

10-28-2002

Form PTO-1594  
(Rev. 03/01)  
OMB No. 0651-0027 (exp. 5/31/2002)  
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T U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

102262612

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

10-28-02

1. Name of conveying party(ies):  
FIELDCREST CANNON LICENSING, INC.  
  
 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: CONGRESS FINANCIAL CORPORATION  
Internal \_\_\_\_\_ as Agent  
Address: \_\_\_\_\_  
  
Street Address: 1133 Avenue of the Americas  
City: New York                  State: NY                  Zip: 10036  
  
 Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State                  Delaware  
 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

RECEIVED OCT 28 11:00 AM 2002  
ASSIGNMENTS DIV

3. Nature of conveyance:  
 Assignment                               Merger  
 Security Agreement                   Change of Name  
 Other \_\_\_\_\_  
  
Execution Date: 5/24/02

4. Application number(s) or registration number(s):  
A. Trademark Application No.(s) \_\_\_\_\_  
SEE EXHIBIT A HERETO  
B. Trademark Registration No.(s) \_\_\_\_\_  
SEE EXHIBIT A HERETO  
  
Additional number(s) attached  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:  
Name: Helen M. Linehan  
  
Internal Address: \_\_\_\_\_  
Otterbourg, Steindler, Houston & Rosen, L.P.  
  
Street Address: 230 Park Avenue  
  
City: New York                  State: NY                  Zip: 10169

6. Total number of applications and registrations involved: ..... 108  
  
7. Total fee (37 CFR 3.41).....\$ 2,715.00  
 Enclosed  
 Authorized to be charged to deposit account  
  
8. Deposit account number: \_\_\_\_\_

DO NOT USE THIS SPACE

9. Signature.  
  
Helen M. Linehan \_\_\_\_\_  
Name of Person Signing                  Signature                  Date: 10/25/02

Total number of pages including cover sheet, attachments, and document: 26

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

TRADEMARK  
REEL: 002602 FRAME: 0500

EXHIBIT A  
TO  
RECORDATION FORM COVER SHEET

TRADEMARK REGISTRATION NUMBERS	TRADEMARK REGISTRATION NUMBERS
2136918	1093823
782507	755908
729514	752423
147948	1367717
1556899	2552616
1559064	1016926
1126849	1923727
1127538	2391290
1127537	2364518
729513	366894
2405532	876628
2440006	1210555
2410029	783730
2514043	721079
2017318	762074
761411	746712
1262287	1994149
2474046	2332408
1562233	643323
1124948	833741
1127563	434737
1099599	1904488
1524564	2235392
1123742	995055

TRADEMARK REGISTRATION NUMBERS	TRADEMARK REGISTRATION NUMBERS
436239	1245338
500882	1346286
2332293	2199634
643323	2202694
833741	2395380
436239	626627
748537	2194563
738716	1582620
754269	744548
746709	769090
765995	1350710
2270595	2269810
2259455	995056
2034169	747914
762072	1297648
802325	2545292
411659	1586835
867967	1542593
1057683	2272823
1057685	2288729
1057684	2315677
734985	1931681
1204590	996164
772890	1598672
1194734	2197713
1120559	752422
1522696	1176281

TRADEMARK APPLICATION NUMBERS	
76266025	
76382753	
75580954	
76081817	
76081693	
76376946	

TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT ("Agreement"), dated as of May~~24~~, 2002, is by and between FIELDCREST CANNON LICENSING, INC., a Delaware corporation ("Debtor"), and CONGRESS FINANCIAL CORPORATION, a Delaware corporation, in its capacity as agent ("Secured Party") pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the financial institutions which are parties thereto as lenders (each individually, a "Lender" and collectively, "Lenders").

W I T N E S S E T H :

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, trade styles, terms, service marks, designs and applications therefor described in Exhibit A hereto and made a part hereof;

WHEREAS, Debtor, certain affiliates of Debtor ("Borrowers"), Secured Party and Lenders have entered into or are about to enter into financing arrangements pursuant to which Secured Party and Lenders may make loans and advances and provide other financial accommodations to Borrowers as set forth in the Loan and Security Agreement, dated of even date herewith, by and among Debtor, certain affiliates of Debtor, Borrowers, Secured Party and Lenders (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, the Guarantee (as defined below) and this Agreement (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements");

WHEREAS, Debtor has absolutely and unconditionally guaranteed the payment and performance of all now existing and hereafter arising obligations, liabilities and indebtedness of Borrowers to Secured Party as set forth in the Guarantee, dated as of even date herewith, by Debtor in favor of Secured Party (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Guarantee");

