or interests of the United States, any state, municipality, or other governmental unit, and also including without limitation any environmental, warranty, and product liability claims, with all such liens, claims, encumbrances, licenses, sublicenses, assignments, or interests of any kind or nature whatsoever to attach to the proceeds of the transactions contemplated by this Sale Order in the order of their priority, with the same validity, force, and effect which they now have against the Assets, subject to any claims or defenses the Debtors may possess with respect thereto.

9. All persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax, and regulatory authorities, licensees, lenders, trade and other creditors, and other present and future claimants holding liens, claims, encumbrances, licenses, sublicenses, assignments, or interests of any kind or nature whatsoever against or in the Debtors or the 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 Assets, the operation of the Debtors' businesses prior to the Closing Date, or the transfer of the Assets to the Buyer, including without limitation any environmental, warranty, and product liability claims, are hereby forever barred, estopped, and permanently enjoined from asserting against the Buyer, its successors or assigns, its property, or the Assets, such persons' or entities' liens, claims,

encumbrances, licenses, sublicenses, assignments, or interests, except for liabilities expressly assigned hereunder or under the operative documents between Buyer, the Debtor and Participating Franchisees.

10. Except as provided herein, the transfer of the Assets to the Buyer, on the terms contained in this Sale Order, constitutes a legal, valid, and effective transfer of the Assets, and shall vest the Buyer with all right, title, and interest of the Debtors in and to the Assets free and clear of all liens, claims, encumbrances, licenses, sublicenses, assignments, and interests of any kind or nature whatsoever, including without limitation any environmental, warranty, and product liability claims.

11. The transfer of the Assets, on the terms contained in this Sale Order, is a transfer pursuant to Section 1146(c) of the Bankruptcy Code in that the transactions contemplated by this Sale Order are determined to be under or in contemplation of a plan to be confirmed under Section 1129 of the Bankruptcy Code, and accordingly shall not be taxed under any federal, state, local, municipal or other law imposing or claiming to impose a stamp tax or a sale, transfer, or any other similar tax on any of the Debtors' transfers or sales of real estate, personal property, or other assets (including the Assets) owned by them.

12. Pursuant to Sections 105(a) and 365 of the Bankruptcy Code, and subject to and conditioned upon the closing of the transactions contemplated by this Order, (i) the Debtors' rejection of the Rejected Contracts, (ii) the Debtors' assumption and assignment to the Buyer of the Canadian Agreement, and (iii) the Solicitation of the Franchise Groups by Buyer, are hereby approved, and the requirements of Section 365(b)(1) of the Bankruptcy Code with respect thereto have been satisfied. The franchise agreements with all franchisees that are not Participating Franchisees are hereby rejected except that the deadline for Carpet Center of Cleveland, Inc. ("CCC") to elect to become a Participating Franchisee is extended to November 22, 2000. The CCC franchise agreement will be rejected effective as of November 23, 2000, without further order of this Court, in the event that CCC does not elect to be a Participating Franchisee on or before November 22, 2000. If CCC does not elect to become a Participating Franchisee the respective rights of CCC and the Debtors are reserved as to each other.

including but not limited to, any claims of CCC for rebates which shall be resolved during the normal claims reconciliation procedure. In the event that CCC does elect to become a Participating Franchisee, the CCC franchise agreement shall be terminated as of the date of said election. Debtors shall have until December 31, 2000 to notify all franchisees whose contracts have been rejected and advising them of their right to file a claim for damages subject to any applicable claims bar date.

13. The Debtors are hereby authorized and directed in accordance with Sections 105(a) and 365 of the Bankruptcy Code to (i) assume and assign to the Buyer the Canadian Agreement, effective upon the closing of the transactions contemplated by this Sale Order, except as provided herein, free and clear of all liens, claims, encumbrances, licenses, sublicenses, assignments, and interests of any kind or nature whatsoever; (ii) execute and deliver to the Buyer such documents or other instruments as may be necessary to assign and transfer the Canadian Agreement to the Buyer, and (iii) execute and deliver to Buyer such documents or other instruments as may be necessary for implementing and completing the transaction contemplated by this Sale Order.

14. Except for liabilities expressly assigned hereunder or under the operative documents between Buyer, the Debtor and Participating Franchisees, the Canadian Agreement shall be transferred to, and remain in full force and effect for the benefit of, the Buyer in accordance with its respective terms, notwithstanding any provision in the Canadian Agreement (including those of the type described in Sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits, restricts, or conditions such assignment or transfer and, to the extent set forth in Section 365(k) of the Bankruptcy Code, the Debtors shall be relieved from any further liability with respect to the Canadian Agreement after such assumption and assignment to the Buyer upon the Closing Date, except as provided herein.

