

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MARYLAND  
Greenbelt Division**

<b>IN RE:</b>	)	
	)	
<b>JOANNE’S BED &amp; BACK STORES, INC.</b>	)	<b>Case No. 08-14606 (TJC)</b>
	)	<b>(Chapter 11)</b>
<b>Debtor</b>	)	

**ORDER AUTHORIZING SALE OF SUBSTANTIALLY ALL  
OF THE ASSETS OF THE DEBTOR SUBJECT TO HIGHER  
AND BETTER OFFERS, FREE AND CLEAR OF LIENS,  
CLAIMS AND ENCUMBRANCES**

This matter coming before the Court on the Motion of Debtor and Debtor in Possession (the “Debtor”) pursuant to 11 U.S.C. §§ 105(a), 363 and 365 for an Order Authorizing Sale of Substantially All of the Assets of the Debtor (the "Motion") to The Healthy Back, LLC (the “Purchaser”); the Court having reviewed the Motion and having heard the statements of counsel in support of the relief requested in the Motion at a hearing before the Court (the "Hearing"); the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), (c) notice of the Motion (and service of the proposed order) was sufficient under the circumstances; (d) Purchaser is a good faith purchaser under 11 U.S.C. Section 363(m); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief herein granted;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled, are overruled on their merits.
3. Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.
4. The terms and conditions of the Asset Purchase Agreement attached hereto are hereby approved in all respects pursuant to Sections 363(b) and 365 of the Bankruptcy Code and the Debtor is directed and authorized to immediately take such actions as are necessary or useful to consummate, implement, and otherwise exercise any and all rights and remedies under, the Asset Purchase Agreement.
5. The Debtor is hereby authorized and empowered to fully perform under, consummate, and implement the Asset Purchase Agreement and is authorized to assume and assign the executory contracts listed on the schedules to the Asset Purchase Agreement.
6. The Purchaser is an arms-length purchaser in good faith of the Assets and is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.
7. The terms and provisions of the Asset Purchase Agreement, together with the terms and provisions of this Sale Order, shall be binding in all respects upon, and shall inure to the benefit of, the Debtor, its estate and creditors, the Purchaser, and its affiliates, successors and assigns, and third parties having notice hereof, including, but not limited to, all non-debtor parties asserting a claim against or interest in the Debtor's estate or any of the Assets to be sold to the Purchaser pursuant to the Asset Purchase Agreement and any trustee for the Debtor hereunder appointed under any chapter of the Bankruptcy Code.

8. The Debtor is authorized and directed under section 363(f) of the Bankruptcy Code to sell, convey, transfer and deliver the Assets to the Purchaser (or any third party designated by the Purchaser), free and clear of any and all pre-petition and post-petition mortgages, security interests, pledges, liens, claims, interests, judgments, demands, encumbrances, restrictions or charges of every kind or nature, fixed or contingent (collectively, the “Liens” as defined more particularly in the Asset Purchase Agreement) existing as of the date of the transfer to the Purchaser, and whether imposed by or asserted based on agreement, understanding, law, equity or otherwise, with all such Liens to attach to the sale proceeds in the order of their priority, with the same validity, force and effect which they now have.

9. In accordance with section 1146(c) of the Bankruptcy Code, the making, delivery, filing or recording of various instruments of transfers to be recorded in connection with sale of the Assets shall not be taxed under any law imposing a recording tax, stamp tax, transfer tax or similar tax, including any such tax imposed by the county of Montgomery, the State of Maryland, the District of Columbia and the Commonwealth of Virginia, and all filing and recording officers are hereby directed to accept for filing or recording all instruments of transfer to be filed and recorded in connection with the Debtor's sale of the Assets, without the payment of any such taxes.

10. Notwithstanding either Federal Rule of Bankruptcy Procedure 6004(g) or Federal Rule of Bankruptcy Procedure 7062, this is a final order effective immediately and section 363(m) of the Bankruptcy Code shall apply to this Order.

Copies to:

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**END OF ORDER**