WHEREAS, in order to induce Secured Party and Lenders to enter into the Loan Agreement and the other Financing Agreements and to make loans and advances and provide other financial accommodations to Borrowers 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 indefeasible 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 a collateral assignment of, the following (being collectively referred to herein as the "Collateral"): (a) all of Debtor's now existing or hereafter acquired right, title, and interest in and to: (i) all of Debtor's trademarks, trade names, trade styles, service marks and designs and all applications, registrations and recordings relating to the foregoing as may at any time be filed 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 country, including, without limitation, the trademarks, terms, designs and applications described in Exhibit A hereto, together with all rights and privileges arising under applicable law with respect to Debtor's use of any trademarks, trade names, trade styles, service marks and designs, and all renewals and re-registrations thereof (all of the foregoing being collectively referred to herein as the "Trademarks"); and (ii) all prints and labels on which such trademarks, trade names, trade styles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; (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; (c) all income, fees, royalties and other payments at any time due or payable with respect thereto, including, without limitation, payments under all licenses at any time entered into in connection therewith; (d) the right to sue for past, present and future infringements thereof; (e) all rights corresponding thereto throughout the world; and (f) any and all other proceeds of any of the foregoing, including, without limitation, damages and payments or claims by Debtor against third parties for past or future infringement of the Trademarks.

## 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 payment in full of any and all obligations, liabilities and indebtedness of every kind, nature and description owing by Debtor to Secured Party and/or any Lender and/or their respective affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under this Agreement, the Loan Agreement, the Guarantee or any of the other Financing Agreements, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Loan Agreement or after the commencement of any case with respect to Debtor under the United States Bankruptcy Code or any similar statute (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the commencement of such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated

or unliquidated, secured or unsecured, and however acquired by Secured Party or any Lender (all of the foregoing being collectively referred to herein as the "Obligations").

### 3. REPRESENTATIONS, WARRANTIES AND COVENANTS

Debtor hereby represents, warrants and covenants with and to Secured Party the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding):

(a) 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 interest and conditional assignment granted hereunder. Except as set forth in the Loan Agreement, Debtor shall, at Debtor's expense, perform all acts and execute all documents necessary to maintain the existence of the Collateral consisting of registered Trademarks as registered trademarks and to maintain the existence of all of the Collateral as valid and subsisting, 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: (i) the security interests granted hereunder and pursuant to the Loan Agreement, (ii) the security interests permitted under the Loan Agreement, and (iii) the licenses permitted under Section 3(d) below.

(b) Debtor shall 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 to the Collateral, or otherwise dispose of any of the Collateral, in each case without the prior written consent of Secured Party, except as otherwise permitted herein or in the Loan Agreement. Nothing in this Agreement shall be deemed a consent by Secured Party to any such action, except as such action is expressly permitted hereunder or under the Loan Agreement.

(c) Debtor shall, at Debtor's expense, promptly 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 and collateral assignment of 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 Agreement or any other similar security agreement filed with the Commissioner of Patents and Trademarks or any other appropriate federal, state or government office. Secured Party shall provide to Debtor, promptly upon receipt thereof, file-stamped copies of such financing statements (or similar documents) and such other agreements filed with the Commissioner of Patents and Trademarks; however, the failure of Secured Party to provide such items to Debtor shall in no way affect the agreements and obligations of Debtor pursuant to this Agreement or any of the other Financing Agreements.

(d) 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, any State thereof, any political subdivision thereof or in any other country, other than those described in Exhibit A hereto and has not granted any licenses with respect thereto other than as set forth in Exhibit B hereto.

(e) Debtor shall, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Special Power of Attorney in the form of Exhibit C 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 upon the occurrence of an Event of Default and for so long as same is continuing.

(f) 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 or enforce the Obligations, the Collateral, or the security interest and collateral assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, reasonable attorneys' fees and legal expenses. Debtor shall 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 rate then applicable to the Obligations set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

(g) In the event Debtor shall 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 thereof, any political subdivision thereof or in any other country, Debtor shall provide Secured Party with written notice of such action as soon as practicable but in no event later than thirty (30) days after such action. If, after the date hereof, Debtor shall (i) obtain any registered trademark or trade name, or apply for any such registration in the United States Patent and Trademark Office or in any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, or (ii) become the owner of any trademark registrations or applications for trademark registration used in the United States, any State thereof, any political subdivision thereof or in any other country, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request of Secured Party, Debtor shall promptly 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 interest in and collateral assignment of such Trademark in favor of Secured Party.

(h) Except as set forth in the Loan Agreement, 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; provided, that, Debtor may, after written notice to Secured Party, abandon, cancel, not renew or otherwise not maintain a Trademark so long as (i) such Trademark is no longer used or useful in the business of Debtor or any of its affiliates or subsidiaries, (ii) such Trademark has not been used in the business of Debtor or any of its affiliates or subsidiaries for a period of three (3) consecutive months, (iii) such Trademark is not otherwise material to the business of Debtor or any of its affiliates or



subsidiaries in any respect, (iv) such Trademark has little or no value, and (v) no Event of Default, or event, act or condition which with notice or passage of time or both would constitute an Event of Default, shall exist or have occurred as of such time; provided, further, that, if such Trademark has value, Debtor shall sell or otherwise transfer such Trademark and remit all proceeds from such sale or transfer to Secured Party for application to the Obligations. Debtor shall notify Secured Party immediately if it knows or has reason to know of any reason why any application, registration, or recording with respect to the Trademarks may become abandoned, canceled, invalidated, avoided, or avoidable.

