

**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 THE MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY RESOLVING CONCERNS  
RELATED TO THE DEBTORS' FIRST AMENDED JOINT PLAN OF  
COLLINS & AIKMAN AND ITS DEBTOR SUBSIDIARIES**

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This Stipulation is made as of October 5, 2007 by and between the Debtors (as defined below) and the Michigan Department of Environmental Quality resolving concerns related to the First Amended Joint Plan of Collins & Aikman and Its Debtor Subsidiaries. This Stipulation was authorized by and substantially conforms to the provisions of the Order

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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.

Confirming the First Amended Joint Plan of Collins & Aikman Corporation and Its Debtor Subsidiaries, dated July 18, 2007 [Docket No. 7827] (the "Confirmation Order").

Whereas, on May 17, 2005, Collins & Aikman Corporation and its affiliated Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"), which cases have been jointly administered under Case No. 05-55927 (SWR) (collectively, the "Bankruptcy Cases");

Whereas, the Debtors own certain property known as the Wickes Effluent Pond (a/k/a the Mancelona Pond) in Mancelona, Antrim County, Michigan that is allegedly the source of environmental contamination at the Wickes Effluent Pond Site or the Facility, which is allegedly a site of environmental contamination;

Whereas, the Michigan Department of Environmental Quality ("MDEQ") alleges that certain Debtors, to wit Wickes Manufacturing Company, have liability under Part 201 of Michigan's Natural Resources and Environmental Protection Act (NREPA), MCL §§ 324.20101-324.20142 and its rules for response activities and/or response activity costs with respect to the Facility;

Whereas, on or about January 10, 2006, MDEQ asserted a claim in the Bankruptcy Cases in the amount of \$1,864,055.90, which included approximately \$1,835,580.00 in estimated future response activity costs it expected to incur if it has to perform the response activities for which the Debtors allegedly are liable;

Whereas, the Debtors filed their proposed chapter 11 plan on or about February 9, 2007, which provides for the sale and distribution of all of the Debtors' assets and the dissolution or termination of the Debtors' estates following the effective date of the Debtors' chapter 11 plan;

Whereas, the Debtors' proposed chapter 11 plan as filed on February 9, 2007, did not provide for the performance of response activities to address the alleged contamination at the Facility;

Whereas, MDEQ objects to any chapter 11 plan that fails to address environmental contamination allegedly caused by the Debtors at the Facility in contravention of Michigan's environmental laws designed to protect public health, welfare and the environment unless the Debtors and MDEQ reach a settlement of such concerns;

Whereas, on July 18, 2007, the Bankruptcy Court entered an order [Docket No. 7827] confirming the First Amended Joint Plan of Collins & Aikman and its Debtor Subsidiaries [Docket No. 7731].

Whereas, the Parties hereto, without admission of liability by any Party hereto, desire to settle, compromise and resolve the claims and contentions of the MDEQ as provided herein;

NOW THEREFORE, in consideration of the mutual promises contained herein and for good and valuable consideration, receipt of which is hereby acknowledged; it is hereby stipulated and agreed to by and between the Parties hereto, subject to the approval of the Bankruptcy Court:

**1. Definitions.**

Bankruptcy Cases shall have the meaning set forth in the recitals to this Stipulation.

Bankruptcy Code shall have the meaning set forth in the recitals to this Stipulation.

Bankruptcy Court shall mean the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division.

Debtors shall mean Collins & Aikman Corporation and its affiliated debtors, as debtors and debtors-in-possession, as set forth in the caption.

Effective Date shall mean the effective date of the Plan.

Escrow Agreement shall mean the escrow agreement for the Governmental Agencies as provided for in the Plan.

Facility shall mean any area of the Property identified in Attachment 1 hereto where a hazardous substance in concentrations that exceed the requirements of Section 20120a(1)(a) or (17) of NREPA, Section 324.20120a(1)(a) or (17), or the cleanup criteria for unrestricted residential use under Part 213, Leaking Underground Storage Tanks, of the NREPA has been released, deposited, disposed of, or otherwise has come to be located; and any other area, place, or property where a hazardous substance in concentrations that exceed these requirements or criteria has come to be located as a result of the migration of the hazardous substance from the Property.

Governmental Agencies shall mean the MDEQ, the New Hampshire Department of Environmental Services and the United States Environmental Protection Agency.

