

Form PTO-1594
(Rev. 03/01)
OMB No. 0651 (exp. 5/3)

06-19-2002



COVER SHEET ONLY U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

Tab setting ⇄⇄⇄

To the Honorable Com

102126830

Record the attached original documents or copy thereof.

1. Name of conveying party(ies):
Glenoit Assets Corp.

6.12.02

Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State: Delaware
 Other _____

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: BNY Financial Corporation
Internal Address: _____
Street Address: 1290 Avenue of the Americas
City: New York State: NY Zip: 10104

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State Delaware
 Other _____

If assignee is not domiciled in the United States, a domestic representative designated is attached: Yes No
 (Designations must be a separate document from assignment)
 Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: September 6, 1995

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)
 B. Trademark Registration No.(s)

913,948 819,977
~~952,064~~ 940,534
 618,314 1,101,537
 1,391,633

Additional number(s) attached Yes No

FINANCE SECTION
 JUN 12 11:22

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Claire M. Kimball
 Internal Address: Alston & Bird

Street Address: 1201 West Peachtree Street

City: Atlanta State: GA Zip: 30309-3424

6. Total number of applications and registrations involved: 7

Total fee (37 CFR 3.41).....\$190.00

Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:

 N/A

(Attached duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Claire M. Kimball Claire M. Kimball 6/12/02
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: _____

Mail documents to be recorded with required cover sheet information to:
Commissioner to Patent & Trademarks, Box Assignments
Washington, D.C. 20231

CERTIFICATE OF EXPRESS MAILING
 Express Mail mailing label number EL952542718
 Date of Deposit June 12, 2002
 I hereby certify that this paper or fee is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" on the date indicated above and is addressed to: Assistant Commissioner for Trademarks, 2900 Crystal Drive, Arlington, Virginia 22202-3513.

Box Assignments
Wash DC 20231

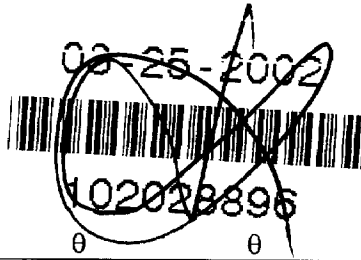
TRADEMARK

ATL01/11218200v1

06/19/2002 TDIAZ1 00000012 913948

01 FC:481 40.00 OP
02 FC:482 150.00 OP

ATL01/11218200v1



Tab setting ⇄⇄⇄ θ θ θ θ θ θ θ θ

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
 Glenoit Assets Corp. **3-5-02**

Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State: Delaware
 Other _____

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
 Name: BNY Financial Corporation
 Internal
 Address: _____
 Street Address: 1290 Avenue of the Americas
 City: New York State: NY Zip: 10104

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State Delaware
 Other _____

If assignee is not domiciled in the United States, a domestic representative designated is attached: Yes No
 (Designations must be a separate document from assignment)
 Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: September 6, 1995

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)

B. Trademark Registration No.(s)

~~913,948 819,977~~
 952,064 940,534
 618,314 1,101,537
 1,391,633

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Claire M. Kimball
 Internal Address: Alston & Bird

 Street Address: 1201 West Peachtree Street

 City: Atlanta State: GA Zip: 30309-3424

6. Total number of applications and registrations involved: 7

7. Total fee (37 CFR 3.41)..... **Not Applicable**
Correction of PTO Error

Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:

 N/A

(Attached duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

 Claire M. Kimball
 Name of Person Signing

Claire M Kimball
 Signature

March 5, 2002
 Date

Total number of pages including cover sheet, attachments, and document:



11-03-1995



US ONLY

DEPARTMENT OF COMMERCE
Patent and Trademark

record the attached original documents or copy thereof

Name and address of receiving party(ies):

Name: BNY Financial Corporation

Internal Address: _____

Street Address: 1290 Avenue of the Americas

City: New York State: NY ZIP: 10101

Individual(s) citizenship _____

Association _____

General Partnership _____

Limited Partnership _____

Corporation-State _____

Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from Assignment)

Additional name(s) & address(es) attached? Yes No

BLENDIT ASSETS PART

Individual(s)

General Partnership

Corporation-State

Other _____

Association

Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

Assignment

Merger

Security Agreement

Change of Name

Other _____

Execution Date: SEPTEMBER 19, 1995

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark registration No.(s)

913,948 618,314 940,534

952,064 819,977 1,101,537

1,391,633

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: JOHN J. KENNY, ESQ.