(i) Debtor shall render any assistance, as Secured Party shall determine is reasonably 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, any State thereof, any political subdivision thereof or in 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.

(j) No material infringement or unauthorized use presently is being made of any of the Trademarks that would adversely affect in any material respect the fair market value of the Collateral or the benefits of this Agreement granted to Secured Party, including, without limitation, the validity, priority or perfection of the security interest granted herein or the remedies of Secured Party hereunder. Debtor shall promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design which materially infringes on any Trademark or is 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 Secured Party's reasonable discretion, may deem advisable for the protection of Secured Party's interest in and to the Trademarks.

(k) Debtor assumes all responsibility and liability arising from the use of the Trademarks and Debtor hereby indemnifies and holds Secured Party and Lenders harmless from and against any claim, suit, loss, damage, or expense (including attorneys' fees and legal expenses) 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, labeling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof). The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Loan Agreement.

(l) Debtor shall promptly pay Secured Party and Lenders for any and all expenditures made by Secured Party or any Lender pursuant to the provisions of this Agreement or for the defense, protection or enforcement of the Obligations, the Collateral, or the security interests and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and reasonable attorneys' fees and legal expenses. Such expenditures shall be payable on demand, together with interest at the rate then

applicable to the Obligations set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

#### 4. EVENTS OF DEFAULT

The occurrence or existence of any Event of Default under the Loan Agreement is referred to herein individually as an "Event of Default", and collectively as "Events of Default".

#### 5. RIGHTS AND REMEDIES

At any time an Event of Default exists or has occurred and is continuing, in addition to all other rights and remedies of Secured Party, whether provided under this Agreement, the Loan Agreement, the other Financing Agreements, applicable law 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 or under any other Financing Agreement:

(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 or otherwise in connection with enforcing any other security interest granted to Secured Party by Debtor or any subsidiary or affiliate of Debtor or for such other reason as Secured Party may reasonably determine.

(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 ten (10) days prior written notice to Debtor of any proposed disposition 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. In any such event, Debtor shall be liable for any deficiency.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to the terms 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 Section 3(e) 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, and reasonable attorneys' fees and legal expenses. Debtor agrees that Secured Party and Lenders have no obligation to preserve rights to the Trademarks against any other parties.

(e) Secured Party may first apply the proceeds actually received from any such license, assignment, sale or other disposition of any of the Collateral to the costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all reasonable 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 of the Obligations remaining unpaid after the application of such proceeds, and Debtor shall pay Secured Party on demand any such unpaid amount, together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement.

(f) Debtor shall supply to Secured Party or to Secured Party's designee, Debtor's knowledge and expertise relating to the manufacture, sale and distribution 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 or any Lender to take any such action at any time. All of Secured Party's and Lenders' rights and remedies, whether provided under this Agreement, the other Financing Agreements, applicable law, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

## 6. JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW

(a) The validity, interpretation and enforcement of this Agreement and the other Financing Agreements and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York, but excluding any principles of conflicts of laws or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

(b) Debtor and Secured Party irrevocably consent and submit to the non-exclusive jurisdiction of the Supreme Court of the State of New York in New York County and the United States District Court for the Southern District of New York and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected or related or incidental to the dealings of Debtor and Secured Party or any Lender in respect of this Agreement or the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or thereafter arising, and whether in contract, tort, equity or

otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Secured Party shall have the right to bring any action or proceeding against Debtor or its property in the courts of any other jurisdiction which Secured Party deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Debtor or its property).

(c) Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Secured Party's option, by service upon Debtor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Debtor shall appear in answer to such process, failing which Debtor shall be deemed in default and judgment may be entered by Secured Party against Debtor for the amount of the claim and other relief requested.

(d) DEBTOR AND SECURED PARTY EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF DEBTOR AND SECURED PARTY OR ANY LENDER IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTOR AND SECURED PARTY EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT DEBTOR OR SECURED PARTY MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF DEBTOR AND SECURED PARTY TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Secured Party and Lenders shall not have any liability to Debtor (whether in tort, contract, equity or otherwise) for losses suffered by Debtor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Secured Party or such Lender that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, Secured Party and Lenders shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Agreement and the other Financing Agreements.

