

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

In re: ) Chapter 11  
)  
COLLINS & AIKMAN CORPORATION, et al.<sup>1</sup> ) Case No. 05-55927 (SWR)  
) (Jointly Administered)  
Debtors. )  
) (Tax Identification #13-3489233)  
)  
) Honorable Steven W. Rhodes

**STIPULATION BY AND BETWEEN THE DEBTORS AND WILLIAMSTON  
PRODUCTS, INC. REGARDING THE SALE OF ASSETS AT DEBTORS'  
WILLIAMSTON, MICHIGAN FACILITIES FREE AND CLEAR OF  
LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS**

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This Stipulation regarding the Order Approving Asset Purchase Agreement for the Sale of Assets at Debtors' Williamston, Michigan Facilities Free and Clear of Liens, Claims, Encumbrances and Other Interests and Related Relief [Docket No. 4391] (the "Sale Order") is made as of April 5, 2007, by and between the above-captioned debtors (collectively, the "Debtors") and Williamston Products, Inc. ("Williamston").

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<sup>1</sup> The Debtors in the jointly administered cases include: Collins & Aikman Corporation; Amco Convertible Fabrics, Inc., Case No. 05-55949; Becker Group, LLC (d/b/a/ Collins & Aikman Premier Mold), Case No. 05-55977; Brut Plastics, Inc., Case No. 05-55957; Collins & Aikman (Gibraltar) Limited, Case No. 05-55989; Collins & Aikman Accessory Mats, Inc. (f/k/a the Akro Corporation), Case No. 05-55952; Collins & Aikman Asset Services, Inc., Case No. 05-55959; Collins & Aikman Automotive (Argentina), Inc. (f/k/a Textron Automotive (Argentina), Inc.), Case No. 05-55965; Collins & Aikman Automotive (Asia), Inc. (f/k/a Textron Automotive (Asia), Inc.), Case No. 05-55991; Collins & Aikman Automotive Exteriors, Inc. (f/k/a Textron Automotive Exteriors, Inc.), Case No. 05-55958; Collins & Aikman Automotive Interiors, Inc. (f/k/a Textron Automotive Interiors, Inc.), Case No. 05-55956; Collins & Aikman Automotive International, Inc., Case No. 05-55980; Collins & Aikman Automotive International Services, Inc. (f/k/a Textron Automotive International Services, Inc.), Case No. 05-55985; Collins & Aikman Automotive Mats, LLC, Case No. 05-55969; Collins & Aikman Automotive Overseas Investment, Inc. (f/k/a Textron Automotive Overseas Investment, Inc.), Case No. 05-55978; Collins & Aikman Automotive Services, LLC, Case No. 05-55981; Collins & Aikman Canada Domestic Holding Company, Case No. 05-55930; Collins & Aikman Carpet & Acoustics (MI), Inc., Case No. 05-55982; Collins & Aikman Carpet & Acoustics (TN), Inc., Case No. 05-55984; Collins & Aikman Development Company, Case No. 05-55943; Collins & Aikman Europe, Inc., Case No. 05-55971; Collins & Aikman Fabrics, Inc. (d/b/a Joan Automotive Industries, Inc.), Case No. 05-55963; Collins & Aikman Intellimold, Inc. (d/b/a M&C Advanced Processes, Inc.), Case No. 05-55976; Collins & Aikman Interiors, Inc., Case No. 05-55970; Collins & Aikman International Corporation, Case No. 05-55951; Collins & Aikman Plastics, Inc., Case No. 05-55960; Collins & Aikman Products Co., Case No. 05-55932; Collins & Aikman Properties, Inc., Case No. 05-55964; Comet Acoustics, Inc., Case No. 05-55972; CW Management Corporation, Case No. 05-55979; Dura Convertible Systems, Inc., Case No. 05-55942; Gamble Development Company, Case No. 05-55974; JPS Automotive, Inc. (d/b/a PACJ, Inc.), Case No. 05-55935; New Baltimore Holdings, LLC, Case No. 05-55992; Owosso Thermal Forming, LLC, Case No. 05-55946; Southwest Laminates, Inc. (d/b/a Southwest Fabric Laminators Inc.), Case No. 05-55948; Wickes Asset Management, Inc., Case No. 05-55962; and Wickes Manufacturing Company, Case No. 05-55968.