MDEQ shall mean the Michigan Department of Environmental Quality and any successor department or agency.

NREPA shall mean Michigan's Natural Resources and Environmental Protection Act.

Parties shall mean the MDEQ and the Debtors.

Part 201 shall have the meaning set forth in the recitals to this Stipulation.

Plan shall mean the First Amended Joint Plan of Collins & Aikman Corporation and Its Debtor Subsidiaries dated July 9, 2007 [Docket No. 7731].

Property shall mean any and all portions of the Debtors' real and personal property located in Section 20, T29N, R6W, Mancelona Township, Antrim County, Michigan, all as more specifically described in Attachment 1 hereto.

State shall mean MDEQ and the Michigan Department of Attorney General, acting on behalf of MDEQ.

Stipulation shall mean this Stipulation between the Parties.

**2. Terms and Conditions.**

a. On the Effective Date, the Debtors shall pay to the MDEQ \$607,143.00, which represents MDEQ's share of the Governmental Agencies' base settlement proceeds. The funds shall be paid directly into the State of Michigan's Environmental Response Fund as follows:

Revenue Control Unit  
Financial and Business Services Division  
Michigan Department of Environmental Quality  
P.O. Box 30657  
Lansing, MI 48909-8157

Via courier:  
Revenue Control Unit  
Financial and Business Services Division  
Michigan Department of Environmental Quality  
Constitution Hall, 5th Floor, South Tower  
525 West Allegan Street  
Lansing, MI 48933-2125

To ensure proper credit, all payments made pursuant to this Stipulation shall reference the Wickes Effluent Pond Site, the Collins & Aikman Bankruptcy Case No. 05-55927 (SWR) and the RRD Account Number RRD2208. A copy of all correspondence that is sent to the Revenue Control Unit shall also be provided to the Contact People for the State as set forth in Paragraph 12 of this Stipulation.

b. Should the conditions that trigger payment of the escrowed funds to the Governmental Agencies as provided in the Confirmation Order occur, the escrow agent shall pay MDEQ's share as provided in the Escrow Agreement directly into the State of Michigan's Environmental Response Fund.

c. MDEQ shall have an allowed administrative claim in the Bankruptcy Cases of \$607,143.00, which shall be satisfied fully and finally by the payment described in Paragraph 2a of this Stipulation and any amount owed to MDEQ pursuant to Paragraph 2b of this Stipulation, if the Plan as modified by the Confirmation Order is consummated, or if an alternative plan that is proposed by the Debtors or another party is confirmed and consummated, provided that the alternative plan provides the same treatment for the Governmental Agencies' claims as the Confirmation Order. If, however, the

Bankruptcy Cases are converted to cases under Chapter 7 of the Bankruptcy Code or a plan is confirmed that does not provide for the treatment set forth in this Stipulation for the MDEQ, then MDEQ shall have an allowed administrative claim, binding upon any future trustee, successor to the Debtors, or alternate plan proponent, of \$1,500,000.00.

d. By the Effective Date, the Debtors shall turn over to the MDEQ all files and records in their possession (or copies of such information) pertaining to the environmental conditions at or associated with the Property and the former Wickes Manufacturing Plant (now owned by Dura Operating Corp.), including, site-specific data prepared by Debtors' consultants. This shall include paper documents, electronic databases, spread sheets and other electronic files and records in Debtors' possession.

**3. Future Disposition of the Property.**

The MDEQ will not object to the Debtors' abandonment of the Property subject to the terms of this Stipulation, which shall be effective on the Effective Date.

**4. Access.**

a. Prior to the Effective Date and the abandonment, the Debtors shall execute and record the easement of access in gross to the Property, a copy of which is attached as Attachment 2 hereto.

b. Prior to the Effective Date and the abandonment, the Debtors shall execute and record the restrictive covenant prohibiting the use of groundwater at the Property and providing any other use restrictions necessary to protect public health and safety and to ensure that there is no interference with the protectiveness of any response activities taken at the Property. A copy of the restrictive covenant is at Attachment 3 hereto.

c. The Debtors shall leave "as is" all monitoring wells, including off-site monitoring wells to the extent permitted by any access agreement between the Debtors and the

owner of the property on which the monitoring wells are located and, if the monitoring wells are locked, will provide the MDEQ with keys to such locks that are in their possession.

d. The Debtors shall provide to MDEQ copies of any agreements in their possession that they have entered into for the installation of and access to off-site monitoring wells.

e. The Debtors shall provide the MDEQ with any keys in their possession to the gate to the fenced portion of the Property.

