



SO ORDERED.

SIGNED this 21 day of August, 2009.

**THIS ORDER HAS BEEN ENTERED ON THE DOCKET.
PLEASE SEE DOCKET FOR ENTRY DATE.**

**John C. Cook
UNITED STATES BANKRUPTCY JUDGE**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TENNESSEE
SOUTHERN DIVISION**

In re	§	
	§	
FABRICS ESTATE INC.,	§	Case No. 08-10249
FABRICS ESTATE HOLDINGS INC.,	§	Case No. 08-10250
CONCRETE ESTATE SYSTEMS	§	
CORPORATION,	§	Case No. 08-10252
FABRICS ESTATE INTERNATIONAL	§	
HOLDINGS I INC.,	§	Case No. 08-10253
FABRICS ESTATE INTERNATIONAL	§	
HOLDINGS II INC.,	§	Case No. 08-10254
	§	
Debtors.	§	
	§	Chapter 11
	§	
	§	Jointly Administered Under
	§	Case No. 08-10249

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER
CONFIRMING DEBTORS' FIRST AMENDED JOINT PLAN OF LIQUIDATION
UNDER CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

On January 18, 2008 (the "Petition Date"), Propex Inc. ("Propex"), Propex Holdings Inc., Propex Concrete Systems Corporation, Propex Fabrics International Holdings I Inc., and Propex Fabrics International Holdings II Inc., now known respectively as Fabrics Estate Inc., Fabrics

Estate Holdings Inc., Concrete Estate Systems Corp., Fabrics Estate International Holdings I Inc., Fabrics Estate International Holdings II Inc., each a debtor-in-possession (collectively, the “Debtors”), filed voluntary petitions for relief under Chapter 11, Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of Tennessee, Southern Division (the “Court”).

On June 18, 2009, the Debtors filed their Disclosure Statement for the Joint Plan of Liquidation Filed by Propex Inc., Propex Holdings Inc., Propex Concrete Systems Corporation, Propex Fabrics International Holdings I Inc., and Propex Fabrics International Holdings II Inc., and also filed their Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code. On July 10, 2009, the Debtors filed their First Amended Disclosure Statement for the Joint Plan of Liquidation (as amended, the “Disclosure Statement”) and First Amended Joint Plan of Liquidation (as amended, the “Plan”).

On July 15, 2009, following a hearing, this Court entered an order (the “Disclosure Statement Order”): (i) approving the Disclosure Statement as containing “adequate information” pursuant to Section 1125 of the Bankruptcy Code;¹ (ii) approving the Solicitation Package;² (iii) approving the Voting Record Date for entitlement to the Solicitation Package and to vote on the Plan; (iv) approving solicitation procedures for the solicitation of votes on the Plan; (v) approving the form of Ballots; (vi) fixing voting deadlines; (vii) approving procedures for vote tabulation; (viii) establishing deadlines and procedures for filing objections to confirmation of the Plan; (ix) scheduling a hearing to consider confirmation of the Plan (“Confirmation

¹ The Disclosure Statement Order approved the Disclosure Statement with additional language regarding the Limited Objection of Pension Benefit Guarantee Corporation to the Debtors’ Motion for an Order Approving the Joint Disclosure Statement, filed on July 14, 2009 (Docket No. 1207).

² Terms not defined herein shall have the meanings ascribed to them in the Disclosure Statement Order and the Glossary of Terms accompanying the Plan.

Hearing”) for August 21, 2009 at 9:00 a.m.; and (x) approving the form and manner of notice with respect to the foregoing.

On August 11, 2009, the Debtors filed a Notice of Liquidating Trust Agreement and Consulting Agreement (Docket No. 1276) (the “August 11 Notice”). On August 17, 2009, the Debtors filed an Amended Notice of Liquidating Trust Agreement and Consulting Agreement (Docket No. 1288), which noticed parties in interest that the documents attached to the August 11 Notice are intended to serve as the Plan Supplement for all of the purposes specified in the Plan.

This Court held the Confirmation Hearing on August 21, 2009. Having conducted the Confirmation Hearing, reviewed the Memorandum of Law in Support of Confirmation of the Plan filed by the Debtors on August 20, 2009 and having considered the evidence, exhibits, and records proffered into the record of the Confirmation Hearing (including the testimony of the Debtors’ Agent Woody McGee, and the Declaration of James Katchadurian of Epiq Bankruptcy Solutions, LLC Certifying Voting on, and Tabulation of, Ballots Accepting and Rejecting First Amended Joint Plan of Liquidation, filed by Epiq Bankruptcy Solutions, LLC, the Debtors’ claims, solicitation and balloting agent (the “Solicitation Agent”), who inspected, monitored, and supervised the solicitation process, and served as the tabulator of the ballots, that was filed with the Court on August 20, 2009 (the “Ballot Declaration”), and having considered any remaining objections and the arguments and statements of counsel made at the Confirmation Hearing, and based upon the entire record of these Chapter 11 Cases, THE COURT HEREBY FINDS AS FOLLOWS:

A. Jurisdiction. The Court has jurisdiction over these Chapter 11 Cases and the subject matter of the Confirmation Hearing pursuant to 28 U.S.C. §§ 157 and 1334. Confirmation is a

“core proceeding” pursuant to 28 U.S.C. §§ 157(b)(2) and this Court has jurisdiction to enter this Order with respect thereto.

B. Venue. Venue of these Chapter 11 Cases is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

C. Judicial Notice. This Court takes judicial notice of the record and docket of these Chapter 11 Cases including, without limitation, all pleadings, all proofs of claims and other documents filed, all orders entered, and all evidence and arguments made, proffered or adduced at the hearings held before this Court (including telephonic hearings), in each case during the pendency of these Chapter 11 Cases.

D. Voting Solicitation. The Debtors solicited votes on the Plan by distributing copies of the (a) Disclosure Statement, (b) Plan (which was included as an exhibit to the Disclosure Statement), (c) notice (“Notice”) of (i) the Disclosure Statement Order, (ii) the Confirmation Hearing, (iii) the deadline (“Objection Deadline”) and procedures for filing objections to confirmation of the Plan, and (iv) notice of voting deadlines, and (d) any applicable Ballot, to all impaired creditors entitled to vote on the Plan in conformance with Rules 2002 and 3017 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

E. Notice. The Notice was served in conformance with Bankruptcy Rules 2002, 3017 and 3020 and the Disclosure Statement Order was served to holders of Claims against or Interests in the Debtors and other parties in interest as evidenced by the various affidavits of mailing filed with this Court. The Court finds that (a) copies of the Disclosure Statement, the Plan (attached as Exhibit B to the Disclosure Statement), the Notice, any applicable Ballot, and a postage-paid return envelope were served upon all persons holding Claims in Class 3 by U.S. mail, postage prepaid, on or about July 18, 2009; (b) copies of the Disclosure Statement and the

Notice were served on all parties on the Debtors' master service list by U.S. mail, postage prepaid, on or about July 18, 2009, and (c) a copy of the Notice was served on holders of Claims and Interests in Classes 1, 2, 4, and 5, holders of administrative claims, holders of priority tax claims, parties to executory contracts, and parties on the Debtors' creditor matrix, by U.S. mail, postage prepaid, on or about July 18, 2009. The Court further finds that notice of the Plan, the transactions contemplated thereby and the Confirmation Hearing has been reasonable, adequate, and sufficient in all respects.