OF PERBURG, STEINDLER, HOUSTON & ROSEN,

Internal Address: ETC.

6. Total number of applications and registrations involved: 14

7. Total fee (37 CFR 3.41)..... \$ 365.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number: _____

(Attach duplicate copy of this page if paying by deposit acco

Street Address: 230 PARK AVENUE

City: NEW YORK State: NY ZIP: 10169

DO NOT USE THIS SPACE

9. Statement and signature. To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

RICHARD B. NEZNAMEY

Name of Person Signing

Richard B. Neznamey

Signature

9-26/95

Date

Total number of pages composing cover sheet: 2

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

TRADEMARK

REEL: 002528 FRAME: 0673

TRADEMARK
REEL: 002528 FRAME: 0154

EXHIBIT A
TRADEMARKS

<u>TRADEMARK</u>	<u>REGN. NO.</u>		<u>RENEWAL DATE</u>	<u>GOODS</u>
BORG	913,948		06/08/2001	Pile fabrics
BORG	952,064		01/30/2013	Clothing
BORGANA	618,314	▶	12/27/1995	Pile fabrics
BORGAZIA	819,977		12/06/2006	Pile fabrics
BORGAZIA	940,534		08/08/2012	Clothing
BORGESSA	1,101,537		09/05/1998	Pile fabrics
BORGLITE II	1,391,633		04/29/2006	Pile fabrics
BORGLO	819,581		11/29/2006	Pile fabrics
BORGLURA	630,125		07/03/1996	Pile fabrics
BORGLASKA	1,290,129		08/14/2004	Pile fabrics
COMFORTAIR	1,103,076	✕	09/26/1998	Mattress covers hospital decubitus bed pads
GOOD NIGHT SLEEP	1,363,456		10/01/2005	Wool mattress pad covers
ULTRABORG	1,084,847		02/07/1998	Pile fabrics
ZENDURA	1,882,270		03/07/2015	Pile fabrics

TRADE MARK
REEL: 002528 FRAME: 0673

TRADEMARK
REEL: 002528 FRAME: 0155

TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

AGREEMENT made as of this 6th day of September, 1995 by and between **GLENOIT ASSETS CORP.**, a Delaware corporation ("Debtor"), with its chief executive office at 111 West 40th Street, New York, New York 10018 and **BNY FINANCIAL CORPORATION** ("Secured Party"), having an office at 1290 Avenue of the Americas, New York, New York 10104.

WITNESSETH:

WHEREAS, Debtor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the trademarks, trade names, terms, designs and applications therefor described in **Exhibit A** annexed hereto and made a part hereof; and

WHEREAS, Debtor is a wholly-owned subsidiary of Glenoit Mills, Inc. ("Mills"); and

WHEREAS, Mills and Secured Party have contemporaneously herewith executed and delivered a Term Loan Agreement (the "Loan Agreement" and, together with all other supplements, agreements, documents, and instruments now or at any time executed and/or delivered by Debtor or any other person or entity with, to or in favor of Secured Party in connection therewith, as the same may now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Loan Documents"); and

WHEREAS, Debtor has heretofore executed a Guaranty dated September 10, 1993 in favor of Secured Party (as amended, the "Guaranty") whereby Debtor has guaranteed all Obligations (as defined in the Guaranty) of Mills to Secured Party; and

WHEREAS, in order to induce Secured Party to enter into the Loan Agreement and to make loans and advances and provide other financial accommodations pursuant thereto, Debtor has agreed to grant to Secured Party certain collateral security as set forth herein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby agrees as follows:

