

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): September 1, 2000

Crown Crafts, Inc.

(Exact name of registrant as specified in its charter)

Georgia 1-7604 58-0678148

(State or other (Commission File Number) (IRS Employer
jurisdiction of Identification
incorporation) Number)

1600 RiverEdge Parkway, Suite 200, Atlanta, Georgia 30328

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (770) 644-6400

Item 5. Other Events.

On August 8, 2000 the Company announced that it had reached an agreement in principle with its lenders, Wachovia Bank, N.A., Bank of America, N.A., and The Prudential Insurance Company of America, to extend to April 3, 2001 the expiration date of its loan agreements and that formal documents reflecting these new arrangements would be executed as soon as practical.

As of September 1, 2000 the Company has refinanced its \$126 million credit facilities and executed definitive agreements with its lenders to extend from August 31, 2000 to April 3, 2001 the expiration date of its loan agreements and amend the covenants in the loans. The lenders will receive an increase of 1% in interest rates and, under certain conditions, warrants exercisable for 10% of the Company's shares.

The descriptions of the loan agreement amendments contained herein are qualified in their entirety by reference to the terms of (1) Global Amendment No. 2 to Intercreditor Agreements, (2) Amendment No. 4 to Revolving Credit Agreement, and (3) Amendment No. 5 of 1995 Note Agreement, forms of which are attached hereto as Exhibits 10.1 through 10.3, respectively, and incorporated herein by this reference.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits. The following is a list of the Exhibits attached hereto:

Exhibit No. 10.1 Global Amendment No. 2 to Intercreditor Agreements
Exhibit No. 10.2 Amendment No. 4 to Revolving Credit Agreement
Exhibit No. 10.3 Amendment No. 5 of 1995 Note Agreement

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CROWN CRAFTS, INC.

By: /s/ Carl A. Texter

Name: Carl A. Texter

Title: Chief Financial Officer

Dated: September 13, 2000

GLOBAL AMENDMENT NO. 2 TO INTERCREDITOR AGREEMENTS

THIS GLOBAL AMENDMENT NO. 2 TO INTERCREDITOR AGREEMENTS (this "Amendment") is dated effective as of August 31, 2000, among CROWN CRAFTS, INC. ("Parent"), CHURCHILL WEAVERS, INC. ("Weavers"), CROWN CRAFTS DESIGNERS, INC. ("Designers"), CROWN CRAFTS HOME FURNISHINGS, INC. ("Furnishings"), G.W. STORES, INC. ("Stores"), HAMCO, INC. ("Hamco"), CROWN CRAFTS INFANT PRODUCTS, INC. ("Infant"), as successor to Noel Joanna, Inc. ("Joanna") and The Red Calliope and Associates, Inc. ("Calliope"), WACHOVIA BANK, N.A., Collateral Agent (the "Collateral Agent") and a Secured Party, Bank of America, N.A., as a Secured Party, and The Prudential Insurance Company of America, as a Secured Party (collectively, the "Secured Parties");

WITNESSETH:

WHEREAS, the Collateral Agent and the Secured Parties executed and delivered those certain Intercreditor Agreements, each dated as of August 9, 1999 with (i) Parent (the "Parent Intercreditor Agreement"), (ii) Weavers (the "Weavers Intercreditor Agreement"), (iii) Designers (the "Designers Intercreditor Agreement"), Furnishings (the "Furnishings Intercreditor Agreement"), Stores (the "Stores Intercreditor Agreement"), Hamco (the "Hamco Intercreditor Agreement"), Infant, as successor to Joanna and Calliope under the Intercreditor Agreements with such entities (collectively, the "Infant Intercreditor Agreement"), as amended by Global Amendment No. 1 to Intercreditor Agreements dated effective as of February 23, 2000 (as so amended, the "Intercreditor Agreements"); and

WHEREAS, each Company has requested and the Collateral Agent and the Secured Parties have agreed to certain amendments to certain provisions in the Intercreditor Agreement with it, subject to the terms and conditions hereof;

NOW, THEREFORE, for and in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged by the parties hereto, each Company, the Collateral Agent and the Secured Parties hereby covenant and agree as follows, as to each of the Intercreditor Agreements:

1. Definitions. Unless otherwise specifically defined herein, each term used herein which is defined in the Intercreditor Agreements shall have the meaning assigned to such term in the Intercreditor Agreements. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Intercreditor Agreements shall from and after the date hereof refer to the Intercreditor Agreements as amended hereby.

2. Amendments to Intercreditor Agreement.

(a) The following new definitions are hereby added to Section 1 of the Intercreditor Agreement in proper alphabetical order:

"Wachovia LC's" has the meaning set forth in Section 32.

"Wachovia LC Cash Collateral" has the meaning set forth in Section 32.

(b) The following definitions contained in Section 1 of the Intercreditor Agreement are hereby amended and restated in their entirety in proper alphabetical order:

"Collateral" means (i) the "Collateral" defined in the Security Agreement; (ii) the "Collateral" defined in the Factoring Balances Agreement; (iii) the "Collateral" defined in the Pledge Agreement; and (iv) the "Collateral" defined in the Mortgages; provided, that notwithstanding anything to the contrary in the Security Agreement or the Transaction Documents, the term "Collateral" shall not include the

Wachovia LC Cash Collateral.

(c) A new Section 32 is hereby added to the Intercreditor Agreement as follows:

32. Certain Agreements Arising From August 31, 2000 Amendments. The Secured Parties have each amended their respective Transaction Documents (collectively, the "August 2000 Transaction Document Amendments"), consisting of (i) as to each of Wachovia and Bank of America, an Amendment No. 4 to Revolving Credit Agreement, and (ii) as to Prudential, an Amendment of 1995 Note Agreement, in each case dated as of August 31, 2000, and each Secured Party hereby approves the August 2000 Transaction Document Amendments. As a result of and in order to reflect the understanding of the parties contained in the August 2000 Transaction Document Amendments, the Secured Parties desire to include in this Intercreditor Agreement the provisions of this Section 32, and the Company consents and agrees to the terms and provisions set forth herein. In the event of any conflict between the provisions of this Section 32 and any other provision of this Intercreditor Agreement, the provisions of this Section 32 shall govern and control.

(a) With respect to all outstanding letters of credit issued by Wachovia for the account of the Borrower, whether outstanding on August 31, 2000 or

2

thereafter issued (the "Wachovia LC's"), the August 2000 Transaction Document with Wachovia provides that: (i) on or before the effective date of the August 2000 Transaction Documents Amendments, Crown Crafts, Inc. would either cause to be surrendered to Wachovia for cancellation the Wachovia LC issued in connection with worker's compensation claims (the "Worker's Comp LC") in the stated amount of \$795,842 or provide to Wachovia cash collateral in an amount equal to such stated amount; and (ii) as to all other Wachovia LC's (the "Other LC's"), (x) those which currently expire prior to October 31, 2000 shall be permitted to expire, and (y) as to those which have not expired by October 31, 2000, on such date, and as to those issued after the Fourth Amendment Effective Date, on the date of issuance, Crown Crafts, Inc. shall either cause to be surrendered to Wachovia for cancellation such unexpired Other LC's or provide to Wachovia cash collateral in an amount equal to the lesser of (x) the maximum amount available to be drawn thereunder and (y) an amount which, together with the amount of cash collateral provided for the Worker's Comp LC pursuant to clause (i) above, does not exceed \$2,700,000 (the "Cash Collateral Amount"), and the aggregate stated amount of all Wachovia LC's for which cash collateral is required pursuant to the foregoing shall not exceed the Cash Collateral Amount.