F. Tabulation of Acceptances. Based upon the Ballot Declaration, the Solicitation Agent certified that Class 3 voted to accept the Plan. As evidenced by the Ballot Declaration and based upon the record before the Court, the solicitation and tabulation of acceptances and rejections of the Plan by the Solicitation Agent, the Debtors, and their counsel was accomplished in a proper, fair and lawful manner in accordance with the Disclosure Statement Order and/or all applicable sections of the Bankruptcy Code and Bankruptcy Rules. Ballots were transmitted to holders of Claims in Class 3 (the "Voting Class") in accordance with the Disclosure Statement Order. The Debtors solicited votes for the Plan from the Voting Class in good faith and in a manner consistent with the Bankruptcy Code. As evidenced in the Ballot Declaration, upon receipt and tabulation of the Ballots, Class 3 accepted the Plan in the following percentages of votes and percentages of dollar amounts:

- (1) 99.06% of holders and 94.46% in dollar amount of the Claims of holders of Class 3 Claims;

G. Memorandum in Support. The Debtors filed their Memorandum of Law in Support of Confirmation of the Plan on August 20, 2009.

H. Objections and Resolutions. A formal objection to confirmation was filed by:

- (1) The Internal Revenue Service (“IRS”).
 - i. Objection: On August 13, 2009, the IRS filed its Objection to Debtors’ First Amended Joint Plan of Liquidation Under Chapter 11 of the United States Bankruptcy Code (“IRS Objection”) (Docket No. 1280) contending that the term “Effective Date” was not sufficiently defined by the Plan and expressing concern over the timing of payment of its claim against the Debtors. The IRS Objection also raised an issue regarding injunctions under the Plan.
 - ii. Resolution to Objection: The parties resolved the IRS Objection by the language set forth in paragraph I. below.

I. Modification of Plan Language Regarding Injunctions. The Debtors, with the consent of the Committee, have modified the Plan to add the following language to the end of Sections 13.1 and 15.13 of the Plan: “Notwithstanding the foregoing, the terms of the Plan shall not constitute an injunction binding on the United States Department of the Treasury, Internal Revenue Service (“IRS”). The IRS does not contest that all assets of the Debtors’ estates pass to the Liquidating Trust free and clear of all liens, claims, and encumbrances as provided by the Bankruptcy Code and Confirmation Order and that claims of the IRS as to the estates are to be resolved pursuant to the terms of the Plan, the Confirmation Order and in the Bankruptcy proceedings the same as all other creditors.”

J. Granting of the Debtors Expedited Motion for Approval of Settlement with the Pension Benefit Guaranty Corporation (“PBGC”) Pursuant to Bankruptcy Rule 9019. (Docket No. 1281) (“Settlement Motion”). On August 13, 2009, the Debtors filed the Settlement Motion to obtain approval of a settlement (“Settlement”) the Debtors reached with the PBGC, with the

consent of the Committee, regarding a dispute over the PBGC's claims and certain language in the Plan. The Settlement is hereby approved and the Settlement Motion is hereby granted. The terms of the Settlement are approved as follows: (1) The PBGC is granted a Class 2 Allowed Priority Claim in the amount of \$125,000; (2) the PBGC's claim for pension insurance premiums of \$4,632.50 is deemed to have been withdrawn; (3) the PBGC's remaining claims against Fabrics Estate Inc. are Class 3 Allowed General Unsecured Claims, and the corresponding claims against the other Debtors are deemed withdrawn; (4) Section 13.1 of the Plan is hereby modified to include the following language: "Notwithstanding the foregoing or anything to the contrary in this Plan, the Pension Benefit Guaranty Corporation, whether acting on its own behalf or as trustee of the Pension Plans ("PBGC"), is not and shall not be enjoined from any act or action against any Representatives or individuals regarding fiduciary obligations under the Employee Retirement Income Security Act"; provided, however, that all Representatives and individuals reserve all rights they otherwise have at applicable law, and such rights are not affected hereby and (5) the PBGC shall not object to the confirmation of the Plan on any ground.

K. ACE Insurance Policies. In resolution of an informal objection, the Debtors, with the consent of the Committee, agreed to the following provision concerning the Plan. Nothing in the Plan or any related documents, including the Liquidating Trust Agreement, or this Confirmation Order (collectively "Plan Documents"), is intended to alter or modify the Agreed Order Resolving Limited Objection of the Ace Group of Companies to Motion of the Debtors for Order Approving Sale of Substantially All of the Debtors' Assets ("ACE Agreed Order"), entered on July 23, 2009 (Docket No. 1251) with respect to the ACE Policies and Agreements. In addition, nothing in the Plan Documents shall in any way operate to, or have the effect of, enlarging or impairing in any respect the legal, equitable or contractual rights and defenses of the parties to

the ACE Policies and Agreements and applicable non-bankruptcy law with respect to any claims that may be covered under the ACE Policies. The rights and obligations of the parties to the ACE Policies and Agreements shall be determined by the terms of such policies and related agreements, including the terms, conditions, limitations, exclusions and endorsements thereof, and any claim seeking a recovery against the bankruptcy estate shall be resolved in accordance with the terms of the Plan and the Ace Agreed Order.

L. Pending Appeal of Bankruptcy Court's April 15, 2009 Order. The Plan, or this Confirmation Order, shall not affect any parties' rights asserted as part of the appeal of this Court's April 15, 2009 Order granting the Debtors' Emergency Motion Pursuant to 11 U.S.C. §§ 105, 363 and 364 to Pay and Satisfy the 2009 DIP Loan from the Net Proceeds of Sale (Docket No. 1108) (the "Appeal"); provided, however, that in no event shall this provision modify in any way (i) the Plan, (ii) this Confirmation Order or any of its provisions, including but not limited to any injunctions, releases or other provisions in this Confirmation Order and the Plan, and (iii) the Stipulation and Order (Docket No. 1120) entered by this Court on April 20, 2009. Additionally, the rights of any of the parties to the Appeal are preserved to assert positions and defenses regarding the effect of the approval of the Plan and/or entry of the Confirmation Order has upon the Appeal.

M. Reasonable Classification of Claims and Equity Interests (Section 1122(a) and Section 1123(a)(1), (a)(2) and (a)(3)). The Plan designates Classes of Claims and Interests, in compliance with Sections 1122 and Sections 1123(a)(1), (a)(2) and (a)(3) of the Code, in the following five classes: Allowed Secured Claims³ (Class 1), Allowed Priority Claims (Class 2), Allowed General Unsecured Claims (Class 3), Allowed Interests (Class 4), and Allowed

³ As defined in the Plan and the Glossary of Terms, Allowed Secured Claims do not include any Pre-Petition Secured Claims, as those claims have been waived pursuant to the Stipulation.

Holdings Claims and Interests (Class 5). Under the Plan, Allowed Secured Claims (Class 1) and Allowed Priority Claims (Class 2) are unimpaired, and therefore, deemed by law to have accepted the Plan. Allowed General Unsecured Claims (Class 3) are impaired. Holders of Allowed Interests (Class 4) and Allowed Holdings Claims and Interests (Class 5) will receive no distributions under the Plan on account of such Claims and Interests and are deemed to reject the Plan. The classification of Claims and Interests in the Plan is reasonable and necessary, has a rational, justifiable, and good faith basis, and places Claims and Interests in a particular Class where such Claims or Interests are substantially similar to the other Claims or Interests of such Class. Therefore, the Plan satisfies the requirements of Sections 1122(a) and Sections 1123(a)(1), (a)(2) and (a)(3) of the Bankruptcy Code.

N. No Discrimination (Section 1123(a)(4)). Article V of the Plan provides for all holders of Claims and Interests within a particular class to receive identical treatment under the Plan on account of such Claims and Interests. Therefore, the Plan satisfies the requirements of Section 1123(a)(4) of the Bankruptcy Code.