1. GRANT OF SECURITY INTEREST

As collateral security for the prompt performance, observance and indetachable payment in full of all of the Obligations (as hereinafter defined), Debtor hereby grants to Secured Party a continuing security interest in and a general lien upon, and hereby assigns and transfers to Secured Party: (a) all of Debtor's now existing or

TRADEMARK
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TRADEMARK
REEL: 002528 FRAME: 0156

hereafter acquired right, title, and interest in and to: all of Debtor's trademarks, trade names, tradestyles and service marks purchased and acquired this date by Mills from Furtex Corporation and Borg Textile Corporation pursuant to that certain Asset Purchase Agreement dated as of August 8, 1995 among Mills, Furtex Corporation and Borg Textile Corporation and assigned as of the date hereof by Mills to Debtor; all prints and labels on which said trademarks, trade names, tradestyles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; all applications, registrations and recordings relating to the foregoing in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other countries, and all reissues, extensions and renewals thereof including those trademarks, terms, designs and applications described in **Exhibit A** hereto (the "Trademarks"); (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; and (c) any and all proceeds of any of the foregoing, including, without limitation, any claims by Debtor against third parties for infringement of the Trademarks or any licenses with respect thereto (all of the foregoing are collectively referred to herein as the "Collateral").

2. OBLIGATIONS SECURED

The security interest, lien and other interests granted to Secured Party pursuant to this Agreement shall secure the prompt performance, observance and indefeasible payment in full of all "Obligations" of Debtor to Secured Party under and as defined in the Guaranty, exclusive of the obligations of Debtor to Secured Party arising under the Guaranty, dated June 14, 1994, by Debtor in favor of Secured Party, as "Collateral Trustee" for the benefit of the "Secured Parties", as such quoted terms are defined in the Term Loan Agreement, dated June 14, 1994, between Secured Party and Glenoit Universal, Ltd. (such "Obligations", exclusive of Debtor's obligations under said June 14, 1994 Guaranty are hereinafter collectively referred to as the "Obligations").

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

Debtor hereby represents, warrants and covenants to Secured Party the following (which shall survive the execution and delivery of this Agreement), the truth and accuracy of which, or compliance with, being a continuing condition of the making of loans by Secured Party to Debtor under the Loan Documents.

(a) Debtor will pay and perform all of the Obligations according to their terms.

(b) All of the existing Collateral is valid and subsisting in full force and effect, and Debtor owns the sole, full, and clear title thereto, and the right and power to grant the security interests granted hereunder. Debtor will, at Debtor's expense,

perform all acts and execute all documents necessary to maintain the existence of the Collateral as valid, subsisting and registered trademarks, including, without limitation, the filing of any renewal affidavits and applications. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests, or encumbrances of any nature whatsoever, except the security interests granted hereunder and pursuant to the Loan Documents.

(c) Debtor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating thereto, except as permitted herein or in the Loan Documents, or otherwise dispose of any of the Collateral without the prior written consent of Secured Party. Nothing in this Agreement shall be deemed a consent by Secured Party to any such action, except as such action is expressly permitted hereunder.

(d) Debtor will, at Debtor's expense, perform all acts and execute all documents requested at any time by Secured Party to evidence, perfect, maintain, record, or enforce the security interest in the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Secured Party to execute and file one or more financing statements (or similar documents) with respect to the Collateral, signed only by Secured Party or as otherwise determined by Secured Party. Debtor further authorizes Secured Party to have this or any other similar security agreement filed with the Commissioner of Patents and Trademarks or other appropriate federal, state or government office.

(e) As of the date hereof, Debtor does not have any Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States other than those described in **Exhibit A** annexed hereto and has not granted any licenses with respect thereto.

(f) Debtor will, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Power of Attorney in the form of **Exhibit B** annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise of the rights and remedies granted to Secured Party hereunder.

(g) Secured Party may, in its discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by Secured Party to preserve, defend, protect, maintain, record, amend or enforce the Obligations, the Collateral, or the security interest granted hereunder including but not limited to all filing or recording fees, court costs, collection charges and reasonable attorneys' fees. Debtor will be liable to Secured Party for any such payment, which payment shall be deemed an advance by Secured Party to Debtor, shall be payable on demand together with interest at the then applicable rate set forth in the Loan Documents and shall be part of the Obligations.