(b) The August 2000 Transaction Document Amendments further provide that except as to any Discretionary Loans, notwithstanding any provision to the contrary contained in any of the Transaction Documents or this Intercreditor Agreement, Crown Crafts may not make any principal payments to any of Secured Parties other than pro-rata principal payments, and each Secured Party's pro-rata share shall be calculated as provided in paragraph (c) of this Section 32, and each of the Secured Parties acknowledges and agrees to the foregoing as part of their understanding under this Intercreditor Agreement.

(c) The August 2000 Transaction Document Amendments further provide that Crown Crafts, Inc. shall make payments of principal outstanding on the Senior Debt to the Secured Parties, prorata, based on the principal amounts of Senior Debt held by each of them, in the following amounts on

or before the dates set forth below (the "Mandatory Senior Debt Payments"):

<TABLE>
<CAPTION>

Payment Date	Payment Amount
<S>	<C>
December 8, 2000	\$ 7,000,000
December 31, 2000	\$ 4,000,000
February 4, 2001	\$ 3,000,000
March 4, 2001	\$ 2,000,000
April 1, 2001	\$ 3,000,000

Total	\$19,000,000

</TABLE>

Each of the Secured Parties acknowledges and agrees to the foregoing as part of their understanding under this Intercreditor Agreement and Prudential hereby agrees, notwithstanding anything to the contrary contained in this Intercreditor Agreement, the Security Agreement or the Transaction Documents, in connection

3

with any principal payments made to Prudential (either on a voluntary basis, on account of the mandatory reductions in Senior Debt required by the August 2000 Transaction Document Amendments or from Net Proceeds or pursuant to this Intercreditor Agreement), no Yield-Maintenance Amount (as defined in the Prudential Note Agreement) shall accrue or be payable with respect thereto as to such principal payments made after the date of the August 2000 Transaction Documents Amendments not in excess of an aggregate of \$7,142,856, and as to such principal payments made after the date of the August 2000 Transaction Document Amendments in excess of an aggregate of \$7,142,856 (including any payments made at maturity, by acceleration or otherwise), the Yield-Maintenance Amount with respect thereto (calculated without taking into account the shortening of maturity and the change in interest rate pursuant to the August 2000 Transaction Document Amendments) shall accrue with respect thereto. Prior to maturity (whether by acceleration or otherwise), each payment made to the Secured Parties shall be made on a prorata basis, based solely on the principal amounts outstanding on such date, but Prudential shall be entitled to apply its share thereof to its Yield-Maintenance Amount determined on its principal amount outstanding immediately prior to receipt of such payment and, to the extent Prudential does make such application to its interest or to its Yield-Maintenance Amount and, if applied to its Yield-Maintenance Amount and the amount of such Yield-Maintenance Amount is calculated on a treasury rate basis (as set forth in Paragraph 10A of the Prudential Note Agreement) which is lower than such treasury rate basis would have been if calculated on August 31, 2000, then to the extent of the difference, the other Secured Parties shall be entitled to apply their payments to interest or other costs (or to then there are none, held as cash collateral, not subject to sharing hereunder, for future such application). Upon such maturity of the Senior Debt (whether by acceleration or otherwise), notwithstanding any provision of this Intercreditor Agreement to the contrary, any distributions on account of the Senior Debt shall be made on a prorata basis, determined as follows: (i) based solely on the principal amount outstanding on such date, until distributions have been made in an aggregate amount equal to such principal amount outstanding; and (ii) thereafter, based on the aggregate amount of each Secured Parties' remaining Claim (including, interest, fees, costs and Prudential's Yield-Maintenance Amount).

(d) The August 2000 Transaction Document Amendments further provide that the Company shall make a prepayment of principal amount of the Senior Debt from the Net Proceeds of each Restricted Asset Disposition and each Capital Market Transaction (as those terms are defined in the Transaction Documents), except that such Net Proceeds shall (i) be payable to the Collateral Agent as and when the aggregate amount thereof since the last such payment of Net Proceeds pursuant thereto is equal to or in excess of \$50,000, and (ii) be applied to reduce the amount of Mandatory Senior Debt Payments required to be made pursuant to paragraph (c) above, with such applications being applied in the order of maturity of the Payment Dates set forth in paragraph (c) above. The Company and the Secured Parties hereby agree that such amounts paid to the

4

Collateral Agent shall be held by the Collateral Agent, for the ratable benefit of the Secured Parties, and distributed to the Secured Parties as and when the aggregate amount held by it is at least equal to \$250,000, or at such earlier time as the Secured Parties may agree upon and so instruct the Collateral Agent, all pursuant to the provisions of this Section 32.

(e) The August 2000 Transaction Document Amendments further provide that by October 2, 2000, the Secured Parties (or their affiliate designees) without any further consideration payable, shall receive warrants, exercisable at nominal cost for Crown Crafts, Inc.'s common stock such that upon issuance the Secured Parties, collectively, shall own 10% (divided among the Secured Parties pro rata, according to the following percentages: 19.63% to Bank of America 33.88% to Prudential; and 46.49% to Wachovia, which percentages were determined without taking into account any outstanding Wachovia LC's and shall be applicable so long as, on the issuance date, cash collateral required to have been provided for such Wachovia LC's as of such date pursuant to Section 8.18 of the August 2000 Transaction Document Amendment with Wachovia has been provided, but shall be subject to adjustment to the extent such required cash collateral has not so been provided) of Crown Crafts, Inc.'s then issued and outstanding common stock exercisable any time after issuance, but not later than December 31, 2005. Such warrants (the "Warrants") shall be accompanied by a warrant holders rights agreement providing each of the Secured Parties with customary registration "call," "put," "clawback", antidilution provisions (including with respect to the exercise of options outstanding on August 31, 2000) and similar rights acceptable to each of the Secured Parties. However, the Secured Parties have agreed and hereby agree, on a pro rata basis, to extinguish (return) the Warrants, unexercised, at a rate equal to 2% of such outstanding Warrants (to the extent not previously exercised) for each 1% of the amount by which the principal balance of the Senior Debt outstanding on the August 31, 2000 is reduced by principal payments made after such date. Each of the Secured Parties hereby agrees that it will not amend or modify its Warrant without the written consent of the other Secured Parties.

3. Effect of Amendment. Except as set forth expressly hereinabove, all terms of the Intercreditor Agreement shall be and remain in full force and effect, and shall constitute the legal, valid, binding and enforceable obligations of the parties thereto. The agreements obtained herein shall be deemed to have prospective application only, unless otherwise specifically stated herein.