O. Implementation of the Plan (Section 1123(a)(5)). Article VIII, section 13.6, and other provisions of the Plan provide adequate means for implementation of the Plan, including: (a) the creation of the Liquidating Trust; (b) the vesting of the Trust Assets (including without limitation all Cash and Avoidance Actions) in the Liquidating Trust on the Effective Date (without the need to execute any documents or instruments of transfer); (c) the appointment of Eugene I. Davis as the Liquidating Trustee who will manage the affairs of the Liquidating Trust on and after the Effective Date; (d) the authorization of the Liquidating Trust to conserve, protect, collect and liquidate or otherwise convert into cash all assets that constitute part of the Trust Assets and make Distributions to creditors and to pursue or not to pursue causes of action, file

claim objections and set reserves; (e) the power to: (i) do all acts contemplated by the Plan to be done by the Liquidating Trust, (ii) do all other acts that may be necessary or appropriate for the final Distribution of Trust Assets, including the execution and delivery of appropriate agreements or other documents of disposition, liquidation, or dissolution containing terms that are consistent with the terms of the Plan and the Liquidating Trust Agreement and that satisfy the applicable requirements of applicable state law and such other terms to which the applicable entities may agree; and (f) the power to prosecute, in the name of the Liquidating Trust, the Debtors' Estates, or otherwise, any claims of the Debtors' Estates, including Avoidance Actions. In addition, Article IX of the Plan specifies the procedures by which Distributions will be made to holders of Allowed Claims. Accordingly, the Plan provides adequate, proper and legal means for its implementation, thereby satisfying the requirements of Section 1123(a)(5) of the Bankruptcy Code.

P. Equity Securities (Section 1123(a)(6)). The Plan is a liquidating plan and does not provide for the issuance of any nonvoting equity securities; accordingly, Section 1123(a)(6) of the Bankruptcy Code is inapplicable to the Plan.

Q. Selection of Officers and Directors (Section 1123(a)(7)). Under Section 8.9 of the Plan, on the Effective Date, the Debtors' Boards of Directors will be disbanded and all actions thereafter shall be authorized by the Liquidating Trustee pursuant to the Liquidating Trust Agreement. The Liquidating Trustee has the knowledge and experience needed to liquidate the Debtors' remaining assets in a prompt, efficient, and cost-effective manner. The provisions of the Plan regarding the selection and powers of the Liquidating Trustee are consistent with the interests of creditors and with public policy, and satisfy the requirements of Section 1123(a)(7) of the Bankruptcy Code.

R. Impairment or Unimpairment of Claims or Interests (Section 1123(b)(1)). Articles IV and V of the Plan impair or leave unimpaired each class of Claims or Interests in accordance with Section 1123(b)(1) of the Bankruptcy Code and, therefore, the Plan complies with Section 1123(b)(1) of the Bankruptcy Code.

S. Assumption or Rejection of Executory Contracts and Unexpired Leases (Section 1123(b)(2)). Pursuant to Article X of the Plan, the Debtors have exercised sound business judgment in determining that all executory contracts and unexpired leases in the Debtors' Estates that have not been rejected or assumed and assigned pursuant to the Sale Order are rejected as of the Effective Date. Based upon the foregoing, the Plan complies with Section 1123(b)(2) of the Bankruptcy Code.

T. Pursuit of Causes of Action (Section 1123(b)(3)(B)). Sections 8.4.1 and 13.4 of the Plan provide that on and after the Effective Date, the Liquidating Trust will be a representative of the Debtors' Estates pursuant to Bankruptcy Code section 1123(b)(3)(B) and as such the Liquidating Trustee will have the exclusive power to prosecute, in the name of the Liquidating Trust, the Debtors' Estates, or otherwise, any claims or causes of action of the Debtors' Estates, including Avoidance Actions, except for Causes of Action and Avoidance Actions against the Released Parties. The Liquidating Trust will have the sole responsibility and authority to prosecute Avoidance Actions, which include preferences and fraudulent transfers, as defined by the Bankruptcy Code and as discussed in more detail in the Disclosure Statement accompanying the Plan. These provisions comply with Section 1123(b)(3)(B) of the Bankruptcy Code.

U. Plan Compliance With Provisions of the Bankruptcy Code (Section 1123(b)(6)). Pursuant to section 1123(b)(6) of the Bankruptcy Code, Article XIV of the Plan provides that, among other things, this Court shall retain jurisdiction over all matters arising in, arising under,

and related to these Chapter 11 Cases and the Plan, including the prosecution of any adversary proceedings, including, but not limited to, Causes of Action by or on behalf of the Debtors or the Liquidating Trust. Accordingly, the continuing jurisdiction of the Court is consistent with applicable law and is therefore permissible under section 1123(b)(6) of the Bankruptcy Code.

V. Plan Compliance With Provisions of the Bankruptcy Code (Section 1129(a)(1)). The Plan complies with all applicable provisions of the Bankruptcy Code, including, without limitation, Sections 1122, 1123 and 1129 of the Bankruptcy Code. Therefore, the Plan satisfies the requirements of Section 1129(a)(1) of the Bankruptcy Code. In addition, in accordance with Bankruptcy Rule 3016(a), the Plan is dated and identified with the name of the Debtors as proponents of the Plan.

W. Proponent Compliance With Provisions of the Bankruptcy Code (Section 1129(a)(2)). The Debtors, as proponents of the Plan, have complied with the applicable provisions of the Bankruptcy Code, including, without limitation, Sections 1125 and 1126 of the Bankruptcy Code. Therefore, the Debtors have satisfied the requirements of Section 1129(a)(2) of the Bankruptcy Code.

X. Plan Proposed in Good Faith (Section 1129(a)(3)). The Plan was proposed in good faith and not by any means forbidden by law. The Plan was proposed by the Debtors with the honest intent to liquidate (and for the valid business purpose of liquidating) the remaining assets, primarily Cash and potential Avoidance Actions, of the Debtors' Estates in an orderly, efficient and expeditious manner so as to maximize the potential recovery of creditors. The Plan was the product of arms-length, good faith negotiations among the Debtors, the Committee, the Indenture Trustee, the PBGC, and other parties in interest. The Plan and Confirmation Order reflects these negotiations, and is reflective of the legitimate interests of all of the Estates' constituencies. In

determining that the Plan has been proposed in good faith, the Court has examined the totality of the circumstances surrounding the filing of these Chapter 11 Cases and the formulation of the Plan. The Court finds that no Released Party has been alleged to have, or have, committed any act or omission that constitutes gross negligence or willful misconduct or that was not taken in good faith in connection with, relating to, or arising out of (i) these Chapter 11 Cases, (ii) the filing or administration of the Chapter 11 Cases, (iv) the pursuit of confirmation or consummation of the Plan, or (v) the administration of the Estates, the Plan or the property to be distributed under the Plan. The Debtors have satisfied the requirements of Section 1129(a)(3) of the Bankruptcy Code.

Y. Payment of Costs and Expenses (Section 1129(a)(4)). Any payments made or to be made by the Debtors or by a person acquiring property under the Plan, for services or for costs and expenses in or in connection with these Chapter 11 Cases, or in connection with the Plan and incident to these Chapter 11 Cases, have, to the extent required by the Bankruptcy Code, the Bankruptcy Rules or the various orders of this Court, been approved by, or are subject to the approval of, this Court as reasonable. Therefore, the Plan satisfies the requirements of Section 1129(a)(4) of the Bankruptcy Code.