WHEREAS, on May 17, 2005, the Debtors filed petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (the “Bankruptcy Code”), in the United States Bankruptcy Court for the Eastern District of Michigan (the “Bankruptcy Court”); and

WHEREAS, on March 23, 2007, Collins & Aikman Plastics, Inc. (“Plastics”), Collins & Aikman Corporation (“C&A”) and Williamston entered into that certain Amended and Restated Asset Purchase Agreement (the “Purchase Agreement”); and

WHEREAS, on March 28, 2007, the Bankruptcy Court entered the Sale Order; and

WHEREAS, the Purchase Agreement and the Sale Order require Plastics to transfer to Williamston certain Designated Equipment (as defined in the Purchase Agreement), including, among other things, the “Intelligence System”; and

WHEREAS, after entry of the Sale Order, Plastics informed Williamston that certain rights with respect to the Intelligence System are subject to that certain Technology License Agreement (the “License Agreement”), dated as of December 20, 2001, between and among Textron, Inc., C&A and Collins & Aikman Products Co.; and

WHEREAS, pursuant to the Purchase Agreement and the Sale Order, Plastics is required to transfer to Williamston certain Assumed Contracts (as defined in the Purchase Agreement); and

WHEREAS, in furtherance of the parties’ rights and obligations under the Purchase Agreement, and in accordance with the Sale Order, the parties desire to effect the proper transfers of certain rights with respect to the Intelligence System and the Assumed Contracts to Williamston; and

WHEREAS, C&A, Plastics or their Affiliates (as defined in the Purchase Agreement) may after Closing (as defined in the Purchase Agreement) receive payments from Third Party (as defined in the Purchase Agreement) customers under the Assumed Contracts which may, in whole or in part, belong to Williamston (the “Misdirected Payments”); and

WHEREAS, the parties closed the transactions authorized and directed by the Purchase Agreement and the Sale Order on March 30, 2007, but wish to establish terms allowing the resolution of the above issues after Closing; and

WHEREAS, the Purchase Agreement and the Sale Order authorize and direct the parties to take such actions as are reasonably necessary to close the sale.

NOW THEREFORE, it is hereby stipulated and agreed by and between the parties to this Stipulation, through their undersigned counsel, that:

1. Within five (5) business days after Closing, C&A, Products and Williamston shall enter into a sub-license agreement satisfactory to Williamston in its sole discretion that will convey to Williamston the economic value that Williamston bargained for under the Purchase Agreement relating to the Intelliquence System (the “Sub-License”).

2. The Debtors shall use their best efforts to resolve issues relating to the License Agreement and the Intelliquence System so as to maintain Williamston’s rights under the Sub-License.

3. The Debtors shall give Williamston ten (10) days advance written notice of the Debtors’ intention to transfer, amend, terminate, assign or take any other action in respect of the License Agreement or the Intelliquence System.

4. In the event that (a) Williamston does not receive, for any reason, under the Sub-License the economic value that Williamston bargained for under the Purchase Agreement

relating to the Intelliquence System, or (b) the Debtors or any of their successors, including any trustee or examiner, transfer, terminate, amend, assign or take any other action in respect of the License Agreement that adversely affects Williamston's rights under the Sub-License, Williamston shall be entitled to seek to recover from the Debtors' estates the amount necessary for Williamston to receive the economic value that Williamston bargained for under the Purchase Agreement relating to the Intelliquence System. In the event Williamston seeks such a recovery, the Debtors reserve their rights with respect to the amounts sought in such recovery.

5. If the Debtors, or any of their Affiliates receive any payments from Third Parties that (a) are reimbursements for amounts expended by Williamston for tooling necessary for Williamston to complete performance of any Assumed Contract (the "Tooling Payments"), or (b) otherwise are Misdirected Payments, the Debtors or their Affiliates shall hold the Tooling Payments and the Misdirected Payments, as applicable, in trust for the benefit of Williamston, and shall remit such payments to Williamston as soon as reasonably practicable, but in no event later than five (5) business days after receipt of such amounts. The Tooling Payments and Misdirected Payments shall be deemed not property of the bankruptcy estates of the Debtors or any of their Affiliates.

6. To the extent that (a) Williamston incurs obligations accrued prior to Closing in performance of the Assumed Contracts that are classified as "facility costs" which are not reimbursable by any Third Party, and (b) it is determined that those facility costs had been represented by the Debtors or their agents to have been obligations that were to be paid by the Debtors prior to Closing, then Williamston reserves its rights to seek such amounts from the Debtors' estates and the Debtors reserve their rights with respect thereto.

7. The Bankruptcy Court shall retain jurisdiction (and the Debtors and Williamston consent to such retention of jurisdiction) to resolve any disputes or controversies arising from or related to this Stipulation. Any request for relief brought before the Bankruptcy Court to resolve a dispute arising from or related to this Stipulation shall be brought on proper notice and in accordance with relevant Federal Rules of Bankruptcy Procedure and Local Rules for the Bankruptcy Court of the Eastern District of Michigan.

8. This Stipulation comprises the entire agreement between the parties in respect of the subject matter hereof.

9. This Stipulation may be executed in multiple counterparts, any of which may be transmitted by facsimile, and each of which shall be deemed an original, but all of which together shall constitute one instrument.

10. This Stipulation shall not be modified, altered, amended or vacated without written consent of all parties hereto. Any such modification, alteration, amendment or vacation, in whole or in part, shall be subject to the approval of the Bankruptcy Court.

11. The terms and conditions of this Stipulation shall be immediately effective and enforceable upon the entry of the order approving this Stipulation.

**KIRKLAND & ELLIS LLP**

*/s/ Ray C. Schrock*

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