(h) Debtor shall not file any application for the registration of a Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States, any state therein, or any other country, unless Debtor has by thirty (30) days prior written notice informed Secured Party of such action. Upon request of Secured Party, Debtor shall execute and deliver to Secured Party any and all assignments, agreements, instruments, documents and such other papers as may be requested by Secured Party to evidence the security interests of Secured Party in such Trademark.

(i) Debtor has not abandoned any of the Trademarks and Debtor will not do any act, nor omit to do any act, whereby the Trademarks may become abandoned, invalidated, unenforceable, avoided or avoidable. Debtor shall notify Secured Party immediately if it knows or has reason to know of any reason why any application, registration, or recording may become abandoned, canceled, invalidated, avoided, or avoidable.

(j) Debtor will render any assistance necessary to Secured Party in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States or any state therein or any other country to maintain such application and registration of the Trademarks as Debtor's exclusive property and to protect Secured Party's interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

(k) Debtor will promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design likely to cause confusion with any Trademark. If requested by Secured Party, Debtor, at Debtor's expense, shall join with Secured Party in such action as Secured Party, in its discretion, may deem advisable for the protection of Secured Party's interest in and to the Trademarks.

(l) Debtor assumes all responsibility and liability arising from the use of the Trademarks and Debtor hereby indemnifies and holds Secured Party harmless from and against any claim, suit, loss, damage, or expense (including attorneys' fees) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Trademark or out of the manufacture, promotion, labelling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof).

(m) Debtor will promptly pay Secured Party for any and all expenditures made by Secured Party pursuant to the provisions of this Agreement or for the defense, protection, or enforcement of the Obligations, the Collateral, or the security interests granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and attorneys' fees and legal expenses. Such

expenditures shall be payable on demand, together with interest at the then applicable rate set forth in the Loan Documents and shall be part of the Obligations secured hereby.

4. EVENT OF DEFAULT; RIGHTS AND REMEDIES

Upon the occurrence of any Event of Default under and as defined in the Loan Agreement, and at any time thereafter, in addition to all other rights and remedies of Secured Party, whether provided under law, the Loan Documents or otherwise, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor except as such notice or consent is expressly provided for hereunder.

(a) Secured Party may require that neither Debtor nor any affiliate or subsidiary of Debtor make any use of the Trademarks or any marks similar thereto for any purpose whatsoever. Secured Party may make use of any Trademarks for the sale of goods, completion of work in process or rendering of services in connection with enforcing any other security interest granted to Secured Party by Debtor or any subsidiary of Debtor.

(b) Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Secured Party shall in its discretion deem appropriate. Such license or licenses may be general, special, or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Secured Party may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to Debtor of intended disposition of Collateral is required by law, the giving of five (5) days notice in the manner set forth in subparagraph 5(b) hereof shall be deemed reasonable notice thereof and Debtor waives any other notice with respect thereto. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in its discretion, deem appropriate or proper to complete such assignment, sale, or disposition.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to Subparagraph 4(c) hereof, Secured Party may at any time execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in Subparagraph 3(f) hereof, one or more instruments of assignment of the Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Debtor agrees to pay Secured Party on demand all costs incurred in any

such transfer of the Collateral, including, but not limited to, any taxes, fees, legal expenses and reasonable attorneys' fees and legal expenses.

(e) Secured Party may first apply the proceeds actually received from any such license, assignment, sale, or other disposition of Collateral to the costs and expenses thereof, including, without limitation, attorneys' fees and all legal, travel and other expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations as Secured Party may in its discretion determine. Debtor shall remain liable to Secured Party for any expenses or obligations remaining unpaid after the application of such proceeds, and Debtor will pay Secured Party on demand any such unpaid amount, together with interest at a rate equal to the highest rate then payable on the Obligations.