**5. Covenant Not to Sue.**

The State covenants not to bring a civil judicial or civil administrative action or take any other civil action against the Debtors or any trust created pursuant to the Plan, including, without limitation, the Post-Consummation Trust (as defined in the Plan), including seeking injunctive relief for the remediation of the Facility. However, nothing contained herein shall waive or release any claim MDEQ may have against any purchaser of assets that were previously owned by the Debtors.

**6. Owner/Operator Status.**

The State shall not be deemed an owner or operator of the Property on account of this Stipulation or actions contemplated thereby.

**7. Approvals.**

The Confirmation Order (paragraph 90) authorizes the Debtors to enter into this Stipulation. This Stipulation shall become effective on the Effective Date.

**8. Modifications.**

This Stipulation may not be modified without the prior written consent of the Parties hereto or their successors in interest and approval of the Bankruptcy Court, if necessary.

9. **Jurisdiction.**

The Bankruptcy Court has jurisdiction over the subject matter of this Stipulation and personal jurisdiction over the Parties with respect to this Stipulation. The Bankruptcy Court shall retain jurisdiction over the subject matter of this Stipulation and over the Parties hereto for the duration of the performance of the terms and provisions of this Stipulation for the purpose of enabling any of the Parties to apply to the Bankruptcy Court for such further relief as may be necessary or appropriate to effectuate or enforce compliance with its terms.

10. **Parties Bound.**

This Stipulation shall be binding upon the Parties and their respective successors and assigns.

11. **Contact People**

Whenever under the terms of this Stipulation documentation is required to be sent by one party to another, it shall be directed to the individuals at the addresses specified below via U.S. Mail or overnight mail or courier service, unless those individuals or their successors give notice of a change in address to the other party in writing pursuant to this Section.

A. As to the State:

1. As to MDEQ:

Kathe Corson, Bankruptcy Coordinator  
Compliance and Enforcement Section  
Remediation and Redevelopment Division  
Michigan Department of Environmental Quality  
P.O. Box 30426  
Lansing, MI 48909-7926  
Phone: 517-335-3396  
Fax: 517-241-9581



Via courier:

Kathe Corson, Bankruptcy Coordinator  
Compliance and Enforcement Section  
Remediation and Redevelopment Division  
Michigan Department of Environmental Quality  
Constitution Hall, 4th Floor, South Tower  
525 West Allegan Street  
Lansing, MI 48933-2125

2. As to the MDAG:

Assistant in Charge  
Environment, Natural Resources, and Agriculture Division  
Michigan Department of Attorney General  
G. Mennen Williams Building, 6th Floor  
525 West Ottawa Street  
Lansing, MI 48933  
Phone: 517-373-7540  
Fax: 517-373-1610

B. As to the Debtors:

General Counsel  
Collins & Aikman Corporation  
26533 Evergreen Road, Suite 900  
Southfield, MI 48076  
Phone: 248-728-4500  
Fax: 248-728-4894

with a copy to:

David Eaton  
Ray Schrock  
Kirkland & Ellis LLP  
200 East Randolph Drive  
Chicago, IL 60601  
Phone: 312-861-2000  
Fax: 312-861-2200

**12. Counterparts.**

This Stipulation may be executed in counterparts, each of which shall be deemed to be an original, and all such counterparts taken together shall be deemed to constitute one and the same agreement.

**13. Signatories.**

The Assistant Attorney General for the State of Michigan (on behalf of MDEQ) and the undersigned representative of the Debtors certify that they are fully authorized to enter into the terms and conditions of this Stipulation.

**14. Severability.**

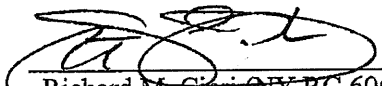
In the event that provisions of this Stipulation shall be deemed invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of the Stipulation shall not in any way be affected or impaired thereby.

**15. Consistency of Agreements; Construction.**

To the extent reasonably possible, the provisions of this Stipulation shall be interpreted in a manner consistent with the Confirmation Order. Where the provisions of this Stipulation are irreconcilable with the provisions of the Confirmation Order, the provisions of the Confirmation Order shall prevail.