15. Debtor shall, at the time of assumption and assignment, pay up to $68,000 US in full and complete satisfaction to cure the defaults set forth in the CarpetMax Canada Response. With respect to the terms and conditions of the Canadian Agreement (which Buyer believes is comprised of the January 19, 1994 Agreement as amended on September 26, 2000 and which CarpetMax Canada, Inc.

believes is set forth in the CarpetMax Canada Response) shall be agreed to by and between Buyer and CarpetMax Canada, Inc. provided that if they cannot agree, Buyer and CarpetMax Canada, Inc. will arbitrate the terms as set forth in the Agreement dated January 19, 1994 by and between Maxim Group, Inc. and CarpetMax, Canada, Inc. Neither CarpetMax Canada, Inc. nor any party in privity with CarpetMax Canada, Inc. is a Participating Franchisee. Nothing contained in this Sale Order shall in any way affect the ability of CarpetMax Canada, Inc. to assert its position regarding the terms of the Canadian Agreement as set forth in the CarpetMax Canada Response.

16. Except for the right of those franchisees of Debtor that elect to join a CCAA System to be paid the rebates due such franchisee from December 1, 1999, to the Closing Date, upon Closing, each nondebtor party to the Canadian Agreement except as provided herein, and each franchisee of the Franchise Groups, hereby is forever barred, estopped, and permanently enjoined from asserting against the Buyer, its property, or the Assets, any default relating to such Canadian Agreement, except as provided herein, or franchise agreements existing as of the date of the Sale Approval Hearing, or asserting against the Buyer, or the Buyer's property, or the Assets, any counterclaim, defense, setoff, or any other claim asserted or assertable against the Debtors. Nevertheless, each franchisee has the right to assert as an offset against the accounts receivables and notes of such franchisee purchased by Buyer, and to assert as an offset any and all claims which such franchisee has against the Debtors except that in no event shall the Buyer be obligated to pay any amounts to a franchisee arising from the franchisee's claims against Debtor. Rather, each franchisee shall reserve the right to assert such claim against the Debtors including, but not limited to, any positive credit balances and the $8,000 per GCO license credit which the Debtors have agreed represents the settlement of amounts owed to each GCO franchisee as the result of alleged breaches and/or the rejection of contracts between the Debtors and a Participating GCO Franchisee relating to Color Tile. Any claims asserted by the franchisees that elect to join a CCAA System which are asserted against the Debtors shall be subject to any claims, defenses, setoffs, recoupment or counterclaims which the Debtors may have against such franchisees. If the amount of the

retained claims exceeds the amount owed by the Participating Franchisee, the Participating Franchisee shall be entitled to assert a general unsecured claim in the bankruptcy cases. The Debtors shall retain any and all rights to object to allowance of such claim. No settlement between the Participating Franchisee and Buyer shall be binding on the Debtors, which shall be entitled to contend that, notwithstanding any settlement as between Buyer and the Participating Franchisee, the valid amount due and owing by the Participating Franchisee exceeds the valid amount of any claims of a Participating Franchisee against the Debtors. Debtors shall not assert any claims against a Participating Franchisee that arises from such Participating Franchisee having been a franchisee except as a defense against a claim asserted against Debtor by such Participating Franchisee. Except as provided in the preceding paragraph, all rights and claims of Franchisees against the Debtors' Estates under the Sale Motion (including Exhibit A and Schedules 5(a) and 5(b) thereto) are expressly reserved to franchisees.

17. Except as otherwise expressly provided for in this Order, on or before the Closing Date, each of the Debtors' creditors is authorized, and upon Debtors request, will execute such documents and take all other actions as may be necessary to release its liens, claims, encumbrances, licenses, sublicenses, assignments, or interests in the Assets, if any, as such liens, claims, encumbrances, licenses, sublicenses, assignments, and interests may have been recorded or may otherwise exist.