Z. Disclosure of Identities of Officers, Directors and Insiders (Section 1129(a)(5)). Entry of this Order shall constitute the approval of the Liquidating Trustee as a professional person pursuant to the applicable provisions of the Bankruptcy Code. The Plan identifies Eugene I. Davis as the initial Liquidating Trustee, and Mr. Davis's appointment as Liquidating Trustee is hereby approved. The proposed compensation of Mr. Davis has been disclosed and is hereby approved. The Liquidating Trust Agreement, the terms of which will authorize the

actions of Mr. Davis, is also authorized and approved. Accordingly, the Plan satisfies the requirements of Section 1129(a)(5) of the Bankruptcy Code.

AA. No Rate Change (Section 1129(a)(6)). The Plan does not provide for any rate change over which a governmental regulatory commission will have jurisdiction. Therefore, Section 1129(a)(6) is not applicable to the Debtors.

BB. Best Interest of Creditors (Section 1129(a)(7)). With respect to each Class of impaired Claims and Interests in the Debtors, each holder of a Claim or Interest of such Class has either (a) accepted the Plan, or (b) will receive or retain under the Plan on account of such Claim or Interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtors were liquidated on such date under Chapter 7 of the Bankruptcy Code. Therefore, the Plan satisfies the requirements of Section 1129(a)(7) of the Bankruptcy Code.

CC. Plan Acceptance (Section 1129(a)(8)). As evidenced by the Ballot Declaration, the sole Voting Class that voted has accepted the Plan. Classes 1 and 2 are not impaired under the Plan and thus are conclusively presumed to have accepted the Plan pursuant to Section 1126(f) of the Bankruptcy Code. Therefore, with respect to each Class, other than Classes 4 and 5, the Plan satisfies the requirements of Section 1129(a)(8) of the Bankruptcy Code. The Plan provides for no distribution to holders of Allowed Interests in Class 4 or to holders of Allowed Holdings Claims and Interests in Class 5, and pursuant to Section 1126(g), Classes 4 and 5 are deemed to reject the Plan. The Plan does not discriminate unfairly against, and is fair and equitable with respect to, Class 4 Allowed Interests and Class 5 Allowed Holdings Claims and Interests. Specifically, no class of Claims or Interests junior to Classes 4 and 5 shall receive or retain any property under the Plan. Therefore, the Plan satisfies the requirements of Section 1129(b) of the

Bankruptcy Code and can be confirmed notwithstanding the deemed rejection by Classes 4 and 5. Additionally, the estate of Fabrics Estate Holdings Inc. holds no assets, so the failure to provide any distribution to holders of Claims or interests in such estate is fair and equitable.

DD. Plan Treatment of Administrative Claims, Priority Non-Tax Claims and Tax Claims (Section 1129(a)(9)). The Plan satisfies the requirements of Section 1129(a)(9) of the Bankruptcy Code because, except to the extent that the holder of a particular Claim has agreed to different treatment of such Claim, Sections 2.1, 2.4 and 5.2 of the Plan provide that Administrative Claims, Priority Tax Claims and Priority Claims shall be treated in accordance with Section 1129(a)(9) of the Bankruptcy Code.

EE. Acceptance by at Least One Impaired Class (Section 1129(a)(10)). The Plan has been accepted by Class 3. Therefore, the Plan has been accepted by at least one Class of Claims that is impaired under the Plan (which acceptance has been determined without including any acceptance of the Plan by any insider holding a Claim in Class 3). Therefore, the Plan satisfies the requirements of Section 1129(a)(10) of the Bankruptcy Code.

FF. Feasibility (Section 1129(a)(11)). The Plan provides for the liquidation of the Debtors' remaining assets through the transfer of all the Debtors' assets to the Liquidating Trust. The Plan contemplates the liquidation and winding down of the Debtors' Estates; therefore, no subsequent reorganization will ensue after the Effective Date. The Debtors believe that they will be able to timely perform all obligations described in the Plan and, therefore, that the Plan is feasible. Based on the foregoing and the other provisions of the Plan, the provisions of Section 1129(a)(11) of the Bankruptcy Code have been satisfied.

GG. Payment of Fees (Section 1129(a)(12)). Section 1129(a)(12) of the Bankruptcy Code requires the payment of all fees payable under 28 U.S.C. § 1930. Sections 8.8 and 15.3 of the

Plan provide that all such fees and charges due and payable as of the Effective Date will be paid on or before the Effective Date or when otherwise due and that all such post-confirmation fees will be paid by the Liquidating Trust. Accordingly, the Plan satisfies the requirements of Section 1129(a)(12) of the Bankruptcy Code.

HH. Retiree Benefits (Section 1129(a)(13)). Pursuant to this Court's April 15, 2009 order approving the termination of the Debtors' retirement plans and appointing the PBGC as trustee of those plans, there are no retiree benefits to be continued by the Debtors as to any current or former employees. Thus, Section 1129(a)(13) of the Bankruptcy Code is inapplicable to the Debtors.

II. Cramdown (Section 1129(b)). With respect to holders of Class 4 Allowed Interests and Class 5 Allowed Holdings Claims and Interests, who are deemed to reject the Plan, the Plan does not discriminate unfairly against such holders and is fair and equitable. Specifically, no other Class is similarly situated to Class 4. No other Class is similarly situated to Class 5 because Holdings possesses no assets with which to pay Claims or Interests. Further, no Class of Claims or Interests junior to Classes 4 and 5 shall receive or retain any property under the Plan. Therefore, the Plan satisfies the requirements of Section 1129(b) of the Bankruptcy Code and can be confirmed notwithstanding the deemed rejection by Classes 4 and 5. Therefore, the Plan satisfies the requirements of Section 1129(b) of the Bankruptcy Code.

JJ. No Other Plan (Section 1129(c)). Other than the Plan, no Chapter 11 plan has been confirmed in any one or more of the Debtors' Chapter 11 Cases. Therefore, the requirements of Section 1129(c) of the Bankruptcy Code have been satisfied.

KK. Avoidance of Taxes or Application of Securities Laws (Section 1129(d)). No party in interest that is a governmental unit (as defined in the Bankruptcy Code) has objected to the Plan

on the grounds that the principal purpose of the Plan is the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act of 1933, and the Court finds this is not the principal purpose of the Plan; therefore, the Plan satisfies the requirements of Section 1129(d) of the Bankruptcy Code.

LL. Releases, Injunctions and Exculpation. Under the facts and circumstances of these Bankruptcy Cases, the release, injunction and exculpation provisions set forth in the Plan, as they may have been supplemented and modified, and as provided for in this Order, including those set forth in Sections 13.1, 13.2, 13.3, 13.5 and 15.13 of the Plan and as provided for in this Order: (a) are within the jurisdiction of this Court under 28 U.S.C. § 1334; (b) are each an essential means of implementing the Plan pursuant to Section 1123(a)(5) of the Bankruptcy Code; (c) are integral elements of the Plan; (d) confer material benefits on, and thus are in the best interests of, the Debtors, their Estates, their creditors and other parties in interest; (e) are, under the facts and circumstances of these Chapter 11 Cases, reasonable and appropriate and consistent with and permitted pursuant to all applicable provisions of the Bankruptcy Code; and (f) were proposed in good faith and have been negotiated with and have been approved by the Committee and the Debtors. Further, reasonable, adequate, and sufficient notice of and opportunity to be heard with respect to such release, injunction, and exculpation provisions has been provided under the circumstances and such notice and opportunity to be heard has complied with all provisions of the Bankruptcy Code, Bankruptcy Rules, and all other applicable rules and law including, without limitation, Bankruptcy Rules 2002(c)(3), 3016(c), 3017(f), and 3020. No creditor, equity holder or other party in interest, other than the IRS, has objected to any feature of the release, injunction and exculpation provisions of the Plan.