(f) Debtor shall supply to Secured Party or its designee, Debtor's knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks and Debtor's customer lists and other records relating to the Trademarks and the distribution thereof.

(g) Nothing contained herein shall be construed as requiring Secured Party to take any such action at any time. All of Secured Party's rights and remedies, whether provided under law, the Loan Documents, this Agreement, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

5. MISCELLANEOUS

(a) Any failure or delay by Secured Party to require strict performance by Debtor of any of the provisions, warranties, terms, and conditions contained herein or in any other agreement, document, or instrument, shall not affect Secured Party or Secured Party's right to demand strict compliance and performance therewith, and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein or in any other agreement, document, or instrument shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers, or employees, but only by an instrument in writing, signed by an officer of Secured Party and directed to Debtor, specifying such waiver.

(b) All notices, requests and demands to or upon the respective parties hereto shall be in writing and shall be deemed to have been duly given or made: if by hand, immediately upon delivery; if by telecopier, immediately upon sending, provided it is sent on a Business Day (as defined in the Loan Agreement), but if not, then immediately upon the beginning of the first Business Day after being sent; if by Federal Express, Express Mail or any other overnight delivery service, one (1) day after dispatch,

- 6 -

TRADEMARK
REEL: 1399 FRAME: 0679

TRADEMARK
REEL: 002528 FRAME: 0161

and if mailed by United States first class certified mail, return receipt requested, five (5) days after mailing. All notices, requests and demands are to be given or made to the respective parties at the following addresses (or to such other addresses as either party may designate in accordance with the provisions of this Section 5(b).

If to Debtor: Glenoit Assets Corp.
111 West 40th Street
New York, New York 10018
Attention: Mr. Fred Keshner
Telephone: (212) 391-3915
Telecopier: (212) 869-5898

With a courtesy copy to: Lichtenberg & Ginach, P.C.
90 Park Avenue
New York, New York 10016
Attention: Yoram Ginach, Esq.
Telephone: (212) 867-7900
Telecopier: (212) 210-9444

If to Secured Party: BNY Financial Corporation
1290 Avenue of the Americas
Third Floor
New York, New York 10104
Attn: Mr. Frank Imperato, Vice President
Telephone: (212) 408-7026
Telecopier: (212) 408-7200

(c) In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Agreement.

(d) All references to Debtor and Secured Party herein shall include their respective successors and assigns. All references to the term "person" or "Person" herein shall mean any individual, sole proprietorship, limited partnership, general partnership, corporation (including a business trust), unincorporated association, joint stock corporation, trust, joint venture, association, organization or other entity or government or any agency or instrumentality or political subdivision thereof.

(e) This Agreement shall be binding upon and for the benefit of the parties hereto and their respective successors and assigns. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement signed by the party to be charged thereby.

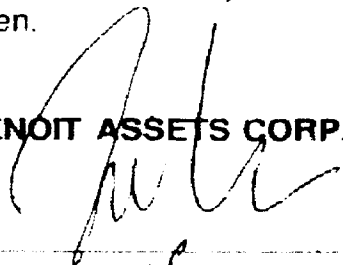
(f) The validity, interpretation, and effect of this Agreement shall be governed by the laws of the State of New York. Debtor and Secured Party each

hereby waive all rights to a trial by jury in any action or proceeding of any kind arising out of or relating to this Agreement or the other Loan Documents, the Obligations or the Collateral. Debtor hereby waives rights of setoff and rights to interpose counterclaims in the event of any litigation with respect to any matter connected with this Agreement, the other Loan Documents, the Obligations or the Collateral and irrevocably submits and consents to the non-exclusive jurisdiction of state and federal courts of the State of New York in connection with this Agreement, the other Loan Documents, the Obligations or the Collateral. In any such litigation, Debtor waives personal service of any summons, complaint or other process and agrees that service thereof may be made by certified or registered mail directed to Debtor at its address set forth above.