18. Except as provided herein, this Sale Order (i) is a determination that, on the Closing Date, all liens, claims, encumbrances, or interests of any kind or nature to use the intellectual property or other property purchased by Buyer, whatsoever existing with respect to the Assets prior to the Closing have been unconditionally released, discharged, and terminated, as provided herein, and that the conveyances described therein have been effected; and (ii) shall be binding upon and shall govern the acts of all persons or 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 Assets. All trademarks of Debtors that are being sold including the marks listed on **Exhibit 2**, and all registrations and applications pending with respect thereto (the "Marks"), are hereby transferred and assigned to Buyer free and clear of all liens, claims, encumbrances, licenses, sublicenses, assignments, or interests including the right to sue for past infringement and including goodwill of the business associated with the Marks except as provided herein. Non-participating franchisees whose contracts are rejected shall have the greater of thirty (30) days or the notice period imposed upon them by a legal obligation such as a reciprocal easement agreement to remove all signage and cease use of any intellectual property or other property sold by Debtors to Buyer.

19. 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 this Sale Order.

20. If any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens*, or other documents or agreements evidencing liens, claims, licenses, sublicenses, assignments, or interests with respect to the Assets shall not have delivered to the Debtors 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, claims, encumbrances, licenses, sublicenses, assignments, and interests which the person or entity has with respect to the Assets or otherwise, then (i) upon request by the Buyer, 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 Assets; and (ii) the Buyer is hereby authorized to file, register, or otherwise record a certified copy of this Sale Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all liens, claims, encumbrances, and interests in the Assets of any kind or nature whatsoever.

21. All entities that are presently, or on the Closing Date may be, in possession of some or all of the Assets are hereby directed, promptly upon demand, to surrender possession of the Assets to the Buyer. At Buyer's option, Debtors shall cooperate in Buyer's effort to assume the lease of the warehouse space currently leased by Debtors at 3367 Carpet Capital Drive, Dalton, Georgia. If Buyer assumes said lease, the Buyer shall pay all costs to cure any defaults under said lease other than the payment of post-petition rent through the Closing Date.

22. Except for the Canadian Agreement as provided herein and the Rebates which Buyer has agreed to pay to Participating Franchisees for rebates due from the period of December 1, 1999, to November 13, 2000, which rebates shall be subject to reconciliation (ante and post, the "Rebates"), the Buyer shall have no liability or responsibility for any liability or other obligation of the Debtors arising under or related to the Assets or the Franchise Groups. Without limiting the generality of the foregoing, and except as otherwise specifically provided herein, the Buyer shall not be liable for any claims against the Debtors or any of their predecessors or affiliates, and the Buyer shall have no successor or vicarious liabilities of any kind or character, whether known or unknown, as of the Closing Date, now existing or hereafter arising, whether fixed or contingent, including without limitation any claims of or against the Debtors, any affiliates of the Debtors, and the Assets for any and all environmental, warranty, and product liability claims by any person or entity whatsoever, including, but not limited to, liabilities on account of any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of the businesses prior to the Closing Date. The Buyer shall have no liability for any claim by any person or entity against the Debtors, any affiliates of Debtors, or the Assets which is pending in a court of competent jurisdiction anywhere in the United States or elsewhere as of the Closing Date; rather, any liability as may be established for such claims shall attach only to the proceeds of the purchase price according to such claim's validity and priority under applicable law.

23. Except as provided herein, under no circumstances shall the Buyer be deemed a successor of or to the Debtors for any lien, claim, encumbrance, license, sublicense, assignment, or interest against or in the Debtors or the Assets of any kind or nature whatsoever. Except for the Canadian Agreement as provided herein and the Rebates, the sale, transfer, assignment, and delivery of the Assets shall not be subject to any liens, claims, encumbrances, licenses, sublicenses, assignments, or interests, and any liens, claims, encumbrances, licenses, sublicenses, assignments, or interests of any kind or nature whatsoever shall remain with, and continue to be obligations of, the Debtors. Except as provided herein, all persons or entities holding any liens, claims, encumbrances, licenses, sublicenses, assignments, or interests against or in the Debtors or the Assets of any kind or nature whatsoever shall be, and hereby are, forever barred, estopped, and permanently enjoined from asserting, prosecuting, or otherwise pursuing such liens, claims, encumbrances, licenses, sublicenses, assignments, or interests of any kind or nature whatsoever against the Buyer, its property, its successors and assigns, or the Assets with respect to any lien, claim, encumbrance, license, sublicense, assignment, or interest of any kind or nature whatsoever such person or entity had, has, or may have against or in the Debtors, their estates, officers, directors, shareholders, or the Assets. Following the Closing Date, no holder of a lien, claim, encumbrance, license, sublicense, assignment, or interest against the Debtors or the Assets shall interfere with the Buyer's title to or use and enjoyment of the Assets based on or related to such lien, claim, encumbrance, license, sublicense, assignment, or interest, or any actions that the Debtors may take in their chapter 11 cases.