4. Ratification. Each of the parties to the Intercreditor Agreement hereby restates, ratifies and reaffirms each and every term, covenant and condition set forth in the Intercreditor Agreement effective as of the date

hereof.

5. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and

5

delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

6. Section References. Section titles and references used in this Amendment shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreements among the parties hereto evidenced hereby.

7. Governing Law. This Amendment shall be governed by and construed and interpreted in accordance with, the laws of the State of Georgia.

8. Conditions Precedent. This Amendment shall become effective only upon execution and delivery of this Amendment by each of the parties hereto and the effectiveness of each of the August 2000 Transaction Document Amendments in accordance with their respective terms.

[SIGNATURES COMMENCE ON NEXT PAGE]

6

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first above written.

COMPANY: CROWN CRAFTS, INC.

By: _____
Title:

COMPANY: CHURCHILL WEAVERS, INC.

By: _____
Title:

COMPANY: CROWN CRAFTS DESIGNERS, INC.

By: _____
Title:

COMPANY: CROWN CRAFTS HOME FURNISHINGS, INC.

By: _____
Title:

COMPANY: G.W. STORES, INC.

By: _____
Title:

COMPANY: HAMCO, INC.

By: _____

Title:

7

COMPANY: CROWN CRAFTS INFANT PRODUCTS, INC.

By:

Title:

COLLATERAL AGENT: WACHOVIA BANK, N.A., as Collateral Agent

By:

Title:

SECURED PARTIES: WACHOVIA BANK, N.A., as a Secured Party,

By:

Title:

BANK OF AMERICA, N.A., as a Secured Party

By:

Title:

THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA, as a Secured Party

By:

Title:

8

AMENDMENT NO. 4 TO REVOLVING CREDIT AGREEMENT

THIS AMENDMENT NO. 4 TO REVOLVING CREDIT AGREEMENT (this "Amendment") is dated effective as of August 31, 2000, among CROWN CRAFTS, INC. (the "Borrower") and WACHOVIA BANK, N.A. (the "Lender");

WITNESSETH:

WHEREAS, the Borrower and the Lender executed and delivered that certain Credit Agreement, dated as of August 9, 1999, as amended by Amendment No. 1 to Revolving Credit Agreement dated as of February 23, 2000, Amendment No. 2 to Revolving Credit Agreement dated as of March 13, 2000 and Amendment No. 3 to Revolving Credit Agreement dated as of June 4, 2000 (as so amended, the "Credit Agreement");

WHEREAS, the Borrower has requested and the Lender has agreed to certain amendments to certain provisions in the Credit Agreement, subject to the terms and conditions hereof;

NOW, THEREFORE, for and in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged by the parties hereto, the Borrower and the Lender hereby covenant and agree as follows:

1. Definitions. Unless otherwise specifically defined herein, each term used herein which is defined in the Credit Agreement shall have the meaning assigned to such term in the Credit Agreement. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby.

2. Amendments to Credit Agreement.

(a) Each of the following definitions contained in Section 1.1 of the Credit Agreement is amended and restated in its entirety, and the definitions which appear below and which have not previously been contained in Section 1.1 of the Credit Agreement hereby are added thereto, in alphabetical order as follows:

"Applicable Interest Addition" means, from and after the Fourth Amendment Effective Date, 2.00%; provided that (i) if on January 1, 2001, the aggregate principal amount of the Senior Debt has not been reduced below \$85,000,000, additional interest in the amount of 2% (the "Contingent Interest") shall be added to and become a part of the Applicable Interest Addition and accrue on the Loans from and after January 1, 2001, but will not be payable until the Revolving A Credit Termination Date and Term Loan Maturity Date, (ii) if on February 15, 2001, the aggregate principal amount of the Senior Debt has been reduced below \$65,000,000, Contingent Interest shall not accrue on the Loans

after February 15, 2001 and shall no longer be a part of the Applicable Interest Addition thereafter and (iii) if on March 31, 2001 the aggregate principal amount of the Senior Debt has been reduced below \$60,000,000, the entire claim for Contingent Interest on the Loans shall be waived.

"Borrowing Base" means, as determined by the most recent Borrowing Base Certificate, or, in the event such Borrowing Base Certificate is not timely delivered, based upon the Lender's good faith estimate thereof for such period to be reported on the date such Borrowing Base Certificate was due, an amount equal to the sum of the following:

(a) all Net Receivables multiplied by 85%, less the amount of all Factor Advances which have been received from the applicable Permitted Factor; plus

(b) the lesser of the book value (net of all reserves) or market value of all Inventory (excluding Mascioni Inventory), multiplied by 50% (and calculated in the Borrowing Base Certificate pursuant to the provisions of Section 7.1(g)); plus

(c) the Applicable Property Value multiplied by 80%; plus

(d) the Overadvance Amount.

"Consolidated EBITDA" means, with respect to the Borrower and its Subsidiaries for any measurement period ending on the date of computation thereof, the sum of, without duplication, (i) Consolidated Net Income, (ii) Consolidated Interest Expense, (iii) taxes on income, (iv) amortization and (v) depreciation, all determined on a consolidated basis in accordance with GAAP applied on a Consistent Basis, but excluding one-time charges associated with divestitures, plant closures, severance, asset write-offs, employee retention and fees and expenses incurred by the Borrower in connection with the August 2000 Transaction Document Amendments (as defined in Section 32 of the Intercreditor Agreement).

"Daily Borrowing Base Certificate" has the meaning set forth in Section 7.1(g).

"Daily Inventory Component Amount" has the meaning set forth in Section 7.1(g).

"Fourth Amendment Effective Date" means August 31, 2000.

"Inventory Component" has the meaning set forth in Section 7.1(g).

"Mandatory Senior Debt Payments" has the meaning set forth in Section 2.8(b).

2

"Month End Inventory Component Amount" has the meaning set forth in Section 7.1(g).

"Month End Borrowing Base Certificate" has the meaning set forth in Section 7.1(g).

"Net Proceeds" means (a) in connection with any Restricted Asset Disposition, the proceeds thereof in the form of cash and cash equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) of such Restricted Asset Disposition, after deducting therefrom, as applicable, (i) attorneys' fees, accountants' fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, amounts required to be applied to the repayment of Indebtedness secured by a Lien on any asset which is the subject of such Restricted Asset Disposition and other customary fees and expenses actually incurred in connection therewith, (ii) taxes paid or reasonably estimated by the Borrower to be payable as a result thereof (including withholding taxes incurred in connection with cross-border transactions, if applicable), (iii) appropriate amounts to be provided by the Borrower or any Subsidiary, as the case may be, as a reserve required in accordance with GAAP against any liabilities associated with such Restricted Asset Disposition and retained by the Borrower or any Subsidiary, as the case may be, after such Restricted Asset Disposition, including, without limitation, pension and other post-employment benefit liabilities and liabilities under any indemnification obligations associated with such Restricted Asset Disposition, and (iv) amounts agreed upon by the Secured Parties in writing for employee retention and severance, (b) in connection with any Capital Market Transactions (but not including in "Net Proceeds" any replacements, refundings or refinancings of existing Indebtedness), the cash proceeds received from such issuance or incurrence, net of attorneys' fees, investment banking fees, accountants' fees,

underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith and (c) in connection with any Asset Disposition means cash payments received by the Borrower therefrom (including any cash payments received pursuant to any note or other debt security received in connection with any Asset Disposition) as and when received, net of (i) all legal fees and expenses and other fees and expenses paid to third parties and incurred in connection therewith, (ii) all taxes required to be paid or accrued as a consequence of such disposition, (iii) all amounts applied to repayment of Indebtedness (other than the Senior Debt) secured by a Lien on the asset or property disposed.