MM. Exemption from Transfer Taxes. Pursuant to Section 1146(a) of the Bankruptcy Code, any and all transfer instruments made or delivered by the Debtors (including, without limitation, any limited or special warranty deeds, quitclaim deeds, and/or bills of sale), whether before or after the entry of this Order, are and shall be transfers under or in contemplation of the Plan and shall not be subject to any stamp tax or similar tax.

NN. Modifications and Supplements to the Plan Do Not Require Resolicitation. Any modifications to the Plan set forth in this Order (“Modifications”) and any supplements to the Plan, do not materially and adversely affect or change the treatment of any Claim against or Interest in the Debtors. Accordingly, pursuant to Section 1127(b) of the Bankruptcy Code and Bankruptcy Rule 3019, the Plan does not require additional disclosure under Section 1125 of the Bankruptcy Code or the resolicitation of acceptances or rejections of the Plan under Section 1126 of the Bankruptcy Code, nor does it require that holders of Claims against or Interests in the Debtors be afforded an opportunity to change previously cast acceptances or rejections of the Plan as filed with the Court. Due and sufficient notice of the Plan has been given in these Chapter 11 Cases.

OO. Good Faith Solicitation. Based upon the record before the Court, the Debtors and their counsel have formulated and filed the Plan, obtained approval of the Disclosure Statement and solicited votes on the Plan all in good faith and in compliance with the applicable provisions of the Bankruptcy Code and are entitled to the protections afforded by Section 1125(e) of the Bankruptcy Code and the exculpatory, injunctive and release provisions set forth in the Plan and herein.

PP. Good Faith. The Debtors, the Committee, and each of their respective officers, directors, employees, participants, subparticipants, consultants, agents, financial advisors,

attorneys, members (and their agents, financial advisors, and attorneys), have acted in good faith and in compliance with the applicable provisions of the Bankruptcy Code pursuant to Sections 363(m), 1125(e) and 1129(a)(3) of the Bankruptcy Code, with respect to the negotiation and proposal of the Plan, the solicitation of acceptances with respect thereto and the property to be distributed thereunder and are entitled to the protections afforded by Section 1125(e) of the Bankruptcy Code and the exculpatory, injunctive and release provisions set forth in the Plan, including (but not limited to) those injunctive and release provisions set forth in sections 13.1, 13.2, 13.3, 13.5 and 15.13 of the Plan, as may have been supplemented and modified, and the terms of this Order.

QQ. Retention of Jurisdiction. The Court may properly, and hereby does, retain jurisdiction with respect to the matters set forth in Article XIV of the Plan.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Confirmation. The Plan (including, without limitation, all exhibits, schedules, provisions, terms and conditions thereto), as amended by this Confirmation Order and the Liquidating Trust Agreement, shall be and hereby is, confirmed, having met the requirements of Section 1129 of the Bankruptcy Code. Any and all objections to the Plan not previously withdrawn or resolved as described in this Order are hereby overruled in their entirety. The terms of the Plan are incorporated herein and are an integral part of this Order. The provisions of this Order are integrated with each other, are mutually dependent and are not severable.

2. Plan Supplement. The August 11 Notice shall be deemed the Plan Supplement for all of the purposes specified in the Plan. The Plan Supplement and the documents contained therein shall be and hereby are approved. Any reference to the Plan contained herein shall be deemed to include the documents contained in the Plan Supplement.

3. Findings of Fact and Conclusions of Law. The findings of this Court set forth above and the conclusions of law stated herein shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding by Bankruptcy Rule 9014. To the extent any provision designated herein as a finding of fact is more properly characterized as a conclusion of law, it shall be so deemed, and vice versa.

4. Compliance with Sections 1122 and 1123 of the Bankruptcy Code. The Plan complies with the requirements of Sections 1122 and 1123 of the Bankruptcy Code.

5. The Plan Modifications. To the extent specifically set forth in this Order, the Plan is hereby modified pursuant to Section 1127 of the Bankruptcy Code as set forth in the Plan, and such modifications are hereby approved.

6. Plan Classification Controlling. The classification of Claims and Interests for purposes of distributions provided for under the Plan shall be governed solely by the terms of the Plan. The classifications and amounts of Claims, if any, set forth in the Ballots tendered or returned by the Debtors' creditors in connection with voting on the Plan (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan, (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims under the Plan for distribution purposes, and (c) shall not be binding on the Debtors or the Liquidating Trust.

7. Confirmation Hearing Record. The record of the Confirmation Hearing shall be, and hereby is, closed as of August 21, 2009.

8. Implementation of the Plan. In accordance with Section 1142 of the Bankruptcy Code, the implementation and consummation of the Plan in accordance with its terms shall be, and hereby is, authorized and approved, and the Debtors, the Liquidating Trustee or any other

person designated pursuant to the Plan shall be, and they hereby are, authorized to execute, deliver, file, and/or record such contracts, instruments, deeds, bills of sale, releases, indentures, and other agreements or documents, whether or not any such contract, instrument, deed, bill of sale, release, indenture, other agreement or document is specifically referred to in the Plan or the Disclosure Statement, and to take such actions as may be necessary, desirable or appropriate to implement, effectuate and consummate the Plan in accordance with its terms. The Liquidating Trust is hereby authorized and directed to make all payments and distributions required under the Plan and to implement the Plan in all respects.

9. Binding Effect. Pursuant to Section 1141 of the Bankruptcy Code, the Plan and this Order shall be legally binding upon and inure to the benefit of the Debtors, the Estates, the Committee, the Liquidating Trust, all holders of Claims against or Interests in the Debtors, and all other parties in interest in these Chapter 11 Cases, whether or not such holders are impaired and whether or not such holders have accepted the Plan, and their respective successors and assigns. Any federal, state, commonwealth, local or other governmental agency or department is hereby directed and ordered to accept any and all documents and instruments necessary, useful or appropriate to effectuate, implement or consummate the transactions contemplated by the Plan or herein.

10. Binding Effect of Prior Court Orders. Pursuant to Section 1141 of the Bankruptcy Code, effective as of the Confirmation Date, but subject to the occurrence of the Effective Date and subject to the terms of the Plan and this Order, all prior orders of this Court entered in these Chapter 11 Cases, all documents and agreements executed by the Debtors as authorized and directed thereunder, and all motions or requests for relief by the Debtors pending before the Court as of the Effective Date shall be, and hereby are, binding upon, and shall inure to the benefit of

the Debtors, the Estates, the Committee, the Liquidating Trust, all holders of Claims against or Interests in the Debtors, and all other parties in interest in these Chapter 11 Cases, whether or not such holders are impaired and whether or not such holders have accepted the Plan, and their respective successors and assigns.

11. Exemption from Transfer Taxes. In accordance with Section 1146(a) of the Bankruptcy Code, any transfers from a Debtor to any other Person or entity pursuant to or in contemplation of the Plan, or any agreement regarding the transfer of title to or ownership of any of the Debtors' real or personal property will not be subject to any stamp tax or similar tax. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental unit in which any instrument hereunder is to be recorded shall be, and hereby is, ordered and directed to accept such instrument without requiring the payment of any such tax or governmental assessment.