*[Remainder of page intentionally left blank.]*

**KIRKLAND & ELLIS LLP**

  
Richard M. Cieri (NY RC 6062)

Citigroup Center  
153 East 53rd Street  
New York, New York 10022  
Telephone: (212) 446-4800  
Facsimile: (212) 446-4900

-and-

David L. Eaton (IL 3122303)  
Ray C. Schrock (IL 6257005)  
Scott R. Zemnick (IL 6276224)  
200 East Randolph Drive  
Chicago, Illinois 60601  
Telephone: (312) 861-2000  
Facsimile: (312) 861-2200

-and-

**CARSON FISCHER, P.L.C.**

Joseph M. Fischer (P13452)  
4111 West Andover Road  
West - Second Floor  
Bloomfield Hills, Michigan 48302  
Telephone: (248) 644-4840  
Facsimile: (248) 644-1832

Co-Counsel for the Debtors

**STATE OF MICHIGAN**

(on behalf of the Michigan Department Of  
Environmental Quality)

---

Celeste R. Gill (P52484)  
Assistant Attorney General  
Environment, Natural Resources  
and Agriculture Division  
6<sup>th</sup> Floor, G. Mennen Williams Building,  
525 West Ottawa Street  
Lansing, MI 48933  
Telephone: (517) 373-7540  
Facsimile: (517) 373-1610

**KIRKLAND & ELLIS LLP**

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Facsimile: (312) 861-2200

-and-

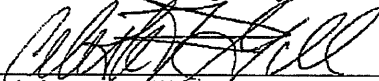
**CARSON FISCHER, P.L.C.**

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Facsimile: (248) 644-1832

Co-Counsel for the Debtors

**STATE OF MICHIGAN**  
**(on behalf of the Michigan Department Of**  
**Environmental Quality)**

---

  
Celeste R. Gill (P52484)  
Assistant Attorney General  
Environment, Natural Resources  
and Agriculture Division  
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Facsimile: (517) 373-1610

200700009381  
Filed for Record in  
ANTRIM COUNTY MICHIGAN  
PATTY NIEPOTH - 268  
10-09-2007 At 01:36 pm.  
RESTRICTION      26.00  
OR Liber 772 Page 1895 - 1899

## DECLARATION OF RESTRICTIVE COVENANT

MDEQ Reference No.: RC-RRD-201-07-004

This Declaration of Restrictive Covenant ("Restrictive Covenant") has been recorded with the Antrim County Register of Deeds for the purpose of protecting public health, safety, and welfare, and the environment by prohibiting or restricting activities that could result in unacceptable exposure to environmental contamination present at the property located in Mancelona Township, Antrim County, Michigan, and legally described in Exhibit 1 attached hereto ("Property"). The Property is a facility as that term is defined in Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), MCL 324.20101 et seq. Wickes Manufacturing Company, LLC, a Delaware limited liability company (formerly known as Wickes Manufacturing Company, a Delaware corporation) with a business address of 26553 Evergreen Road, Suite 900, Southfield, Michigan 48076, has been conducting response activities on the Property to address environmental contamination associated with the Wickes Effluent Pond site, Site I.D. 05000099. Information pertaining to the response activities undertaken by Wickes Manufacturing Company, LLC is located in the Gaylord Field Office, Remediation and Redevelopment Division, Michigan Department of Environmental Quality, 2100 West M-32, Gaylord, Michigan 49735.

The purpose of this Restrictive Covenant is to: 1) restrict unacceptable exposures to hazardous substances located on the Property; and 2) to prevent damage to or disturbance of any element of the response activity constructed on the Property.

### Summary of Response Activities

Hazardous substances, including antimony and manganese, have been released from the disposal of metal plating wastewater in an effluent pond formerly located on the Property. Wickes Manufacturing Company, LLC has undertaken response activities to remove some of the contamination. These response activities include environmental investigations and the removal of sludge and visibly contaminated soil. These response activities reduced the concentration and extent of hazardous substances, but hazardous substances remain present at levels that require land or resource use restrictions to prevent unacceptable exposures. The restrictions contained in this Restrictive Covenant are based upon information available to the MDEQ at the time the response activities were performed and this Restrictive Covenant was recorded. Future changes in the environmental condition of the Property or changes in the cleanup criteria developed under Section 20120a(1)(a) or (17) of the NREPA, the discovery of environmental conditions at the Property that were not accounted for during the performance of

response activities, or use of the Property in a manner inconsistent with the restrictions described herein, may result in this Restrictive Covenant not being protective of public health, safety, and welfare, and the environment.