"Overadvance Amount" means, for the purposes of each calculation of the Borrowing Base, an amount equal to the following amounts for the corresponding period, provided, that the amounts set forth below are subject to adjustment satisfactory to the Lender and the Borrower following any material asset

3

divestiture, to the extent necessary to take into account the effect thereon of any such divestiture:

<TABLE>
<CAPTION>

Period	Maximum Overadvance Amount
-----	-----
<S>	<C>
August 31, 2000 through September 4, 2000	\$ 44,000,000
September 5, 2000 through September 11, 2000	\$ 44,000,000
September 12, 2000 through September 18, 2000	\$ 44,000,000
September 19, 2000 through September 25, 2000	\$ 44,000,000
September 26, 2000 through October 2, 2000	\$ 44,000,000
October 3, 2000 through October 9, 2000	\$ 44,000,000
October 10, 2000 through October 16, 2000	\$ 43,000,000
October 17, 2000 through October 23, 2000	\$ 42,000,000
October 24, 2000 through October 30, 2000	\$ 41,000,000
October 31, 2000 through November 6, 2000	\$ 40,000,000
November 7, 2000 through November 13, 2000	\$ 39,000,000
November 14, 2000 through November 20, 2000	\$ 38,000,000
November 21, 2000 through November 27, 2000	\$ 37,000,000
November 28, 2000 through December 3, 2000	\$ 36,000,000
December 4, 2000 through December 10, 2000	\$ 35,000,000
December 11, 2000 through December 17, 2000	\$ 34,000,000
December 18, 2000 through December 24, 2000	\$ 33,000,000
December 25, 2000 through December 31, 2000	\$ 31,000,000
January 1, 2001 through February 4, 2001	\$ 30,000,000
February 5, 2001 through March 4, 2001	\$ 28,000,000
March 5, 2001 through April 1, 2001	\$ 27,000,000.

</TABLE>

"Restricted Asset Dispositions" means (i) any Subsidiary Disposition and (ii) any Asset Dispositions (other than an Asset Disposition referred to in clauses (a), (f) or (g) of the definition of "Permitted Asset Dispositions", provided that the proceeds therefrom shall be applied as provided in Section 2.8(a).

"Revolving A Credit Termination Date" means (i) April 3, 2001 or (ii) such earlier date of the acceleration of any Loans pursuant to Section 9.1 upon the occurrence of an Event of Default, or (iii) such date as the Borrower may permanently terminate the Revolving A Credit Facility by payment in full of all Revolving A Credit Outstandings.

"Term Loan Maturity Date" means the earlier of (i) April 3, 2001, or (ii) such earlier date of the acceleration of any Loans pursuant to Section 9.1 upon the occurrence of an Event of Default.

"Wachovia LC's" has the meaning set forth in Section

"Warrants" has the meaning set forth in Section 8.17.

(b) Section 2.1(a) hereby is amended and restated in its entirety, as follows:

(a) No Further Commitments. The Borrower hereby acknowledges and agrees that the Lender no longer has any commitments to make further Advances hereunder, such commitments having been terminated, and any Loans by the Lender made after the Fourth Amendment Effective Date shall be made solely in the absolute discretion of the Lender, and shall constitute "Discretionary Loans" as defined in, and be made pursuant and subject to the terms and conditions of, the Intercreditor Agreement.

(c) Section 2.3 hereby is amended and restated in its entirety, as follows:

2.3 .INTENTIONALLY OMITTED..

(d) Section 2.8 hereby is amended and restated in its entirety, as follows:

2.8 Mandatory Prepayment.

(a) The Borrower shall make, or shall cause each applicable Subsidiary to make, a prepayment of Revolving Credit Outstandings and the Term Loan from the Net Proceeds of each Restricted Asset Disposition and each Capital Market Transaction, except that such Net Proceeds shall (i) be payable to the Collateral Agent as and when the aggregate amount thereof since the last such payment of Net Proceeds pursuant hereto is equal to or in excess of \$50,000, and (ii) be applied to reduce the amount of Mandatory Senior Debt Payments required to be made pursuant to Section 2.8(b), with such applications being applied in the order of maturity of the Payment Dates set forth in Section 2.8(b). Such amounts paid to the Collateral Agent shall be held by the Collateral Agent, for the ratable benefit of the Secured Parties, and distributed to the Secured Parties as and when the aggregate amount held by it is at least equal to \$250,000, or at such earlier time as the Secured Parties may agree upon, all pursuant to the provisions of Section 32 of the Intercreditor Agreement.

(b) The Borrower shall make payments of principal outstanding on the Senior Debt to the Secured Parties, prorata (calculated as provided in Section 32(c) of the Intercreditor Agreement), in the following amounts on or before the dates set forth below (the "Mandatory Senior Debt Payments"):

<TABLE>
<CAPTION>

Payment Date <S>	Payment Amount <C>
December 8, 2000	\$ 7,000,000
December 31, 2000	\$ 4,000,000
February 4, 2001	\$ 3,000,000
March 4, 2001	\$ 2,000,000
April 1, 2001	\$ 3,000,000

Total	\$19,000,000

</TABLE>

(e) Section 7.1 hereby is amended amending and restating paragraphs (c) and (g), thereof, and adding thereto new paragraphs (i) and (j), as follows:

(c) Monthly Reporting. As soon as practicable

and in any event within 40 days (except for the Borrowing Base Certificate pursuant to clause (ii) below, which shall be delivered within 35 days) after the end of each month beginning with the fiscal month ended July 31, 2000, deliver to the Lender (i) a balance sheet of the Borrower and its Subsidiaries as at the end of such month and the related statements of income, stockholders' equity and cash flows for such month, and accompanied by a certificate of an Authorized Representative to the effect that such financial statements present fairly in all material respects the financial position of the Borrower and its Subsidiaries as of the end of such month and the results of their operations and the changes in their financial position for such month, in conformity with GAAP applied on a Consistent Basis, subject to normal year-end audit adjustments and the absence of footnotes, (ii) a Borrowing Base Certificate (calculated showing the "Month End Inventory Amount", as defined in and pursuant to the provisions of Section 7.1(g)) and (iii) a certificate of an Authorized Representative demonstrating compliance with Sections 8.1(a) and 8.1(b) hereof, which certificate shall be in the form attached hereto as Exhibit J hereto;