## 7. MISCELLANEOUS

(a) All notices, requests and demands hereunder shall be in writing and deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by certified mail, return receipt requested, ten (10) days after mailing. All notices, requests and demands upon the parties are to be given to the following addresses (or to such other address as any party may designate by notice in accordance with this Section):

If to Debtor:                   Fieldcrest Cannon Licensing, Inc.  
One Lake Circle Drive  
Kannapolis, North Carolina 28081  
Attention: Vice President and Treasurer  
Telephone No.: 704-939-2976  
Telecopy No.: 704-939-4441

With copies to:               Fieldcrest Cannon Licensing, Inc.  
c/o Pillowtex Corporation  
4111 Mint Way  
Dallas, Texas 75237-1605  
Attention: John F. Sterling, Esq.  
Telephone No.: 214-333-3225  
Telecopy No.: 214-467-0823

-and-

Jones, Day, Reavis & Pogue  
2727 North Harwood Street  
Dallas, Texas 75201-1515  
Attention: Thomas E. Gillespie, Esq.  
Telephone No.: 214-969-5076  
Telecopy No.: 214-969-5100

If to Secured Party  
and Lenders:               Congress Financial Corporation  
1133 Avenue of the Americas  
New York, New York 10036  
Attention: Portfolio Manager  
Telephone No.: 212-840-2000  
Telecopy No.: 212-545-4283

(b) All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Debtor, Secured Party and any Lender pursuant to

the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof," "herein," "hereunder," "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 7(e) hereof. All references to the term "Person" or "person" herein shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock company, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof. As used herein, "Payment in full" or "payment in full" shall mean the indefeasible payment and satisfaction in full in cash or other immediately available funds (except as Secured Party may otherwise specifically agree in writing and, in any event, subject to the second sentence of Section 10.2(b) of the Loan Agreement) of all of the Obligations and the termination of the financing arrangements provided by Secured Party and Lenders to Debtors and certain of its affiliates. If after receipt of any payment of, or proceeds of collateral applied to the payment of, any of the Obligations, Secured Party or any Lender is required to surrender or return such payment or proceeds to any person for any reason, then the Obligations intended to be satisfied by such payment or proceeds shall be reinstated and continue and this Agreement shall continue in full force and effect as if such payment or proceeds had not been received by Secured Party or such Lender, as the case may be.

(c) This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon Debtor and its successors and assigns and inure to the benefit of and be enforceable by Secured Party and Lenders and their respective successors and assigns.

(d) If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

(e) Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Secured Party. Secured Party and Lenders shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Secured Party and Debtor. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Secured Party or any Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Secured Party or such Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

(f) This Agreement (i) may be executed in separate counterparts, each of which taken together shall constitute one and the same instrument and (ii) may be executed and delivered by telecopier with the same force and effect as if it were as a manually executed and delivered counterpart.

(g) Upon the payment in full of the Obligations, this Agreement shall terminate and Secured Party shall, upon Debtor's written request and at Debtor's expense, execute and deliver to Debtor such documents, instruments and agreements that may be necessary to effectuate such termination.

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

FIELDCREST CANNON LICENSING, INC.

By: Michael R. Hawn

Title: EVP

CONGRESS FINANCIAL CORPORATION, as  
Agent

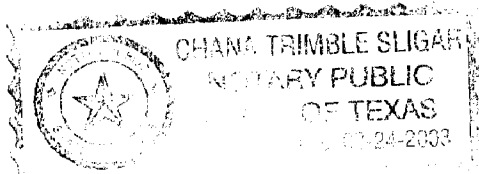
By: Kerlu

Title: Executive Vice-President



STATE OF TEXAS )  
 ) ss.:  
COUNTY OF DALLAS )

On the 24 day of May, 2002, before me personally came Michael R. Harmon, to me known, who being by me duly sworn, did depose, acknowledge and say that he/she is the EIP of FIELDCREST CANNON LICENSING, INC., the corporation which executed the foregoing instrument and that he/she signed his/her name thereto by order of the board of directors of such corporation.



Chana Trimble Sligar  
Notary Public

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

On this \_\_\_\_ day of May, 2002, before me personally came \_\_\_\_\_, to me known, who, being duly sworn, did depose and say, that he/she is the \_\_\_\_\_ of CONGRESS FINANCIAL CORPORATION, the corporation described in and which executed the foregoing instrument; and that he/she signed his/her name thereto by order of the Board of Directors of said corporation.

\_\_\_\_\_  
Notary Public

STATE OF TEXAS )  
 ) ss.:  
COUNTY OF DALLAS )

On the \_\_ day of May, 2002, before me personally came \_\_\_\_\_, to me known, who being by me duly sworn, did depose, acknowledge and say that he/she is the \_\_\_\_\_ of FIELDCREST CANNON LICENSING, INC., the corporation which executed the foregoing instrument and that he/she signed his/her name thereto by order of the board of directors of such corporation.

\_\_\_\_\_  
Notary Public

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

On this 21st day of May, 2002, before me personally came Kenneth Sands, to me known, who, being duly sworn, did depose and say, that he is the Executive Vice-President of CONGRESS 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.