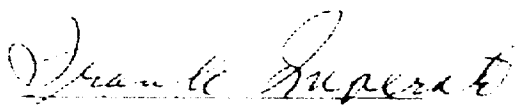
(g) For purposes of this Security Agreement, Section 8.1 "Events of Default" of the Loan Agreement shall survive payment in full of all obligations payable by the Debtor under the Loan Agreement.

IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

GLENOIT ASSETS CORP.

By: 
Title: VP

BNY FINANCIAL CORPORATION

By: 
Title: VP

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On this 14 day of September, 1995, before me personally came Fred Kashner to me known, who being duly sworn, did depose and say, that he is a VICE President of GLENOIT ASSETS CORP., the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the board of directors of said corporation.

Sharon Donna Baran Chinitz
Notary Public

SHARON DONNA BARAN CHINITZ
Notary Public, State of New York
No. 30-018448
Qualified in Nassau County
Commission Expires March 20, 1997

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On this 14th day of September, 1995, before me personally came Frank Imperato, to me known, who being duly sworn, did depose and say, that he is a VP of BNY FINANCIAL CORPORATION, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

Cathleen A. Pellegrino
Notary Public

CATHLEEN A. PELLEGRINO
Notary Public, State of New York
No. 2404988067
Qualified in Kings County
Commission Expires Nov. 30, 1996

EXHIBIT A**TRADEMARKS**

<u>TRADEMARK</u>	<u>REGN. NO.</u>	<u>RENEWAL DATE</u>	<u>GOODS</u>
BORG	913,948	06/08/2001	Pile fabrics
BORG	952,064	01/30/2013	Clothing
BORGANA	618,314	12/27/1995	Pile fabrics
BORGAZIA	819,977	12/06/2006	Pile fabrics
BORGAZLA	940,534	08/08/2012	Clothing
BORGESSA	1,101,537	09/05/1998	Pile fabrics
BORGLITE II	1,391,633	04/29/2006	Pile fabrics
BORGLO	819,581	11/29/2006	Pile fabrics
BORGLURA	630,125	07/03/1996	Pile fabrics
BORGLASKA	1,290,129	08/14/2004	Pile fabrics
COMFORTAIR	1,103,076	09/26/1998	Mattress covers hospital decubitus bed pads
GOOD NIGHT SLEEP	1,363,456	10/01/2005	Wool mattress pad covers
ULTRABORG	1,084,847	02/07/1998	Pile fabrics
ZENDURA	1,882,270	03/07/2015	Pile fabrics

TRADE MARK
REEL: 002528 FRAME: 0683**TRADEMARK**
REEL: 002528 FRAME: 0165

EXHIBIT B

SPECIAL POWER OF ATTORNEY

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

KNOW ALL MEN BY THESE PRESENTS, that **GLENOIT ASSETS CORP.** ("Debtor"), having an office at 111 West 40th Street, New York, New York 10018, hereby appoints and constitutes, severally, **BNY FINANCIAL CORPORATION** ("Secured Party"), and each of its officers, its true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Debtor:

1. Execution and delivery of any and all agreements, documents, instrument of assignment, or other papers which Secured Party, in its discretion, deems necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all right, title, and interest of Debtor in and to any trademarks and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to the foregoing.

2. Execution and delivery of any and all documents, statements, certificates or other papers which Secured Party, in its discretion, deems necessary or advisable to further the purposes described in Subparagraph 1 hereof.

This Power of Attorney, being a power coupled with an interest, is made pursuant to a Trademark Collateral Assignment and Security Agreement between Debtor and Secured Party, of even date herewith (the "Security Agreement") and may not be revoked until indefeasible payment in full of all Debtor's "Obligations", as such term is defined in the Security Agreement and is subject to the terms and provisions thereof.

Dated: As of September 6, 1995

GLENOIT ASSETS CORP.

By: _____

Title: _____

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this ____ day of September, 1995, before me personally came _____,
to me known, who being duly sworn, did depose and say, that he is a
_____ of GLENOIT ASSETS CORP. the corporation described
in and which executed the foregoing instrument; and that he signed his name thereto by
order of the board of directors of said corporation.

Notary Public