#### Definitions

"MDEQ" means the Michigan Department of Environmental Quality, its successor entities, and those persons or entities acting on its behalf.

"Owner" means at any given time the then current title holder of the Property or any portion thereof.

All other terms used in this document which are defined in Part 3, Definitions, of the NREPA; Part 201 of the NREPA; or the Part 201 Administrative Rules ("Part 201 Rules"), 1990 AACRS R 299.5101 et seq., shall have the same meaning in this document as in Parts 3 and 201 of the NREPA and the Part 201 Rules, as of the date of filing of this Restrictive Covenant.

#### **NOW THEREFORE,**

#### Declaration of Land Use or Resource Use Restrictions

Wickes Manufacturing Company, LLC as Owner of the Property, hereby declares and covenants that the Property shall be subject to the following restrictions and conditions:

1. The Owner shall prohibit all activities on the Property that may interfere with any element of the response activities, including interim response, remedial action, operation and maintenance, monitoring, or other measures necessary to assure the effectiveness and integrity of the response activities. These prohibited activities include, but are not limited to, any alteration or removal of any groundwater monitor well(s) or any remedial equipment that is now or may in the future be located on the Property.

2. The Owner shall prohibit activities on the Property that may result in exposures above concentrations developed as the unrestricted residential criteria under Section 20120a(1)(a) or (17) of the NREPA. These prohibited activities include:

Any construction of wells or other devices to extract groundwater for consumption, irrigation, or any other use, except for wells and devices that are part of an MDEQ-approved response activity. Short-term dewatering for construction purposes is permitted provided the dewatering, including management and disposal of the groundwater, is conducted in accordance with all applicable local, state, and federal laws and regulations and does not cause or result in a new release, exacerbation of existing contamination, or any other violation of local, state, and federal environmental laws and regulations including, but not limited to, Part 201 of the NREPA.

3. Contaminated Soil Management. The Owner shall manage all soils, media and/or debris located on the Property in accordance with the applicable requirements of Section 20120c of the NREPA; Part 111, Hazardous Waste Management, of the NREPA;

Subtitle C of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; the administrative rules promulgated thereunder; and all other relevant state and federal laws.

4. Access. In connection with the foregoing, the Owner shall grant to the MDEQ and its designated representatives the right to enter the Property pursuant to the Grant of Easement executed on same date hereof.

5. Notice. The Owner shall provide notice to the MDEQ of the Owner's intent to transfer any interest in the Property at least fourteen (14) business days prior to consummating the conveyance. Before conveying any interest in the Property, the Owner shall provide to the transferee, the notice required under applicable provisions of Section 20116 of the NREPA. The notice required to be made to the MDEQ under this Paragraph shall be made to: Director, MDEQ, P.O. Box 30473, Lansing, Michigan 48909-7973; and shall include a statement that the notice is being made pursuant to the requirements of this Restrictive Covenant, MDEQ Reference Number RC-RRD-201-07-004. A copy of this Restrictive Covenant shall be provided to all future owners, heirs, successors, lessees, easement holders, assigns, and transferees by the person transferring the interest.

6. Term of Restrictive Covenant. This Restrictive Covenant shall be recorded and run with the Property and shall be binding on the Owner; future owners; and all current and future successors, lessees, easement holders, their assigns, and their authorized agents, employees, or persons acting under their direction and control. This Restrictive Covenant may only be modified or rescinded with the written approval of the MDEQ.

7. Enforcement of Restrictive Covenant. The State of Michigan, through the MDEQ, and Wickes Manufacturing Company, LLC, may enforce the restrictions set forth in this Restrictive Covenant by legal action in a court of competent jurisdiction.

8. Severability. If any provision of this Restrictive Covenant is held to be invalid by any court of competent jurisdiction, the invalidity of such provision shall not affect the validity of any other provisions hereof, and all such other provisions shall continue unimpaired and in full force and effect.

9. Authority to Execute Restrictive Covenant. The undersigned person executing this Restrictive Covenant is the Owner, or has been duly granted the authority to sign on behalf of the Owner, and represents and certifies that he or she is duly authorized and has been empowered to execute and deliver this Restrictive Covenant.