  
\_\_\_\_\_  
Notary Public

HELEN M. LINEHAN  
Notary Public, State of New York  
No. 01LI6047897  
Qualified in New York County  
Commission Expires Sept. 18, 2002

**EXHIBIT A**  
**TO**  
**TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT**

**TRADEMARKS AND TRADEMARK APPLICATIONS OF**  
**FIELDCREST CANNON LICENSING, INC.**

**I. Domestic Trademarks**

Mark (Class)	Reference	Registration #	Filed Or Issued	Action Due/Status
BIO-TECT	F 8401 B	2 136 918	17 Feb 98	8 & 15 due 17 Feb 04 Renew 17 Feb 08
CANNON DEVICE	F 1570 B	782,507	29 Dec 64	Renew 29 Dec 04
CANNON & DEVICE	F 1569 B	729,514	03 Apr 62	Renewal pending
CANNON & DEVICE	F 1566 B	147,948	08 Nov 21	Renewal pending
CANNON	F 1562 B	1,556,899	19 Sep 89	Renew 12 Sep 09
CANNON DEVICE	F 1563 B	1,559,064	03 Oct 89	Renew 03 Oct 09
CANNON & DEVICE	F 1571 B	1,126,849	20 Nov 79	Renew 20 Nov 09
CANNON DEVICE	F 1573 B	1,127,538	11 Dec 79	Renew 11 Dec 09
CANNON	F 1572 B	1,127,537	11 Dec 79	Renew 11 Dec 10
CANNON	F 1568 B	729,513	03 Apr 62	Renewal pending
CANNON	F 10235 B	2,405,532	21 Nov 00	8 & 15 due 21 Nov 05/06 Renew 21 Nov 10
CANNON	F 10238 B	2,440,006	03 Apr 01	8 & 15 due 03 Apr 06/07 Renew 03 Apr 11
CANNON & Artillery Device	F 10239 B	2,410,029	05 Dec 00	8 & 15 due 05 Dec 05/06 Renew 05 Dec 10
CANNON CLASSIC CASUALS	F 10894 B	2,514,043	04 Dec 01	8 & 15 due 04 Dec 06/07 Renew 04 Dec 10
CANNON KITCHEN CLASSICS		2,017,318	19 Nov 96	
CAVALIER	F 1578 B	761,411	10 Dec 63	Renew 10 Dec 03
CELEBRITY	F 2349 B	1,262,287	27 Dec 83	Renew 27 Dec 03
CHARISMA	F 9842 B	2,474,046	31 Jul 01	8 & 15 due 31 Jul 06/07 Renew 31 Jul 11
CHARISMA	F 2442 B	1,562,233	24 Oct 89	Renew 24 Oct 09
CHARISMA	F 2350 B	1,124,948	11 Sep 79	Renew 11 Sep 09
CHARISMA	F 2351 B	1,127,563	11 Dec 79	Renew 11 Dec 09
CLASSIC CHROMATICS	F 2355 B	1,099,599	15 Aug 78	Renew 15 Aug 08

Mark (Class)	Reference	Registration #	Filed Or Issued	Action Due/Status
CLASSIC SUPREME	F 1732 B	1,524,564	14 Feb 89	Renew 14 Feb 09
COMFORT SPUN	F 1583 B	1,123,742	07 Aug 79	Renew 07 Aug 09
COMFORTCALE	F 1584 B	1,093,823	20 Jun 78	Renew 20 Jun 08
COMMANDER	F 2356 B	755,908	03 Sep 63	Renew 03 Sep 03
CORSAIR	F 2357 B	752,423	09 Jul 63	Renew 09 Sep 03
COTTON FRESH	F 1587 B	1,367,717	29 Oct 85	Renew 29 Oct 05
COTTON TOUCH	F 11781 B	2,552,616	26 Mar 02	8 & 15 due 26 Mar 07/08 Renew 26 Mar 12
CROWN JEWEL	F 1588 B	1,016,926	29 Jul 75	Renew 29 Jul 05
CROWN, WHEAT & ARTILLERY DESIGN	F 6098 B	1,923,727	03 Oct 95	Renew 03 Oct 05
CROWN, WHEAT & ARTILLERY DEVICE	F 10200 B	2,391,290	03 Oct 00	8 & 15 due 03 Oct 06/06 Renew 03 Oct 10
DRY FAST SYSTEM	F 1593 B	2,364,518	06 Jun 00	8 & 15 due 06 Jun 05/06 Renew 06 Jun 10
DURACALE (STYLIZED)	F 2362 B	366,894	02 May 39	Renew 02 May 09
DURALITE	F 1594 B	876,628	09 Sep 69	Renew 09 Sep 09
EMPRESS	F 1600 B	1,210,555	28 Sep 82	Renew 28 Sep 02
FASHION WEAVERS (SCRIPT)	F 2371 B	783,730	19 Jan 65	Renew 19 Jan 05
FASHION WEAVERS (SCRIPT)	F 2370 B	721,079	05 Sep 61	Renewal pending
FASHION WEAVERS (SCRIPT)	F 1612 B	762,074	24 Dec 63	Renew 24 Dec 03
FASHION-MATES	F 2369 B	746,712	12 Mar 63	Renew 12 Mar 03
FASHIONS OF THE WORLD	F 2369 B	1994149	13 Aug 96	
FIELDCREST	F 10234 B	2,332,408	21 Mar 00	8 & 15 due 21 Mar 05/06 Renew 21 Mar 10
FIELDCREST AND DEVICE		643,323	26 Mar 57	
FIELDCREST (STYLIZED)	F 2255 B	833,741	15 Aug 67	Renew 15 Aug 07
FIELDCREST (STYLIZED)		434,737	02 Dec 47	
FIELDCREST (STYLIZED)	F 6099 B	1,904,488	11 Jul 95	Renew 11 Jul 05
FIELDCREST CANNON	F 8962 B	2,235,392	23 Mar 99	8 & 15 due 23 Mar 05 Renew 23 Mar 09
FIELDCREST CANNON STADIUM				
FIELDCREST (LOGO)	F 2377 B and F 9272 AB	995,055	08 Oct 74	Renew 08 Oct 04
FIELDCREST (STYLIZED)	F 1704 B	436,239	27 Jan 48	Renew 27 Jan 08
FIELDCREST (STYLIZED)	F 2165 B	500,882	06 Jul 48	Renew 06 Jul 08
FIELDCREST	F 10240 B	2,332,293	21 Mar 00	8 & 15 due 21 Mar 05/06 Renew 21 Mar 10