12. Vesting of the Debtors' Assets. On the Effective Date, the Liquidating Trust will be established and become effective and title to the Trust Assets will automatically vest in the Liquidating Trust, without the need to execute any documents or instruments of transfer. Without limiting the foregoing, on the Effective Date, the transfer of the Trust Assets (including without limitation all Cash, Avoidance Actions and Causes of Action (other than those released pursuant to the Plan or this Order, including without limitation any Cause of Action, including Avoidance Actions, against a Released Party)) to the Liquidating Trust (i) are or shall be legal, valid and effective transfers of property, (ii) vest or shall vest the Liquidating Trust with good title to such property free and clear of all liens, charges, claims, encumbrances or interests, (iii) do not and shall not constitute avoidable transfers under the Bankruptcy Code or under applicable non-bankruptcy law, and (iv) do not and shall not subject the Liquidating Trust to any liability by

reason of such transfer under the Bankruptcy Code or under applicable non-bankruptcy law, including, without limitation, any laws affecting successor or transferee liability. No further documentation other than that contained herein shall be necessary to demonstrate the vesting of all property of the Debtors and their Estates in the Liquidating Trust on the Effective Date; provided, however, that the Liquidating Trustee shall be and hereby is authorized to execute such further documents and take such further actions as he deems necessary, desirable or appropriate to effectuate the provisions of this Order. None of the Debtors shall have any further rights, title or interest in any of the Trust Assets, and none of the Debtors shall be entitled to receive any portion of any amounts recovered on account of any of the Causes of Action or other liquidation of Trust Assets.

13. Powers of Liquidating Trustee. Without in any way limiting or expanding the provisions of Sections 8.4, 8.9, and 8.13 of the Plan, the Liquidating Trust shall have the rights, powers and duties as set forth in the Plan and the Liquidating Trust Agreement and shall be responsible for administering the Plan under the terms and subject to the conditions set forth in the Plan and the Liquidating Trust Agreement submitted as a Plan document, which is hereby approved. The Liquidating Trust shall have the powers and authority as set forth in the Plan and the Liquidating Trust Agreement, including (but not limited to) the exclusive right to institute, prosecute, enforce, abandon, settle, compromise or release any and all Causes of Action, and to distribute the Trust Assets pursuant to the Plan and the Liquidating Trust Agreement. The Liquidating Trustee shall have the rights, duties and powers of a trustee appointed pursuant to Sections 701, 702, and 1104 of the Bankruptcy Code, as more fully set forth in the Plan and the Liquidating Trust Agreement. The Liquidating Trust may, at any time, request that the Court estimate any contingent or unliquidated Claim pursuant to Section 502 of the Bankruptcy Code

regardless of whether the Debtors or the Liquidating Trustee have previously objected to such Claim or whether the Court has ruled on any such objection. On or after the Effective Date, the Liquidating Trustee shall have the exclusive authority to object to, compromise, settle, otherwise resolve, or withdraw any objections to Claims as contemplated by the Plan and the Liquidating Trust Agreement. The Liquidating Trustee shall on the Effective Date be substituted for the Debtors in any pending contested matter, adversary, appeal or other action or litigation by virtue of this Confirmation Order, with no further action required. The Debtors' primary Counsel, King & Spalding LLP, and the Debtors' Agent, Mr. Woody McGee, shall be relieved of any duties or obligation to pursue or respond to any pending contested matter, adversary, appeal or other action or litigation following the Effective Date.

14. Approval of Liquidating Trust. The provisions of the Plan and Plan Supplement related to the Liquidating Trust, the Liquidating Trustee and the Liquidating Trust Agreement (including without limitation, Article V of the Liquidating Trust Agreement) are hereby approved and incorporated herein by reference. On the Effective Date, the Liquidating Trust Agreement shall be deemed to be effective without any further action on the part of the Debtors or any other party. The designation of Eugene I. Davis as the Liquidating Trustee is hereby approved.

15. Corporate Existence of the Debtors. The Debtors will continue to exist after the Effective Date as legal entities, with all the powers of corporations or limited liability companies under applicable law in the jurisdictions in which they are incorporated or otherwise formed and pursuant to their organic documents and by-laws in effect prior to the Effective Date, except to the extent such articles of incorporation and by-laws or other organizational documents are amended by the Plan, and without prejudice to any right to terminate such existence (whether by merger or otherwise) under applicable law after the date. Following the Final Distribution Date,

the Liquidating Trust may take such actions as to cause the Debtors to be dissolved as deemed appropriate by the Liquidating Trust.

16. Rejection of Executory Contracts and Unexpired Leases. Pursuant to the terms of the Plan, all executory contracts and unexpired leases in the Debtors' Estates that have not been otherwise rejected or assumed and assigned pursuant to the Sale Order or other Court Order are rejected as of the Effective Date. Any contracts that have been assumed by the Debtors, but not assigned under the Sale Order are hereby rejected.

17. Bar to Rejection Damages. Pursuant to Plan Section 10.2, all proofs of Claim for damages allegedly arising from the rejection pursuant to the Plan or this Order of any executory contract or unexpired lease to which a Claimant is a party must be filed with the Bankruptcy Court and served on the Liquidating Trust and its counsel not later than thirty (30) days after the Effective Date. All proofs of Claim for such damages not timely filed and properly served as set forth in the Plan and herein shall be forever barred and discharged and the holder of such a Claim shall not be entitled to participate in any Distribution under the Plan.

18. Retention of Jurisdiction. Pursuant to Article XIV of the Plan, this Court shall retain jurisdiction after the confirmation of the Plan to the fullest extent legally permissible and for any purpose, including jurisdiction necessary to ensure that the provisions of the Plan are carried out. To the extent that the jurisdiction of this Court over such matters is exclusive jurisdiction, it shall remain so.

19. Automatic Stay. The automatic stay arising out of Section 362(a) of the Bankruptcy Code shall continue in full force and effect until the Final Distribution Date and the Estates and the Liquidating Trust shall be entitled to all the protections afforded thereby. All Trust Assets shall remain property of the Liquidating Trust until distributed in accordance with

the Plan and the Liquidating Trust Agreement, and no Person shall at any time have any claim or interest in any Trust Asset except to the extent that such Person is the holder of an Allowed Claim entitled to Distributions under the Plan.

20. No Preclusive Effect on Causes of Action. All Retained Causes of Action are expressly preserved by the Plan, and nothing contained in the Plan, this Order, or the Disclosure Statement shall have the effect of barring, releasing, prejudicing or waiving any of the Retained Causes of Action under the doctrines of preclusion, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), laches, or any other legal or equitable doctrines of preclusive effect, except as otherwise provided in Article XI of the Plan or this Order. Specifically, all Avoidance Actions, excluding those released by Sections 13.3 and 13.4 of the Plan, are retained in the Liquidating Trust and all persons are enjoined from asserting any argument to the contrary. Except as otherwise specifically provided in Sections 13.3 and 13.4 of the Plan or this Order, neither the Plan nor this Order shall operate to bar or estop the Debtors or the Liquidating Trust from commencing any Retained Cause of Action or any other legal action, whether such Retained Cause of Action or other legal action arose prior to or after the Confirmation Date and whether or not the existence of such Retained Cause of Action, or other legal action was disclosed in the Disclosure Statement or whether or not any payment was made or is made on account of any Claim. As provided by Section 13.1, Section 13.3 and Section 13.4 of the Plan, neither the Debtors nor the Liquidating Trust shall be allowed to pursue any Cause of Action, including Avoidance Actions, against a Released Party.

21. Satisfaction of Claims. Except as provided for in the Plan or herein, the rights afforded in the Plan or in this Order and the treatment of all Claims and Interests under the Plan shall be in exchange for and in complete satisfaction and release of all Claims, whether known or

unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in the Debtors or their Estates that arose prior to the Effective Date.