24. This Court retains jurisdiction to construe, enforce and implement the terms and provisions of this Sale Order, 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 (i) compel delivery of the Assets to the Buyer, (ii) resolve any disputes arising under or related to the terms of this Sale Order, (iii) interpret, implement, and enforce the provisions of this Sale Order, and

(iv) protect the Buyer against any liens, claims, encumbrances, and interests against the Debtors or the Assets, of any kind or nature whatsoever.

25. Nothing contained in any plan of liquidation confirmed in this case or any order of this Court confirming such plan shall conflict with or derogate from the provisions of this Sale Order, as they affect the Buyer or the Participating Franchisees.

26. The transfer of the Assets pursuant to the transactions contemplated by this Sale Order shall not subject the Buyer to any liability with respect to the operation of the Debtors' businesses prior to the Closing Date or by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, on any theory of law or equity, including, without limitation, any theory of equitable subordination or successor or transferee liability.

27. The transactions contemplated by this Sale Order, are undertaken by the Buyer in good faith, as that term is used in Section 363(m) of the Bankruptcy Code. Accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the transactions contemplated by this Sale Order, shall not affect the validity of such transactions as to the Buyer, unless such authorization is duly stayed pending such appeal. The Buyer is a purchaser in good faith of the Assets, and is entitled to all of the protections afforded by Section 363(m) of the Bankruptcy Code.

28. The terms and provisions of this Sale Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, their estates, and their creditors, as well as the Buyer, and their respective affiliates, successors, and assigns, and shall be binding in all respects upon any affected third parties including, but not limited to, all persons or entities asserting any liens, claims, encumbrances, licenses, sublicenses, assignments, or interests against or in the Assets to be sold to the Buyer pursuant to this Sale Order, 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.

29. The Term Sheet originally contemplated that the parties would enter into an Asset Acquisition Agreement that would replace the Term Sheet and pursuant to which the sale would occur. However, as a result of the time constraints involved in this transaction, the parties agreed to allow the sale to occur subject to the terms and conditions set forth in this Sale Order. The Court finds that the parties have satisfied the intent of the Term Sheet and no further rights or remedies shall arise out of the Term Sheet, except as otherwise set forth herein. The following documents are approved as to form and substance as superceding and fully implementing the Sale Motion as to the Participating Franchisees:

a. Election Form (Flooring America Franchisees).

b. FA Cooperative, Inc. Co-op Member Agreement.

c. Addendum to FA Cooperative, Inc. Co-op Member Agreement.

d. By Laws of FA Cooperative, Inc.

e. Carpet Co-op of America Letter to Flooring America Franchisees (11/01/00).

f. Signature Page (Election Form For GCO Franchisee).

g. Second Addendum to Stone Mountain Carpet Mill Outlet, Inc. Franchise Agreement (effective as of 11/11/2000).

h. Letter from Carpet Co-op to prospective GCO Franchisees (undated; undertaken to amend By-Laws).

i. Addendum to Co-op Member Agreement (Stone Mountain Cooperative, Inc.).

30. This Sale Order is a final order and enforceable upon entry. To the extent necessary under Rules 5003, 9006, 9014, 9021, and 9022 of the Federal Rules of Bankruptcy Procedure, and due to the high likelihood of a very rapid decline in the value of the Assets, this Court expressly finds that there is no just reason for delay in the implementation of this Sale Order and expressly directs

entry of judgment as set forth herein, and the ten-day stay imposed by Federal Rule of Bankruptcy Procedure 6004(g) is hereby modified and shall not apply to the transactions contemplated by this Sale Order. Time is of the essence in closing the transactions contemplated by this Sale Order, and the Debtors and the Buyer intend to close such transactions as soon as possible, therefore the Debtors are authorized immediately to consummate the sale of the Assets to Buyer without delay, and the Buyer constitutes a purchaser in good faith of the Assets, and is entitled to all of the protections afforded by Section 363(m) of the Bankruptcy Code, in immediately closing the transactions contemplated by this Sale Order. Therefore, any party objecting to this Sale Order must exercise due diligence in filing an appeal and pursuing a stay or risk their appeal being foreclosed as moot.