Mark (Class)	Reference	Registration #	Filed Or Issued	Action Due/Status
FIELDCREST FASHION FOR BED AND BATH & DESIGN	F 2375 B	643,323	26 Mar 57	Renew 26 Mar 07
FIELDCREST	F 2376 B	833,741	15 Aug 67	Renew 15 Aug 07
FIELDCREST	F 2374 B	436,239	27 Jan 48	Renew 27 Jan 08
FLEX-O-MATIC	F 1615 B	748,537	23 Apr 63	Renew 23 Apr 03
GOLD LABEL	F 1617 B	738,716	02 Oct 62	Renew 02 Oct 02
IMPERIAL COLLECTION	F 2385 B	754,269	06 Aug 63	Renew 06 Aug 03
IMPERIAL BROCADE	F 2384 B	746,709	12 Mar 63	Renew 12 Mar 03
IMPERIAL ROSE	F 2386 B	765,995	03 Mar 64	Renew 03 Mar 04
JUST FEEL THE DIFFERENCE	F 1623 B	2,270,595	17 Aug 99	8 & 15 due 17 Aug 05 Renew 17 Aug 09
LUSTRE	F 2396 B	2,259,455	06 Jul 99	8 & 15 due 06 Jul 04/5 Renew 06 Jul 09
MANY HAPPY RETURNS	F 6236 B	2,034,169	28 Jan 97	8 & 15 Due 28 Jan 03 Renew 28 Jan 07
MONTEREY	F 1631 B	762,072	24 Dec 63	Renew 24 Dec 03
MONTICELLO	F 1633 B	802,325	18 Jan 66	
MONTICELLO (SCRIP)	F 1634 B	411,659	30 Jan 45	Renew 30 Jan 05
MONTICELLO (STYLIZED)	F 1629 B	867,967	08 Apr 69	Renew 08 Apr 09
MOODS OF TOMORROW	F 1628 B	1,057,683	01 Feb 77	Renew 01 Feb 07
MOODS OF TODAY	F 1635 B	1,057,684	01 Feb 77	Renew 01 Feb 07
NIGHT MOODS	F 1640 B	734,985	24 Jul 62	Renew 24 Jul 02
QUALITERRY (STYLIZED)	F 1643 B	1,204,590	10 Aug 82	Renew 10 Aug 02
ROYAL CLASSIC	F 2410 B	772,890	07 Jul 64	Renew 07 Jul 04
ROYAL DIMENSION	F 1646 B	1,194,734	04 May 82	Renew 04 May 02
ROYAL FAMILY	F 1647 B	1,120,559	19 Jun 79	Renew 19 Jun 09
ROYAL FAMILY	F 1648 B	1,522,696	31 Jan 89	Renew 31 Jan 09
ROYAL TOUCH	F 1651 B	1,245,338	12 Jul 83	Renew 13 Jul 03
ROYAL TOUCH	F 1650 B	1,346,286	02 Jul 85	Renew 02 Jul 05
ROYAL TOUCH	F 8741 B	2,199,634	27 Oct 98	8 & 15 due 27 Oct 04 Renew 27 Oct 08
ROYAL VELVET	F 10319 B	2,202,694	10 Nov 98	
ROYAL VELVET	F 10319 B	2,395,380	17 Oct 00	8 & 15 due 17 Oct 05/06 Renew 17 Oct 10
ROYAL VELVET	F 2411 B	626,627	08 May 56	Renew 08 May 06
SAHARA	F 7893 B	2,194,563	13 Oct 98	Renew 13 Oct 08