(g) Updates of Borrowing Base Certificates. On each Business Day, an uncertified, good faith estimated update (a "Daily Borrowing Base Certificate") of the most recently furnished monthly Borrowing Base Certificate furnished pursuant to Section 7.1(c) (a "Month End Borrowing Base Certificate") as to the information under the heading "Accounts Receivable" pertaining to "Factored Accounts" and "Factor Advances"; and the information under the heading "Senior Debt". The Month End Borrowing Base Certificate shall show, for the final line item under the heading INVENTORY contained therein (the "Inventory Component"), the actual Inventory Component calculated for such fiscal month (the "Month End Inventory Component Amount"). The Inventory Component shown on each Daily Borrowing Base Certificate (the "Daily Inventory Component Amount") shall show the lesser of (i) the Month End Inventory Component Amount for the most recently furnished Month End Borrowing Base Certificate and (ii) the Inventory Component amount for the relevant fiscal month set forth below, provided, that the amounts set forth below are subject to adjustment satisfactory to the Lender and the Borrower following any material asset divestiture, to the extent necessary to take into account the effect thereon of any such divestiture:

<TABLE>
<CAPTION>

Fiscal Month Ended: -----	Inventory Component Amount: -----
<S>	<C>
September 3, 2000	\$32,000,000
October 1, 2000	\$29,000,000
November 5, 2000	\$27,000,000
December 3, 2000	\$26,000,000
December 31, 2000 and thereafter	\$25,000,000

</TABLE>

The Month End Inventory Component Amount shown in a Month End Borrowing Base Certificate shall be used solely for purposes of calculating the Daily Inventory Component Amount on Daily Borrowing Base Certificates delivered thereafter pursuant to the foregoing until the delivery of the next Month End Borrowing Base Certificate, and the Inventory Component for purposes of calculating the Borrowing Base shall be the Daily Inventory Component Amount set forth in each Daily Borrowing Base Certificate.

(i) Updates of Initiatives Summary. With respect to Initiatives Summary (as defined in the letter agreement among the Borrower and the Secured Parties dated as of June 27, 2000), the

Borrower shall furnish to the Lender (i) on Thursday of each week, a weekly update of the Initiative Summary as to strategic initiatives and (ii) on the 7th Business Day of each month, a monthly update as to all other aspects of the Initiatives Summary.

(j) Delivery of Outstanding Items. The items described on Appendix 1 hereto, which were to have been furnished to the Lender pursuant to Section 10(a) of Amendment No. 1 to Revolving Credit Agreement between the parties hereto, but have not yet been delivered, shall be delivered to the Lender (i) on or before November 30, 2000, with respect to the title policies described on Appendix 1 and (ii) on or before October 31, 2000, with respect to all other items.

(f) Section 8.1 is amended and restated in its entirety as follows:

8.1 Financial Covenants.

(a) Capital Expenditures. Permit Capital Expenditures during the period from April 2, 2000 through the Term Loan Maturity Date to exceed \$4,400,000.

(b) Consolidated EBITDA. Permit cumulative Consolidated EBITDA as of the end of any fiscal month set forth below to be less than the amount set forth below opposite such date, provided, that the amounts set forth below are subject to adjustment satisfactory to the Lender and the Borrower following any material asset divestiture, to the extent necessary to take into account the effect thereon of any such divestiture:

<TABLE>
<CAPTION>

Fiscal Month-End -----	Minimum Consolidated EBITDA -----
<S>	<C>
July 2, 2000 (3 months)	(4,750,000)
August 6, 2000	(5,700,000)
September 3, 2000	(4,100,000)
October 1, 2000	(750,000)

</TABLE>

7

<TABLE>

<S>	<C>
November 5, 2000	2,750,000(1)
December 3, 2000	4,500,000
December 31, 2000	6,500,000
February 2, 2001	7,500,000
March 3, 2001	10,000,000
April 1, 2001	14,500,000

</TABLE>

(g) Section 8.15 hereby is amended and restated in its entirety as follows:

8.15 Factor Advances. Permit to exist any Factor Advances, other than Factor Advances from a Permitted Factor in an aggregate amount not exceeding the amount set forth below during the periods set forth below, provided, that the amounts set forth below are subject to adjustment satisfactory to the Lender and the Borrower following any material asset divestiture, to the extent necessary to take into account the effect thereon of any such divestiture:

<TABLE>
<CAPTION>

Month-End Date -----	Factor Adv. Limit -----
<S>	<C>
August 31, 2000 through September 4, 2000	27,500,000
September 5, 2000 through September 11, 2000	28,000,000

September 12, 2000 through September 18, 2000	33,000,000
September 19, 2000 through September 25, 2000	34,000,000
September 26, 2000 through October 2, 2000	36,000,000
October 3, 2000 through October 9, 2000	36,000,000
October 10, 2000 through October 16, 2000	34,000,000
October 17, 2000 through October 23, 2000	32,000,000
October 24, 2000 through October 30, 2000	31,000,000
October 31, 2000 through November 6, 2000	27,000,000
November 7, 2000 through November 13, 2000	25,000,000
November 14, 2000 and thereafter	24,000,000.

</TABLE>

(h) Section 8.16 hereby is amended and restated in its entirety as follows:

8.16 Prorata Payments to Secured Parties. Except as to any Discretionary Loans (as defined in the Intercreditor Agreement), notwithstanding any provision to the contrary contained in any of the Senior Debt Documents or the Intercreditor Agreement, the Borrower may not make any principal payments to any of Secured Parties other than pro-rata principal payments, and each Secured Party's pro-rata share shall be calculated as provided in Section 32 of the Intercreditor Agreement.

(i) A new Section 8.17 hereby is added to the Credit Agreement as follows:

(1) This amount assumes receipt of the New York showroom rental income in the amount of \$1,021,000 during the fiscal month ending November 5. If such amount is not received in such fiscal month, the Minimum Consolidated EBITDA for the fiscal month ending November 5 will be decreased by such amount.

8

8.17 Warrants. By October 2, 2000, the Lender (or its affiliate designee) shall receive, together with the other Secured Parties (or their affiliate designees) without any further consideration payable, warrants, exercisable at nominal cost for the Borrower's common stock such that upon issuance the Secured Parties, collectively, shall own 10% (divided among the Secured Parties pro rata, without taking into account any outstanding Wachovia LC's so long as, on the issuance date, cash collateral required to have been provided for such Wachovia LC's as of such date pursuant to Section 8.18 has been provided) of the Borrower's then issued and outstanding common stock exercisable any time after issuance, but not later than December 31, 2005. Such warrants (the "Warrants") shall be accompanied by a warrant holders rights agreement providing the Lender and the other Secured Parties with customary registration "call," "put," "clawback", antidilution provisions (including with respect to the exercise of options outstanding on the Fourth Amendment Effective Date) and similar rights acceptable to the Lender and the other Secured Parties. However, the Lender agrees, and the other Secured Parties have agreed (by amendments to their Senior Debt Documents), on a pro rata basis, to extinguish (return) the Warrants, unexercised, at a rate equal to 2% of such outstanding Warrants (to the extent not previously exercised) for each 1% of the amount by which the principal balance of the Senior Debt outstanding on the Fourth Amendment Effective Date is reduced by principal payments made after such date.