31. Following the Closing Date, Buyer shall make available to the Debtors, at the Debtors' expense, business records acquired by Buyer in the sale and transfer to Buyer of the Assets to the extent reasonably requested by the Debtors to complete their tax returns and satisfy other statutory and regulatory requirements imposed on Debtors prior to the Closing Date. In addition, the Debtors shall comply with the terms of the Transition Procedure and which is memorialized in summary in **Exhibit 3** which is attached hereto and expressly made a part of this Sale Order. Debtors agree that anyone who currently works for Debtors may, after closing, commence work with Buyer.

32. Because some GCO franchisees may attempt to assert alleged rescission rights, Debtors will hold in escrow $300,000 of the purchase price paid as of the Closing Date for twenty (20) days from the Closing Date, to be refunded as an adjustment against any reduction in said purchase price in the event any GCO franchisees timely and validly rescind their agreement. Any GCO franchisee that timely and validly rescinds its agreement shall not be considered a Participating Franchisee

33. Ninety (90) days after closing, Debtors shall refrain from using the Flooring America or GCO and Georgia Carpet Outlet names (except whenever necessary in respect to legal proceedings and the administration of Debtors' Estates).

34. Buyer shall pay the purchase price directly to Foothill Capital Corporation, toward satisfaction of its lien on the Assets and in consideration of Foothill Capital Corporation's release of its lien on the Assets except that: $40,629.04 shall be paid to Debtors to be held in escrow pursuant to paragraph 37; $68,000 shall be paid to Debtors to be held pursuant to paragraph 15; $300,000 shall be held in escrow pursuant to paragraph 32; any such monies that are not expended satisfying the claims for which such money was reserved and held in escrow shall, upon determination that holders of such claims are not entitled to any of the monies reserved or escrowed, be paid to Foothill Capital Corporation

35. Armstrong World Industries, Inc. ("Armstrong") and Triangle Pacific Corp. ("Triangle") are vendors with which Flooring America, Inc. ("FAI") has executory contracts (the "Executory Contracts") providing for, among other things, payment of rebates to FAI. Armstrong and Triangle filed limited objections to the Sale Motion insofar as it proposed to transfer rebate rights to the purchaser without assuming and assigning to the purchaser the Executory Contracts. To resolve these limited objections, FAI stipulated on the record at the November 2 hearing in this case that it would not transfer to CCAA any rebate or other contractual rights involving Armstrong or Triangle except through assumption and assignment of the Executory Contracts in accordance with Section 365 of the Bankruptcy Code. Armstrong and Triangle have requested that FAI assume and assign the Executory Contracts to CCAA on specified terms. CCAA has agreed to accept assignment of the Executory Contracts subject to Armstrong and Triangle agreeing to modify the Executory Contracts to conform them with the existing contracts Armstrong and Triangle have with CCAA and Armstrong and Triangle have agreed to so modify their Executory Contracts. FAI has agreed to either assume and assign or reject Armstrong's Executory Contract dependent upon verification that Armstrong's rebate and account balance figures are accurate and that Armstrong's proposed credits, recoupments and setoffs satisfy the legal requirement of mutuality. Armstrong and Triangle have provided to FAI written statements showing their rebate and account balance figures and proposed credits, recoupments, and setoffs, including actual rebate figures through September 30, 2000. On or before November 17, 2000, FAI shall

in writing (i) notify Armstrong and CCAA of its decision either to reject or to assume and assign the Executory Contract with Armstrong, and if it decides to assume and assign, whether it has any disagreement with Armstrong's rebate figures (through September 30, 2000) and account balance figures or with Armstrong's satisfying mutuality and, if so, describe each such disagreement and (ii) notify Triangle and CCAA of its decision either to reject or to assume and assign the Executory Contract with Triangle and, if it decides to assume and assign, whether it has any disagreement with Triangle's rebate figures (through September 30, 2000) and account balance figures or with Triangle's satisfying mutuality and, if so, describe each such disagreement. On or before November 17, 2000, Armstrong and Triangle shall provide to FAI written statements showing their actual rebate figures for the month of October, 2000 (the "October Rebates"), and on or before November 30, 2000, FAI shall in writing notify Armstrong, Triangle and CCAA whether it has any disagreement with the October Rebates and, if so, describe each such disagreement. On or before December 15, 2000, Armstrong and Triangle shall provide to FAI written statements showing their actual rebate figures for the partial month of November 1, 2000 through November 13, 2000 (the "November Rebates"), and on or before December 20, 2000, FAI shall in writing notify Armstrong, Triangle and CCAA whether it has any disagreement with the November Rebates and, if so, describe each such disagreement. On or before December 30, 2000, FAI shall file and serve (a) as to Armstrong's Executory Contract, either a stipulation by FAI, Armstrong and CCAA setting forth the agreed terms of assumption and assignment or a motion to assume and assign subject to the Court's deciding any unresolved dispute between FAI and Armstrong concerning the rebate figures, account balance figures and/or mutuality, and (b) as to Triangle's Executory Contract, either a stipulation by FAI, Triangle and CCAA setting forth the agreed terms of assumption and assignment or a motion to reject or to assume and assign subject to the Court's deciding any unresolved dispute between FAI and Armstrong concerning the rebate figures, account balance figures and/or mutuality. FAI shall retain two-thirds of any rebates payable by Armstrong or Triangle to Debtors and the remaining one-third shall be divided between FAI and CCAA as set forth in