Mark (Class)	Reference	Registration #	Filed Or Issued	Action Due/Status
SANTA CRUZ	24 F 2938 B	Reg 1,582,620	13 Feb 90	Renew 13 Feb 10
SATINA	24 F 1653 B	Reg 744,548	29 Jan 63	Renew 29 Jan 03
SLEEPLIGHT	10 F 2419 B	Reg 769,090	05 May 64	Renew 05 May 04
SLEEPWELL (Stylized)	24 F 2420 B	Reg 1,176,281	03 Nov 81	Renewal pending
SOFA FIT	24 F 2421 B & F 8060 AB	Reg 1,350,710	23 Jul 85	Renew 23 Jul 05
SOSOFT 250	24 F 9100 B	Reg 2,269,810	10 Aug 99	8 & 15 due 10 Aug 05 Renew 10 Aug 09
ST. MARYS	24, 27 F 2414 B	Reg 995,056	08 Oct 74	Renew 08 Oct 04
ST. MARYS (Old Script)	24 F 2412 B	Reg 747,914	09 Apr 63	Renew 09 Aug 03
STERLING CHOICE	24, 27 F 1654 B	Reg 1,297,648	25 Sep 84	Renew 25 Sep 04
SUPER BIG	24 F 9407 B	Reg (Supp. Reg.) 2,545,292	05 Mar 02	8 & 15 due 05 Mar 07/08 Renew 05 Mar 12
SUPREME TOUCH	24 F 2216 B	Reg 1,586,835	13 Mar 90	Renew 13 Mar 10
SUPREME TOUCH	24 F 2216 B	Reg 1,542,593	06 Jun 89	Renew 06 Jun 09
SURE SOFT	24, 27 F 8719 B	Reg 2,272,823	24 Aug 99	8 & 15 due 24 Aug 05
TOUCH OF CLASS	24 F 2438 B	Reg 2,288,729	26 Oct 99	8 & 15 due 26 Oct 05 Renew 26 Oct 09
TOUCH OF CLASS	27 F 9608 B	Reg 2,315,677	08 Feb 00	8 & 15 due 08 Feb 06 Renew 08 Feb 10
ULTRA VELVET	24 F 6229 B	Reg 1,931,681	31 Oct 95	Renew 31 Oct 05
VELVET TOUCH	24 F 2429 B	Reg 996,164	22 Oct 74	Renew 22 Oct 04
VELTRA	24 F 2940 B	Reg 1,598,672	29 May 90	Renew 29 May 10
VELVET TOUCH	24 F 8742 B	Reg 2,197,713	20 Oct 98	8 & 15 due 20 Oct 04 Renew 20 Oct 08
WHISPER LIGHT	10 F 2431 B	Reg 752,422	09 Jul 63	Renew 09 Sep 03

II. Foreign Trademarks

Country	Mark (Class)	Reference	Registration #	Filed Or Issued	Action Due/Status
Canada	COMBSPUN (Script)	F 1812 B	129,153	21 Dec 62	Renew 21 Dec 07
Canada	CANNON	F 1730 B	339,783	29 Apr 88	Renew 29 Apr 03
Canada	COMFORTCALE	F 1813 B	305,739	09 Aug 85	Renew 09 Aug 15
Canada	DREAMTONES	F 1814 B	251,803	24 Oct 80	Renew 24 Oct 10
Canada	ROYAL CLASSIC	F 1817 B	311,557	21 Feb 86	Renew 21 Feb 16
Canada	COMFORTCALE	F 1880 B	341,000	27 May 88	Renew 27 May 03
Canada	EUROPA CLASSICS	F 1815 B	311,556	21 Feb 86	Renew 21 Feb 16
Canada	CANNON & DEVICE	F 1765 B	340,085	13 May 88	Renew 13 May 03
Canada	ROYAL ELEGANCE	F 1818 B	308,250	15 Nov 85	Renew 15 Nov 15
Canada	ROYAL VELVET	F 5238 B (F 4182 B)	253,765	12 Dec 80	Renew 12 Dec 10
Canada	NOBILITY	F 5240 B	263,275	16 Oct 81	Renew 16 Oct 11
Canada	CANNON ROYAL FAMILY	F 1805 B	341,436	10 Jun 88	Renew 10 Jun 03
Canada	COTTON FRESH	F 1806 B	343,143	29 Jul 88	Renew 29 Jul 03
Canada	CANNON DEVICE	F 1802 B	340,685	20 May 88	Renew 20 May 03
Canada	CANNON	F 1800 B	340,999	27 May 88	Renew 27 May 03
Canada	CANNON DEVICE	F 1801 B	343,138	29 Jul 88	Renew 29 Jul 03
Canada	LA FRAICHEUR DU COTON	F 1807 B	343,202	29 Jul 88	Renew 29 Jul 03
Canada	MONTICELLO	F 1808 B	343,488	05 Aug 88	Renew 05 Aug 03
Canada	ROYAL FAMILY	F 1514 B	233,026	11 May 79	Renew 11 May 09
Canada	MONTICELLO	F 1716 B	341,285	03 Jun 87	Renew 03 Jun 03
Canada	ROYAL TOUCH	F 1819 B	308,249	15 Nov 85	Renew 15 Nov 15
Canada	CANNON & DEVICE	F 1811 B	175/38829	04 Nov 50	Renew 04 Nov 05
Canada	ROYAL FAMILY	F 1809 B	341,885	23 Jun 88	Renew 23 Jun 03
Canada	CANNON & DEVICE	F 1803 B	343,139	29 Jul 88	Renew 29 Jul 03
Canada	STERLING CHOICE	F 1728 B	340,936	27 May 88	Renew 27 May 03
Canada	FIELDCREST	F 5235 B	UCA 28090	10 Jul 47	Renew 10 Jul 07
Canada	SANTA CRUZ	F 2766 B	372,810	31 Aug 90	Renew 31 Aug 05
Canada	ST. MARYS Logo	F 19552	203,502	29 Nov 74	Renew 29 Nov 04
Canada	CANNON MONTICELLO	F 1804 B	342,591	08 Jul 88	Renew 08 Jul 03
Canada	BIO-TECT	F 8697 B	485,552	17 Nov 97	Renew 12 Nov 12
Canada	VELVET TOUCH	F 8787 B	TMA 508,755	03 Mar 99	Renew 03 Mar 14
Canada	SOFTIQUE COTTON	F 8996 B	852,548	05 May 99	Renew 05 May 14
Canada	INDULGENCE	F 10692 B	545,437	22 May 01	Renewal 22 May 2016