IN WITNESS WHEREOF, <sup>read</sup> Wickes Manufacturing Company, LLC has caused this Restrictive Covenant, RC-RRD-201-07-004, to be executed on this 8<sup>th</sup> day of October, 2007.

Wickes Manufacturing Company, LLC, a  
Delaware limited liability company

By: Stacy L. Fox  
Signature

Name: Stacy L. Fox  
Print or Type Name

Its: <sup>aa</sup> \* Executive V.P.  
Title \* aa

Prepared by: Karen Clark  
Department of Environmental Quality  
2100 West M-32  
Gaylord, Michigan 49735-9282

STATE OF Michigan  
COUNTY OF Oakland

The foregoing instrument was acknowledged before me this October 8, 2007 by Stacy L. Fox <sup>aa</sup> of Wickes Manufacturing Company, LLC, a Delaware limited liability company, on behalf of the limited liability company.

Pamela J. Lourim  
Notary Public

Pamela J. Lourim  
Acting in Oakland County, Michigan

My Commission Expires: 2/11/2013

PAMELA J. LOURIM  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF OAKLAND  
MY COMMISSION EXPIRES Feb 11, 2013  
ACTING IN COUNTY OF Oakland



## EXHIBIT 1

Instrument      Liber Page  
200700009381 DR      772 1899

### PROPERTY DESCRIPTION

Tax Parcel ID Number – 05-11-120-001-00

In the Township of Mancelona, Antrim County, Michigan.

Commencing at the South quarter corner of Section 20, Town 29 North, Range 6 West; thence North 0°17'52" East 1730.25 feet along the North and South quarter line of said section, being the Point of Beginning of this description; thence South 88°37'23" West 42.19 feet to a T-iron stake on the West line of Highway 571; thence continuing South 88°37'23" West 553.97 feet to a T-iron stake; thence South 2°39'46" West 399.83 feet (recorded as 400.0 feet) to a T-iron stake, said point having been recorded as being 600 feet West of said quarter line; thence North 89°31'41" West 1076.40 feet along the South eighth line of said section, as monumented, to a T-iron stake; thence North 38°31'35" East 166.87 feet (recorded as 169.40 feet) to a T-iron stake; thence South 51°25'53" East 103.71 feet (recorded as 103.65 feet) to a T-iron stake; thence North 37°15'50" East 294.08 feet (recorded as 294.0 feet) to a T-iron stake recorded as being on the West eighth line of said section; thence North 51°31'03" West 156.07 feet (recorded as 155.71 feet) to a T-iron stake; thence North 38°23'04" East 197.68 feet (recorded as 198.0 feet) to a T-iron stake; thence North 89°55'33" East 201.97 feet (recorded as 202.05 feet) to a T-iron stake; thence continuing North 89°55'33" East 51.06 feet to a ½ inch rod; thence South 0°10'59" West 56.81 feet; thence North 80°40'19" East 211.91 feet; thence North 88°37'23" East 825.50 feet to a ½ inch rod on the West line of said highway; thence continuing North 88°37'23" East 40.80 feet to said north and south quarter line; thence South 0°17'52" West 145.84 feet along said quarter line to the point of beginning; being a part of the North half of the Southwest quarter of Section 20, Town 29 North, Range 6 West, and containing 12.433 acres, more or less, within the perimeter of the courses herein described.

Subject to the rights of the public and of any governmental unit in any part thereof taken, used or deeded for street, road or highway purposes.

Instrument Liber Page  
200700009382 OR 772 1900

200700009382  
Filed for Record in  
ANTRIM COUNTY MICHIGAN  
PATTY NIEPOTH - 268  
10-09-2007 At 01:36 pm.  
EASE / ROW 23.00  
OR Liber 772 Page 1900 - 1903

## GRANT OF EASEMENT

### STATE OF MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

Pursuant to the terms of the settlement agreement (a/k/a "Michigan Settlement Agreement") between the Department of Environmental Quality (DEQ) and Wickes Manufacturing Company, LLC, a Delaware limited liability company (formerly known as Wickes Manufacturing Company, a Delaware corporation), in the Collins & Aikman Corporation's bankruptcy case number 05-55927-swr and for other good and valuable consideration, receipt of which is hereby acknowledged, the GRANTOR,

Wickes Manufacturing Company, LLC  
26553 Evergreen Road, Suite 900  
Southfield, Michigan 48076

does hereby grant, convey, and release to the GRANTEE,

State of Michigan  
Department of Environmental Quality  
P.O. Box 30426  
Lansing, Michigan 48909-7926

an EASEMENT IN GROSS across and to the property legally described on Attachment A, for the purpose of performing response activities at the Wickes Effluent Pond Facility.