Exhibit 2. Any and all notifications to be sent or materials to be provided pursuant to this Paragraph 35, shall be as follows:

For materials or notices to Armstrong/Triangle:

William B. Sullivan
Womble Carlyle Sandridge & Rice
P.O. Drawer 84
Winston-Salem, NC 27102
Fax: 336-733-8365
E-Mail: wsullivan@wcsr.com

For material s or notices to FAI:

Michael S. Haber
Smith, Gambrell & Russell
Suite 3100, Promenade II
1230 Peachtree Street, N.E.
Atlanta, GA 30309-3592
Fax: 404-685-6834
E-Mail: mhaber@sgrlaw.com

For materials or notices to CCAA:

Mark J. Temkin
Riezman Berger, P.C.
7th Floor Bonhomme Place
7700 Bonhomme Avenue
Clayton, MO 63105
Fax: 314-727-6458
E-Mail: temkin@riezmanberger.com

36. Debtors shall, at Buyer's request, promptly move the Court for an Order assuming and assigning pursuant to 11 USC §365 Debtor's contracts with Cendant, Prism, State Farm and Freddie Mac or any of them, and upon assumption shall assign such contracts for which Buyer has made the request to Debtors. If Buyer makes such a request, Buyer will be responsible for all costs and other aspects of cure, if any, of those contracts it has requested to be assumed prior to an assumption under the Bankruptcy Code.

37. The objection of Malkin Carpets, Inc., to the sale is hereby overruled and the Debtor is directed to escrow in a separate account $40,629.04 (the "Malkin Escrowed Funds") from the

remaining sums in the dealer rebate account with all express trust claims, if any, of Malkin Carpets, Inc., attaching to the Malkin Escrowed Funds pending further determination of the Court. Nothing herein shall impair any rights or claims of Foothill Capital Corporation against the Malkin Escrowed Funds.

38. Nothing contained in this Sale Order shall be deemed to obviate the agreement between Debtor and CarpetMax Canada, Inc. which is being assumed by Debtor and assigned to Buyer by the terms of this Sale Order.

39. The Court's findings of fact and conclusions of law satisfy the requirement of Fed.R.Civ.P. 52 applicable herein by reason of Bankruptcy Rule 9014.

40. It is hereby made the Order of this Court that, as between Buyer and any Participating Franchisee, there shall be no termination charge or fee imposed on any franchisee who exits the co-operative or franchise organizations because it is ceasing business so long as such franchisee has "closed its business" and does not operate a flooring business, directly or indirectly, for six months after such exit.

41. Notwithstanding any provision in or construction of any document to the contrary, Buyer's obligation to pay cash rebates to Participating Franchisees from December 1, 1999 to October 31, 2000 shall be absolute and unconditional (subject to reconciliation and liquidation of such claim), but free of any offset or counterclaim arising from a claim which Debtors had against the franchisee.

42. The existing franchise agreements of Participating Franchisees are hereby found to have been terminated.

43. Notwithstanding any other provision herein, any accounts receivable assigned to Buyer are assigned subject to rights, claims and defenses of account debtors, including set-off and recoupment but without any right of the account debtor to receive any monies from Buyer.

SO ORDERED, nunc pro tunc as of November 13, 2000 in Atlanta, Georgia

November 17, 2000.

JOYCE BIHARY
UNITED STATES BANKRUPTCY JUDGE

READ, APPROVED AND CONSENTED TO:

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