22. Release by Debtors of Certain Parties. Except as otherwise specifically provided in the Plan or Plan Supplement, as of the Effective Date, the Released Parties are hereby released from and shall not have or incur any liability for any act taken or omission made in good faith in connection with or in any way related to (a) negotiating, formulating, implementing, confirming, administering, or consummating the Plan, the Disclosure Statement or any Plan Document, or other agreement or document created in connection with or related to the Plan, the Disclosure Statement, any plan of reorganization or liquidation or disclosure statement of any of the Debtors, or the administration of these Chapter 11 Cases, or (b) any liability, Claim or Cause of Action (including Avoidance Actions), whether known or unknown, asserted or unasserted, belonging to or assertable by the Debtors or the Estates against the Released Parties, from the beginning of time until the Effective Date. On the Effective Date, the individuals described in the following sentence shall be forever irrevocably and unconditionally released and discharged from any and all Claims, actions, suits, debts, accounts, Causes of Action (including Avoidance Actions) agreements, promises, damages, judgments, demands and liabilities which the Debtors may have against them, whether held directly, indirectly, or derivatively, which are in any way related to the Debtors, and arise from facts, circumstances, events or conditions occurring or otherwise existing prior to the Effective Date. The Persons released hereby are all the Debtors' representatives, including all Persons who have served as directors or officers or Persons serving in similar capacities of any of the Debtors on and after the Petition Date, including but not limited to William C. Oehmig, T. Hunter Nelson, Richard D. Paterson, Gene G. Stoeber, Perry D. Odak,

Woody McGee, William S. Brant, Hugh McClain, Randy Powell, Martin T. (Tim) deVries, Lee McCarter and Richard Franks.

23. **Release by Holders of Claims and Interests.** EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED FOR IN THE PLAN, ON THE EFFECTIVE DATE, EACH ENTITY (OTHER THAN A DEBTOR) THAT HAS HELD, HOLDS OR MAY HOLD A CLAIM OR INTEREST, IN CONSIDERATION FOR THE OBLIGATIONS OF THE DEBTORS UNDER THE PLAN AND THE CASH AND OTHER INSTRUMENTS, CONTRACTS, RELEASES, AGREEMENTS OR DOCUMENTS TO BE DELIVERED IN CONNECTION WITH THE PLAN, SHALL HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND FOREVER, RELEASED AND DISCHARGED EACH RELEASED PARTY FROM ANY CLAIM OR CAUSE OF ACTION EXISTING AS OF THE EFFECTIVE DATE ARISING FROM, BASED ON OR RELATING TO, IN WHOLE OR IN PART, THE SUBJECT MATTER OF, OR THE TRANSACTION OR EVENT GIVING RISE TO, THE CLAIM OR INTEREST OF SUCH ENTITY, AND ANY ACT, OMISSION, OCCURRENCE OR EVENT IN ANY MANNER RELATED TO SUCH SUBJECT MATTER, TRANSACTION, CLAIM, INTEREST OR OBLIGATION; PROVIDED, HOWEVER, THAT THIS PARAGRAPH SHALL NOT RELEASE ANY RELEASED PARTY FROM ANY CAUSE OF ACTION HELD BY A GOVERNMENTAL ENTITY EXISTING AS OF THE EFFECTIVE DATE BASED ON (i) THE INTERNAL REVENUE CODE OR OTHER DOMESTIC STATE, CITY OR MUNICIPAL TAX CODE, (ii) THE ENVIRONMENTAL LAWS OF THE UNITED STATES OR ANY DOMESTIC STATE, CITY OR MUNICIPALITY, (iii) ANY CRIMINAL LAWS OF THE UNITED STATES OR ANY DOMESTIC STATE, CITY OR

MUNICIPALITY, OR (iv) ANY SECURITIES LAWS OF THE UNITED STATES OR ANY DOMESTIC STATE, CITY OR MUNICIPALITY.

24. Setoffs. The Debtors or the Liquidating Trust may, but shall not be required to, set off against any Claim and the payments to be made pursuant to the Plan in respect to such Claim, claims of any nature that the Debtors may have had against such holder. Neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Liquidating Trust of any such claim that the Debtors, their Estates, or the Liquidating Trust may have against such holder.

25. Exculpation and Limitation of Liability. The Released Parties shall not have or incur, and are hereby released from, any claim, obligation, cause of action, or liability to one another or to any holder of any Claim or Interest, any other party-in-interest, or any of their respective agents, employees, representatives, financial advisors, relatives, attorneys or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of these Chapter 11 Cases, the negotiation and filing of the Plan, the filing of the Chapter 11 Cases, the pursuit of confirmation or consummation of the Plan, or the administration of the Estates, the Plan, or the property to be distributed under the Plan. No holder of any Claim or Interest, or other party-in-interest, or their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, or successors or assigns of the foregoing, shall have any right of action against the Released Parties for any act or omission in connection with, relating to, or arising out of the filing or administration of the Chapter 11 Cases, any action taken in connection with the filing of the Chapter 11 Cases, the pursuit of confirmation or consummation of the Plan, or the administration of the Plan. The release, exculpation and limitation of liability

pursuant to this paragraph shall not apply to acts or omissions that constitute gross negligence or willful misconduct or acts or omissions that were not taken in good faith.

26. Injunction. THE SATISFACTION, RELEASES, EXCULPATIONS, LIMITATION OF LIABILITY, AND DISCHARGES PURSUANT TO THIS ORDER AND/OR THE PLAN SHALL ACT AS A PERMANENT INJUNCTION AGAINST ANY PERSON OR ENTITY COMMENCING OR CONTINUING ANY ACTION, EMPLOYMENT OF PROCESS, OR ACT TO COLLECT, OFFSET, OR RECOVER ANY CLAIM OR CAUSE OF ACTION SATISFIED, RELEASED OR DISCHARGED UNDER THE PLAN OR THIS ORDER TO THE FULLEST EXTENT AUTHORIZED OR PROVIDED BY THE BANKRUPTCY CODE OR OTHER APPLICABLE LAW, INCLUDING, WITHOUT LIMITATION, TO THE EXTENT PROVIDED FOR OR AUTHORIZED BY THE BANKRUPTCY CODE. As provided for in the Plan, this Confirmation Order shall be deemed to permanently enjoin all persons that have held, currently hold or may hold a Claim against, or be owed obligations by, the Estates, or who have held, currently hold, or may hold an interest in any Debtor, from taking any of the following actions on account of such claim or interest: (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against any Debtor, any of their Representatives, or the Liquidating Trust; (ii) enforcing, levying, attaching, collecting, or otherwise recovering in any manner or by any means, directly or indirectly, any judgment, award, decree, or order against any Debtor, any of their Representatives, or the Liquidating Trust; (iii) creating, perfecting or enforcing in any manner, directly or indirectly, any lien, charge, encumbrance or other Lien of any kind against any Debtor, their property, any of their Representatives, or the Liquidating Trust; (iv) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any debt, liability or obligation due to any

Debtor, any of their Representatives, or the Liquidating Trust; and (v) proceeding in any manner, directly or indirectly, in any place whatsoever against any Debtor, any of their Representatives, or the Liquidating Trust. Further, this Confirmation Order shall constitute and provide for an injunction by the Bankruptcy Court as of the Effective Date against any holder of a Tax Claim, except as provided in the Plan Supplement and as provided otherwise herein, from commencing or continuing any action against any responsible person or officer or director of any Debtor or any of its Debtor Affiliates.

27. Post-Effective Date Fees and Expenses. Upon the Effective Date, any requirement that professionals comply with Sections 327 through 331 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date will terminate, and the Liquidating Trust will employ and pay professionals in the ordinary course of business.