(j) A new Section 8.18 hereby is added to the Credit Agreement as follows:

8.18 Wachovia LC's. With respect to all letters of credit issued by Wachovia for the account of the Borrower, whether outstanding on the Fourth Amendment Effective Date or thereafter issued (the "Wachovia LC's"): (i) on or before 2:00 P.M., E.D.T. on September 1, 2000, the Borrower will either cause to be surrendered to the Lender for cancellation the Wachovia LC issued in connection with worker's compensation claims (the "Worker's Comp LC") in the stated amount of \$795,842 or provide to the Lender cash collateral in an amount equal to

such stated amount; and (ii) as to all other Wachovia LC's (the "Other LC's"), (x) those which currently expire prior to October 31, 2000 shall be permitted to expire, and (y) as to those which have not expired by October 31, 2000, on such date, and as to those issued after the Fourth Amendment Effective Date, on the date of issuance, the Borrower shall either cause to be surrendered to the Lender for cancellation such unexpired Other LC's or provide to the Lender cash collateral in an amount equal to the lesser of (x) the maximum amount available to be drawn thereunder and (y) an amount which, together with the amount of cash collateral provided for the Worker's Comp LC pursuant to clause (i) above, does not exceed \$2,700,000 (the "Cash Collateral Amount"), and the aggregate stated amount of all Wachovia LC's for which cash collateral is required pursuant to the foregoing shall not exceed the Cash Collateral Amount.

(k) Section 9.1 hereby is amended by amending and restating the remedies portion thereof (the final, unlettered paragraph thereof, immediately following paragraph (m)) as follows:

9

then, and in any such event and at any time thereafter, if such Event of Default or any other Event of Default shall have not been waived,

(A) the Lender may, at its option, declare by notice to the Borrower any or all of the Obligations to be immediately due and payable, and the same, including all interest accrued thereon and all other obligations of the Borrower to the Lender shall forthwith become immediately due and payable without presentment, demand, protest, notice or other formality of any kind, all of which are hereby expressly waived, anything contained herein or in any instrument evidencing the Obligations to the contrary notwithstanding; and

(B) the Lender shall have all of the rights and remedies available under the Loan Documents or under any applicable law.

(l) Exhibit J to the Credit Agreement hereby is deleted and Exhibit J attached hereto is substituted therefor.

3. Restatement of Representations and Warranties. The Borrower hereby restates and renews each and every representation and warranty heretofore made by it in the Credit Agreement (as amended and modified hereby) and the other Loan Documents as fully as if made on the date hereof and with specific reference to this Amendment and all other loan documents executed and/or delivered in connection herewith, and further represents and warrants that no material adverse change in the business, properties, prospects, operations or condition, financial or otherwise, of the Borrower and its Subsidiaries, taken as a whole, has occurred since March 28, 1999, except any which arise out of events which have been disclosed to the Lender.

4. Effect of Amendment. Except as set forth expressly hereinabove, all terms of the Credit Agreement and the other Loan Documents shall be and remain in full force and effect, and shall constitute the legal, valid, binding and enforceable obligations of the Borrower. The agreements contained herein shall be deemed to have prospective application only, unless otherwise specifically stated herein.

5. Ratification. The Borrower hereby restates, ratifies and reaffirms each and every term, covenant and condition set forth in the Credit Agreement and the other Loan Documents effective as of the date hereof and agrees that this Amendment is one of the Loan Documents.

6. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which may be delivered by facsimile and which (including counterparts delivered by facsimile) when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the

same instrument.

7. Section References. Section titles and references used in this Amendment shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreements among the parties hereto evidenced hereby.

10

8. No Default or Claims. To induce the Lender to enter into this Amendment and to continue to make advances pursuant to the Credit Agreement, the Borrower hereby acknowledges and agrees that, as of the date hereof, and after giving effect to the terms hereof, (i) no Default or Event of Default exists, (ii) no right of offset, recoupment, defense, counterclaim, claim or objection exists in favor of the Borrower arising out of or with respect to any of the Loans or other obligations of the Borrower owed to the Lenders under the Credit Agreement, and (iii) the Bank has acted in good faith and has conducted its relationships with the Borrower in a commercially reasonable manner in connection with the negotiations, execution and delivery of this Amendment and in all respects in connection with the Credit Agreement, the Borrower hereby waiving and releasing any such claims to the contrary that may exist as of the date of this Amendment.

9. Governing Law. This Amendment shall be governed by and construed and interpreted in accordance with, the laws of the State of Georgia.

10. Conditions Precedent. This Amendment shall become effective only upon satisfaction of each of the following conditions:

(i) No Default or Event of Default shall be in existence (giving effect to this Amendment);

(ii) The Lender shall have received copies of all documents evidencing all governmental approvals, if any, with respect to this Amendment and the matters contemplated hereby and thereby;

(iii) The Lender shall have received a certificate of the Secretary or an Assistant Secretary of the Borrower certifying the names and true signatures of the officers authorized to sign this Amendment on behalf of the Borrower and any other documents to be delivered by the Borrower hereunder;

(iv) delivery to Christopher L. Carson, at facsimile 404-581-8868, of: (1) this Amendment, executed by each of the parties hereto; (2) the Consent and Reaffirmation of Guarantors at the end hereof, executed by each of the Guarantors; (3) a Global Amendment No. 2 to Intercreditor Agreements in form and substance satisfactory to the Lender, by each of the "Companies", the "Collateral Agent" and each of the "Secured Parties" (as those terms are defined in the Intercreditor Agreement); (4) a copy of amendments, satisfactory to the Lender in all respects, to each of the Bank of America Credit Agreement and the Prudential Note Agreement, extending maturities thereunder to April 3, 2001, and amending other sections thereof to be consistent with the amendments to the Credit Agreement contained herein, in each case executed by the parties thereto, with all conditions to the effectiveness thereof having been satisfied;

(v) The Borrower shall have paid to the Lender and the other Secured Parties, on a pro-rata basis a fully-earned non-refundable amendment fee in an amount equal to 0.25% of the total principal amount outstanding of the Senior Debt; and

(vi) Payment of Collateral Agent and Lenders' fees and reimbursement of expenses due at closing:

11

- 1) Collateral Agent Fees- \$1,425 (6/4/00 - 8/31/00 @ \$500/month)
- 2) Field Audit Expenses of the Collateral Agent - (For Core Crown Crafts, CCIP, and Hamco) as set forth in a

statement submitted to the Borrower.