Country	Mark (Class)	Reference	Registration #	Filed Or Issued	Action Due/Status
Canada	CANNON BIG & LOFTY	F 9717 B	Reg TMA 531,757	24 Aug 00	Renew 24 Aug 15
Panama	COTTON FRESH	F 5924 B	Reg 68,395	21 June 95	Renew 21 Jun 05
Panama	ST. MARYS Logo	F 20234 B	Reg 21,255/44,454	15 Feb 77	Renew 15 Feb 07
Panama	FIELDCREST	24, 27 SL 100087	Reg 13,268	08 Apr 71	Renew 08 Apr 11
Panama	CANNON & DEVICE	F 1994 B	Reg 7878	18 May 63	Renewed 8 Apr 11
Panama	ROYAL FAMILY	F 1997 B	Reg 24,717	28 Mar 80	Renew 28 Mar 10

III. Domestic Trademark Applications

Mark (Class)	Reference	Application #	Filed Or Issued	Action Due/Status
BEDS, ETC.	F 11791 B	SN 76/266025	31 May 01	Allowed
CANNON-THE AMERICAN BRAND	F 12630 B	SN 76/382,753	14 Mar 00	Pending
CHARISMA	F 9843 B	SN 75/580954	02 Nov 98	Allowed
CHARISMA SELECT	F-10709 B	SN 76/081,817	3 Jul 00	Allowed
CHARISMA ELITE	F-10708 B	SN 76/081,693	3 Jul 00	Pending application - Opposition
FIELDCREST OPULENCE	F 12823 B	SN 76/376946	04 Mar 02	Pending Application
TOUCH OF CLASS BIG & LOFTY	F 9459 B	SN		New Appln

IV. Foreign Trademark Applications

Country	Mark (Class)	Reference	Application #	Filed	Action Due/Status
Panama	ROYAL VELVET	F7435B	SN 78,401		Pending Application



EXHIBIT C  
TO  
TRADEMARK COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT

SPECIAL POWER OF ATTORNEY

STATE OF TEXAS                    )  
  ) ss.:  
COUNTY OF DALLAS                )

KNOW ALL MEN BY THESE PRESENTS, that FIELDCREST CANNON LICENSING, INC. ("Debtor"), having an office at One Lake Circle Drive, Kannapolis, North Carolina 28081, hereby appoints and constitutes, severally, CONGRESS FINANCIAL CORPORATION, as Agent ("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 is made pursuant to a Trademark Collateral Assignment and Security Agreement, dated of even date herewith, between Debtor and Secured Party (the "Security Agreement") and is subject to the terms and provisions thereof. This Power of Attorney, being coupled with an interest, is irrevocable until all "Obligations", as such term is defined in the Security Agreement, are paid in full and the Security Agreement is terminated in accordance with Section 7(g) of the Security Agreement.

Dated: May \_\_, 2002

FIELDCREST CANNON LICENSING, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

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STATE OF TEXAS )  
 ) ss.:  
COUNTY OF DALLAS )

On the \_\_ day of May, 2002, before me personally came \_\_\_\_\_, to me known, who being by me duly sworn, did depose, acknowledge and say that he/she is the \_\_\_\_\_ of FIELDCREST CANNON LICENSING, INC., the corporation which executed the foregoing instrument and that he/she signed his/her name thereto by order of the board of directors of such corporation.

\_\_\_\_\_  
Notary Public