All of the Facility, which includes all or portions of the property subject to this Grant of Easement (Easement) identified in Attachment A, is a site of environmental contamination (a "facility" as defined by Part 201, Environmental Remediation, (Part 201), of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), MCL 324.20101, *et seq.*, and, or, Part 213, Leaking Underground Storage Tanks (Part 213) of the NREPA, MCL 324.21301, *et seq.*

As used herein, the term "Grantor" means at any given time during the existence of this Easement the then current title holder of all or any portion of the property identified in Attachment A. The term "Grantee," as used herein, means the DEQ, its successors and assigns. The term "Grantee Parties," as used herein, means the Grantee and its agents, and employees.

This Easement provides for access to the property and for the implementation of response activities at the property by the Grantee Parties acting under the authority set forth in Sections 20117 and 20118 of the NREPA. The anticipated response activities may include, but are not limited to, remedial investigation to define and evaluate the groundwater contamination and soil hot spots; interim responses to address the drinking water criteria exceedances in soil and groundwater; preparation of bid packages for soil source area removal; removal and proper disposal of contaminated soil; possible installation, operation, inspection, maintenance, and repair of a groundwater treatment system; and the placement of land-use restrictions necessary to protect the public health, safety, and welfare, and the environment.

Pursuant to this Easement, full right and authority is provided to the GRANTEE PARTIES to enter at all times upon said premises for the purpose of performing response activities, subject to the following conditions:

- (1) Grantee accepts this Easement subject to all prior valid and recorded easements, permits, licenses, leases, or other rights existing or pending at the time of the issuance of this Easement, which may have been granted on said land.

- (2) Grantee Parties, if practicable, shall limit intrusive activities on said land to those areas of contamination subject to response activities pursuant to state law.
- (3) In granting this Easement, Grantor accepts no liability for the actions of the Grantee Parties and accepts no liability for injury or mishap sustained or caused by the Grantee Parties unless attributable to Grantor's actions, negligence or violation of the law.
- (4) In granting this Easement, Grantor agrees not to interfere with, interrupt, change, or otherwise disturb any systems, equipment, or signs installed or utilized by Grantee Parties. Grantor also agrees not to use said land in a manner that increases the cost of response activities, or otherwise exacerbates the existing contamination located on the property. The term "exacerbation" as used in this Easement has the meaning as contained in Section 20101(1)(n) of the NREPA. The Grantor and any future owners subject to this Easement shall consult with the Grantee prior to performing any construction activities on the property, to ensure that this Easement and its purpose of supporting the effective implementation of the response activities by the Grantee Parties is not violated.
- (5) This Easement and the rights and obligations herein shall become effective on the Effective Date of the First Amended Joint Plan of Collins & Aikman Corporation and its Affiliated Debtors, Case No. 05-55927 in the Bankruptcy Court for the Eastern District of Michigan and shall continue in full force and effect until such time as the response activities deemed necessary at the Facility by the Grantee have been completed. The Grantee, for itself, its successors and assigns, agrees to release and quit claim all rights secured under this Easement to the then owner upon completion of Grantee's response activities and upon request of the owner of said land showing a *prima facie* title to same. Such determination to release the Easement is in the sole discretion of the Grantee.
- (6) Pursuant to this Easement, Grantor agrees that in any lease entered into by the Grantor, concerning all or any portion of the property subject to this Easement, the Grantor will provide notice of this Easement to the lessee and shall assure that the lessee is bound to comply with this Easement by including its terms in the lease agreement.
- (7) The Grantor reserves for the Grantee Parties use of any existing utilities or the right to install new utilities for use in conducting response activities at the Facility. Such reservation for existing utilities or any new utilities shall continue until the response activities have been concluded and this easement is terminated, unless released sooner by the Grantee.