- 3) Legal Fees--Payment of unpaid legal fees and expenses of Jones, Day, Reavis & Pogue, King & Spalding and Smith, Helms, Mullis & Moore, LLP, counsel to the respective Lenders, through the effective date of the Amendment, pursuant to statements submitted to the Borrower (which statements may include estimates of time and expenses to be incurred on and after the dates of posting of actual time and expenses set forth therein, which estimated amounts shall be subject to subsequent adjustment to reflect actual time and expenses subsequently posted).
- 4) Consulting Fees--Payment of fees and expenses of the Lender's consultant incurred in connection with the review of the Borrower's proposed employee retention plan.

11. Extension of the Time for Delivery of Certain Reports. The Lender hereby agrees that the time for delivery of the reports and other items required to be furnished pursuant to (i) Section 7.1(a) of the Credit Agreement for the Fiscal Year ended April 2, 2000, and (ii) Section 7.1(b) for the fiscal quarter ended July 2, 2000, hereby is extended to September 15, 2000.

[SIGNATURES CONTAINED ON NEXT PAGE]

12

IN WITNESS WHEREOF, the Borrower and the Lender have caused this Amendment to be duly executed, under seal, by their duly authorized officers as of the day and year first above written.

CROWN CRAFTS, INC. (SEAL)

By:

Title:

WACHOVIA BANK, N.A. (SEAL)

By:

Title:

13

CONSENT AND REAFFIRMATION OF GUARANTORS

Each of the undersigned (i) acknowledges receipt of the foregoing Amendment No. 3 to Revolving Credit Agreement (the "Amendment"), (ii) consents to the execution and delivery of the Amendment by the parties thereto, and (iii) reaffirms all of its obligations and covenants under that certain Subsidiary Guaranty Agreement dated as of August 9, 1999, and agrees that none of such obligations and covenants shall be affected by the execution and delivery of the Amendment. This Consent and Reaffirmation may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

GUARANTORS:

CHURCHILL WEAVERS, INC.
CROWN CRAFTS DESIGNER, INC.
CROWN CRAFTS FURNISHINGS, INC.
CROWN CRAFTS FURNISHINGS OF
ILLINOIS, INC.
G.W. STORES, INC.
HAMCO, INC.
CROWN CRAFTS INFANT PRODUCTS,
INC. (as successor to Noel
Joanna, Inc. and the Red
Calliope and Associates, Inc.)

By:

Title:

14

APPENDIX 1

OUTSTANDING ITEMS

Crown Crafts

Title Insurance Policy for property located in Person County, North Carolina (see comments to title commitment set forth in letter to George Jackson, Esq. dated 12/14/99 and letter to Mary Delehant dated 7/20/00)

Title Insurance Policy for property located in Gordon County, Georgia (see comments to title commitment set forth in letter to Mary Delehant dated 7/20/00)

Title Insurance Policy for property located in Whitfield County, Georgia (see comments to title commitment set forth in letter to Mary Delehant dated 7/20/00)

Title Insurance Commitments for property located in Watauga County, North Carolina (Parcel 1 only) (see comments to title commitment set forth in letter to Mary Delehant dated 7/20/00)

Opinion Letter from Crown Crafts, Inc.

Surveys for all properties

15

EXHIBIT J

Form of Borrowing Base Certificate

As of _____, 2000

Wachovia Bank, N.A.
191 Peachtree Street, N.E.
Atlanta, Georgia 30303
Telephone: (404) 332-1383
Telefacsimile: (404) 332-6920

This Borrowing Base Certificate is furnished pursuant to the Revolving Credit Agreement between Crown Crafts, Inc., as Borrower, and Wachovia Bank, N.A., as Lender, dated as of August 9, 1999, as amended as of the date hereof (the "Credit Agreement"). Terms which are defined in the Credit Agreement and which are used herein without definition have the meanings given them in the Credit Agreement). This is a (check one of the following, and complete the date, as applicable):

_____ Month End Borrowing Base Certificate, as the last day
of the fiscal month ended

_____, 200_.

_____ Daily Borrowing Base Certificate, as of _____,
200_.

<TABLE>

<CAPTION>

<S>

<C>

<C>

ACCOUNTS RECEIVABLE

Factored Accounts	\$	

Other Accounts		

Reserves		

Net Accounts Receivable		

Recoverable Income Taxes		

Eligible Accounts Receivable		

Advance Rate	85%	\$

Accounts Receivable Component		

Factor Advances		

Net Accounts Receivable Component		

INVENTORY

- - - - -

Raw Materials	\$	

Finished Goods		

Reserves		

Less Mascioni Inventory		

Net Inventory		

Advance Rate	50%	\$

Inventory Component		(1)

</TABLE>

- - - - -

(1) Pursuant to Section 7.1(g) of the Credit Agreement, if this is (i) a Month End Borrowing Base Certificate, insert the Month End Inventory Component, which is the actual Inventory Component for such fiscal

<TABLE>

<S>

<C>

<C>

PROPERTY PLANT AND EQUIPMENT

Orderly Liquidation Value of Equipment		

Fair Market Value of Real Property		

Total (Applicable Property Value)		

Advance Rate	80%	

Property Plant and Equipment Component -----

OVERADVANCE AMOUNT

Initial Overadvance Amount	\$
Less Post March 31, 2000 Inventory Adjustment	
Final Overadvance Amount	\$
BORROWING BASE	\$

SENIOR DEBT

Bank of America	\$
Letter of Credit Outstandings(2)	
Prudential	
Wachovia	
Total Senior Debt	\$

COMPLIANCE

</TABLE>

The undersigned Authorized Officer hereby certifies that the information set forth above is true, correct and complete as of the date hereof.

IN WITNESS WHEREOF, I have executed this Certificate this ____ day of _____, 200__.

CROWN CRAFTS, INC.

By: _____
Authorized Officer

(continued...)

month, and (ii) a Daily Borrowing Base Certificate, insert the Daily Inventory Component, which is the lesser of the Month End Inventory Component set forth in the most recent Month End Borrowing Base Certificate, and the Inventory Component Amount for the current fiscal month set forth in Section 7.1(g), as it may have been adjusted pursuant thereto.

(2) Excluding Wachovia LC's which have been cash collateralized pursuant to Section 8.18 of the Credit Agreement.

AMENDMENT NO. 5 OF 1995 NOTE AGREEMENT

This Amendment, entered into as of August 31, 2000, by and between CROWN CRAFTS, INC. (the "Company") and THE PRUDENTIAL INSURANCE COMPANY OF AMERICA ("Noteholder").

WHEREAS, the parties hereto have executed and delivered that certain Note Purchase and Private Shelf Facility dated as of October 12, 1995 (as previously amended and as it may be further amended, modified or supplemented, the "Note Agreement");

WHEREAS, the Company has requested a modification of certain covenants under the Note Agreement;

WHEREAS, Noteholder is willing to enter into this Amendment subject to the satisfaction of conditions and terms set forth herein;

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Note Agreement; and

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. AMENDMENTS TO PARAGRAPH 4A OF THE NOTE AGREEMENT.

1A. Paragraph 4A hereby is amended and restated in its entirety as follows:

4A. REQUIRED PREPAYMENTS OF SERIES A NOTES.