28. Dissolution of the Committee. The Committee shall cease operating and dissolve on the Effective Date, except the Committee shall remain in existence for the limited purposes of (i) filing fee applications for fees incurred in these Chapter 11 Cases and (ii) litigating any pending litigation or appeal to which the Committee is a party and is ongoing as of the Effective Date.

29. Professional Compensation Claims. Unless otherwise ordered by this Court, each professional employed during the Chapter 11 Cases prior to the Effective Date, and all other professionals and other entities requesting compensation or reimbursement of expenses pursuant to the Bankruptcy Code for services rendered before the Effective Date, (including compensation requested by any professional or other entity for making a substantial contribution in these Chapter 11 Cases), shall be required to file a final application with the Court for allowance of a Professional Fees Claim for services rendered and reimbursement of expenses incurred through

the Effective Date within forty-five (45) days after the Effective Date or by such other deadline as may be fixed by the Court.

30. Effect of Reference to the Plan in this Order. The failure to reference or discuss any particular provision of the Plan or Plan Supplement, as the case may be, in this Order shall have no effect on the validity, binding effect and enforceability of such provision, and each provision of the Plan or Plan Supplement, as the case may be, shall have the same validity, binding effect and enforceability as if fully set forth in this Order.

31. Notice of Plan Confirmation and Effective Date. Pursuant to Bankruptcy Rule 3020(c), on or before the fifth day following the Effective Date, the Liquidating Trustee shall serve notice of (i) entry of this Order; (ii) the deadline established herein for filing Professional Fees Claims; (iii) the deadline established for filing rejection damage claims; (iv) the occurrence of the Effective Date; and (v) such other matters that the Debtors deem appropriate as provided in Bankruptcy Rule 2002(f) and pursuant to the Plan, substantially in the form attached hereto as Exhibit A, which form is hereby approved (the "Plan Confirmation Notice"). The Plan Confirmation Notice shall be sent by first class mail, postage prepaid, by the Debtors to all holders of Claims against or Interests in the Debtors and other parties which are entitled to receive notice.

32. Headings. Headings utilized herein are for convenience of reference only, and shall not constitute a part of the Plan or this Order for any other purpose.

33. Inconsistencies. In the event of any inconsistencies between the Plan and the Disclosure Statement, any exhibit to the Plan or Disclosure Statement or any other instrument or document created or executed pursuant to the Plan, the Plan shall govern and control.

34. Final Order/No Rule 3020(e) Stay. This Order is a Final Order and the period in

which an appeal must be filed shall commence immediately upon the entry hereof. Pursuant to Bankruptcy Rule 3020(e), this Order shall be effective immediately upon its entry.

35. Applicable Non-Bankruptcy Law. Pursuant to Sections 1123(a) and 1142 of the Bankruptcy Code, the provisions of this Order, the Plan and any amendments or modifications thereto shall apply and be enforceable notwithstanding any otherwise applicable nonbankruptcy law.

36. Service. Counsel for the Debtors is directed to serve a copy of this Order on all parties on the Master Service List within three (3) days of the entry of this Order and to file a certificate of service with the Clerk of Court.

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Prepared and presented by:

KING & SPALDING LLP

By: /s/ Mark W. Wege
Henry J. Kaim
Texas Bar No. 11075400
HKaim@kslaw.com
Mark W. Wege
Texas Bar No. 21074225
MWege@kslaw.com
Edward L. Ripley
Texas Bar No. 16935950
ERipley@kslaw.com
1100 Louisiana, Suite 4000
Houston, Texas 77002
Telephone: (713) 751-3200
Fax: (713) 751-3290

- and -

Shelley D. Rucker
Tennessee Bar No. 010098
Miller & Martin PLLC
832 Georgia Avenue, Suite 1000
Chattanooga, TN 37402-2289
Phone: (423) 785-8289
Fax: (423) 785-8480
Email: srucker@millermartin.com

ATTORNEYS FOR THE DEBTORS

EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TENNESSEE
SOUTHERN DIVISION**

In re	§	
	§	
FABRICS ESTATE INC.,	§	Case No. 08-10249
FABRICS ESTATE HOLDINGS INC.,	§	Case No. 08-10250
CONCRETE ESTATE SYSTEMS	§	
CORPORATION,	§	Case No. 08-10252
FABRICS ESTATE INTERNATIONAL	§	
HOLDINGS I INC.,	§	Case No. 08-10253
FABRICS ESTATE INTERNATIONAL	§	
HOLDINGS II INC.,	§	Case No. 08-10254
	§	
Debtors.	§	
	§	
	§	Chapter 11
	§	
	§	Jointly Administered Under
	§	Case No. 08-10249

**NOTICE OF CONFIRMATION OF PLAN, OCCURRENCE OF THE EFFECTIVE
DATE OF THE PLAN, AND VARIOUS DEADLINES**

PLEASE TAKE NOTICE that on August 21, 2009, the Honorable John C. Cook, United States Bankruptcy Judge for the Eastern District of Tennessee has entered the Findings of Fact, Conclusions of Law and Order (the “Confirmation Order”) confirming the Debtors’ First Amended Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code, dated July 10, 2009 (as amended and/or supplemented, the “Plan”) filed by debtors and debtors-in-possession (collectively, the “Debtors”) Fabrics Estate Inc., Fabrics Estate Holdings Inc., Concrete Estate Systems Corp., Fabrics Estate International Holdings I Inc. and Fabrics Estate International Holdings II Inc.¹ Capitalized terms that are used but not defined in this Notice shall have the meanings ascribed to such terms in the Plan.

PLEASE TAKE FURTHER NOTICE that copies of the Confirmation Order and the Plan may be obtained at the Office of the Clerk of the United States Bankruptcy Court for the Eastern District of Tennessee, 31 East 11th Street, Chattanooga, Tennessee during regular business hours.

PLEASE TAKE FURTHER NOTICE that pursuant to the Plan, the automatic stay of Section 362 of the Bankruptcy Code was in existence on the date of the confirmation of the Plan and shall continue in full force and effect until the Final Distribution Date occurs under the Plan and the Debtors, their Estates, and the Liquidating Trust shall be entitled to all of the protections afforded thereby, all in accordance with the Plan;

¹ The Debtors were formerly known as Propex Inc., Propex Holdings Inc., Propex Concrete Systems Corporation, Propex Fabrics International Holdings I Inc., and Propex Fabrics International Holdings II Inc.

PLEASE TAKE FURTHER NOTICE that the Effective Date of the Plan occurred on August _____, 2009.

NOTICE IS FURTHER GIVEN THAT the Confirmation Order provides, among other things, the following deadlines:

Professional Compensation: Any Person holding a Professional Fees Claim must file a final application with the Bankruptcy Court for allowance of a Professional Fees Claim for services rendered and reimbursement of expenses incurred through the Effective Date within forty-five (45) days after the Effective Date of the Plan or by such other deadlines as may be fixed by the Bankruptcy Court. Any such person who fails to file a timely application with the Bankruptcy Court will be forever barred from seeking such compensation from the Debtors, the Consolidated Debtor and their Estates.

Rejection Damage Claims Bar Date: Any holder of a Claim arising out of the rejection of any executory contract or unexpired lease, whether rejected pursuant to the Plan or pursuant to any other order of the Court, must file a proof of claim with Court at the address specified above within thirty (30) days after the Effective Date. Any person seeking to assert such a Claim who fails to file a proof of claim within the period set forth above will be deemed to have waived said Claim, and it will be forever barred.