Unless otherwise stated herein, all terms used in this document, which are defined in Part 3, Definitions, of the NREPA, MCL 324.301 *et seq.*; Part 201 of the NREPA, MCL 324.20101 *et seq.*; or the Part 201 Administrative Rules (Part 201 Rules), 1990 AACRS R 299.5101, *et seq.*, as amended by changes at 2002 Michigan Register 24 that became effective on December 21, 2002, shall have the same meaning in this document as in Parts 3 and 201 of the NREPA and the Part 201 Rules.

Correspondence related to this Easement shall be made to the Grantee, Attention: Project Manager, Wickes Effluent Pond Facility - Antrim County, Gaylord Field Office, Remediation and Redevelopment Division, Department of Environmental Quality, 2100 West M-32, Gaylord, Michigan 49735.

This Easement may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one agreement with the same effect as if the parties had signed the same signature page.

[Remainder of page intentionally left blank;  
Signatures on following pages]

IN WITNESS WHEREOF Stacy L. Fox, Executive V.P., has caused these presents to be signed in his or her name for Wickes Manufacturing Company, LLC.

Dated this 8<sup>th</sup> day of October, 2007.

Signed by: Stacy L. Fox  
its: Executive V.P.

STATE OF Michigan )  
COUNTY OF Oakland ) ss

Acknowledged before me in Oakland County, Michigan, on Oct. 8, 2007 by  
Stacy L. Fox, its Executive V.P.  
\* or

Pamela J. Lourim  
Pamela J. Lourim, Notary Public  
State of Michigan, County of Oakland  
Acting in the County of \_\_\_\_\_  
My commission expires: 2/11/2013

Prepared by: Kathe Corson  
Compliance and Enforcement Section  
Remediation and Redevelopment Division  
Department of Environmental Quality  
P.O. Box 30426  
Lansing, Michigan 48909-7926

PAMELA J. LOURIM  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF OAKLAND  
MY COMMISSION EXPIRES Feb 11, 2013  
ACTING IN COUNTY OF Oakland

APPROVED AS TO FORM:

Celeste R. Gill  
Celeste R. Gill (P52484)  
Assistant Attorney General  
Environment, Natural Resources and Agriculture Division  
Department of Attorney General

10-2-07  
Date

**ATTACHMENT A**

**PROPERTY DESCRIPTION**

Tax Parcel ID Number 05-11-120-001-00

In the Township of Mancelona, Antrim County, Michigan.

Commencing at the South quarter corner of Section 20, Town 29 North, Range 6 West; thence North 0°17'52" East 1730.25 feet along the North and South quarter line of said section, being the Point of Beginning of this description; thence South 88°37'23" West 42.19 feet to a T-iron stake on the West line of Highway 571; thence continuing South 88°37'23" West 553.97 feet to a T-iron stake; thence South 2°39'46" West 399.83 feet (recorded as 400.0 feet) to a T-iron stake, said point having been recorded as being 600 feet West of said quarter line; thence North 89°31'41" West 1076.40 feet along the South eighth line of said section, as monumented, to a T-iron stake; thence North 38°31'35" East 166.87 feet (recorded as 169.40 feet) to a T-iron stake; thence South 51°25'53" East 103.71 feet (recorded as 103.65 feet) to a T-iron stake; thence North 37°15'50" East 294.08 feet (recorded as 294.0 feet) to a T-iron stake recorded as being on the West eighth line of said section; thence North 51°31'03" West 156.07 feet (recorded as 155.71 feet) to a T-iron stake; thence North 38°23'04" East 197.68 feet (recorded as 198.0 feet) to a T-iron stake; thence North 89°55'33" East 201.97 feet (recorded as 202.05 feet) to a T-iron stake; thence continuing North 89°55'33" East 51.06 feet to a ½ inch rod; thence South 0°10'59" West 56.81 feet; thence North 80°40'19" East 211.91 feet; thence North 88°37'23" East 825.50 feet to a ½ inch rod on the West line of said highway; thence continuing North 88°37'23" East 40.80 feet to said north and south quarter line; thence South 0°17'52" West 145.84 feet along said quarter line to the point of beginning; being a part of the North half of the Southwest quarter of Section 20, Town 29 North, Range 6 West, and containing 12.433 acres, more or less, within the perimeter of the courses herein described.

Subject to the rights of the public and of any governmental unit in any part thereof taken, used or deeded for street, road or highway purposes.