(i) The Company shall make, or shall cause each applicable Subsidiary to make, a prepayment from the Net Proceeds of each Restricted Asset Disposition and each Capital Market Transaction, except that such Net Proceeds shall be (a) payable to the Collateral Agent as and when the aggregate amount thereof since the last such payment of Net Proceeds pursuant hereto is equal to or exceeds \$50,000, and (b) applied to reduce the amount of Mandatory Senior Debt Payments required to be made pursuant to clause 4A(iii), with such applications being applied in the order of maturity of the Payment Dates set forth in clause 4A(iii). Such amounts paid to the Collateral Agent shall be held by the Collateral Agent, for the ratable benefit of the Secured Parties, and distributed to the Secured Parties as and when the aggregate amount held by it is at least equal to \$250,000, or at such earlier time as the Secured Parties may agree upon, all pursuant to the provisions of Section 32 of the Intercreditor Agreement.

2

(ii) The Company shall make payments of principal outstanding on the Senior Debt to the Secured Parties, pro rata (calculated as provided in Section 32(c) of the Intercreditor Agreement), in the following amounts on or before the dates set forth below (the "MANDATORY SENIOR DEBT PAYMENTS"):

<TABLE>
<CAPTION>

Payment Date	Payment Amount
-----	-----
<S>	<C>
December 8, 2000	\$ 7,000,000
December 31, 2000	\$ 4,000,000
February 4, 2001	\$ 3,000,000
March 4, 2001	\$ 2,000,000
April 1, 2001	\$ 3,000,000

Total	\$19,000,000

</TABLE>

(iii) The Notes of each Series shall be subject to prepayment in whole or in part pursuant to this paragraph 4A at 100% of the principal amount so prepaid plus interest thereon to the prepayment date and Yield-Maintenance Amount, if any, subject to clause (v) below, with respect to each such Note.

(iv) The Notes of each Series shall be due and payable on April 3, 2001 at 100% of the principal amount plus interest thereon to the payment date and Yield-Maintenance Amount.

(v) Yield-Maintenance Amount shall not be payable on any prepayments of principal that are in the aggregate less than or equal to \$7,142,856 and made after August 30, 2000. For any prepayment of principal in excess of an aggregate of \$7,142,856, Yield-Maintenance Amount shall be due and payable on the payment date with respect to such prepayment. The calculation of the Yield-Maintenance Amount shall be made using the mandatory prepayment schedule applicable to the Notes as originally issued (annual prepayments equal to \$3,571,428 with a maturity date of October 12, 2005) and the interest rate as set forth in the originally executed Notes (Series A Note equal to 7.27% per annum; Series B Note equal to 6.56% per annum).

2. AMENDMENTS TO PARAGRAPH 5 OF THE NOTE AGREEMENT.

2A. Paragraph 5A(l)(vii) hereby is amended and restated in its entirety as follows:

(vii) as soon as available, such other information relating to the business, operations, affairs and financial condition of the Company or any of its Subsidiaries from time to time delivered by the Company pursuant to the Bank of America Credit Agreement or the Wachovia Bank Credit Agreement, including, without limitation,

(A) as soon as practicable and in any event within 40 days (except for the borrowing base certificate pursuant to clause (y) below, which shall be delivered within 35 days) after the end of each month beginning with the fiscal month ended July 31, 2000, (x) a balance sheet of the Company and its Subsidiaries as at the end of such month and the related statements of income,

3

stockholders' equity and cash flows for such month, and accompanied by a certificate of an Authorized Officer to the effect that such financial statements present fairly in all material respects the financial position of the Company and its Subsidiaries as of the end of such month and the results of their operations and the changes in their financial position for such month, in conformity with GAAP applied on a Consistent Basis, subject to normal year-end audit adjustments and the absence of footnotes, (y) a borrowing base certificate (calculated showing the Month End Inventory Amount, as defined in and pursuant to the provisions of clause (B) below) and (z) a certificate of an Authorized Officer demonstrating compliance with Paragraph 6A hereof, which certificate shall be in the form attached to the Wachovia Bank Credit Agreement as Exhibit J, and

(B) on each Business Day, an uncertified, good faith estimated update (a "DAILY BORROWING BASE CERTIFICATE") of the most recently furnished monthly borrowing base certificate (a "MONTH END BORROWING BASE CERTIFICATE") as to the information under the heading "Accounts Receivable" pertaining to "Factored Accounts" and "Factor Advances"; and the information under the heading "Senior Debt". The Month End Borrowing Base Certificate shall show, for the final line item under the heading INVENTORY contained therein (the "INVENTORY COMPONENT"), the actual Inventory Component calculated for such fiscal month (the "MONTH END INVENTORY COMPONENT

AMOUNT"). The Inventory Component shown on each Daily Borrowing Base Certificate (the "DAILY INVENTORY COMPONENT AMOUNT") shall show the lesser of (i) the Month End Inventory Component Amount for the most recently furnished Month End Borrowing Base Certificate and (ii) the Inventory Component amount for the relevant fiscal month set forth below, provided, that the amounts set forth below are subject to adjustment satisfactory to the Noteholder and the Company following any material asset divestiture, to the extent necessary to take into account the effect thereon of any such divestiture:

<TABLE>
<CAPTION>

Fiscal Month Ended: -----	Inventory Component Amount: -----
<S>	<C>
September 3, 2000	\$32,000,000
October 1, 2000	\$29,000,000
November 5, 2000	\$27,000,000
December 3, 2000	\$26,000,000
December 31, 2000 and thereafter	\$25,000,000

</TABLE>

The Month End Inventory Component Amount shown in a Month End Borrowing Base Certificate shall be used solely for purposes of calculating the Daily Inventory Component Amount on Daily Borrowing Base Certificates delivered thereafter pursuant to the foregoing until the delivery of the next Month End Borrowing Base Certificate, and the Inventory Component for purposes of calculating the Borrowing Base (as defined in the Wachovia Credit Agreement) shall be the Daily Inventory Component Amount set forth in each Daily Borrowing Base Certificate; and

4

2B. Paragraph 5A(1) hereby is amended by adding new paragraphs (viii) and (ix) thereto as follows:

(viii) UPDATES OF INITIATIVES SUMMARY. With respect to Initiatives Summary (as defined in the letter agreement among the Company and the Secured Parties dated as of June 27, 2000), the Company shall furnish to the Noteholder (i) on Thursday of each week, a weekly update of the Initiative Summary as to strategic initiatives and (ii) on the 7th Business Day of each month, a monthly update as to all other aspects of the Initiatives Summary; and

(ix) DELIVERY OF OUTSTANDING ITEMS. The items described on Appendix 1 hereto, which were to have been furnished to Wachovia Bank pursuant to Section 10(a) of Amendment No. 1 to the Wachovia Bank Credit Agreement, but have not yet been delivered, shall be delivered to the Noteholder (i) on or before November 30, 2000, with respect to the title policies described on Appendix 1 and (ii) on or before October 31, 2000, with respect to all other items.

2C. Paragraph 5 is amended by the addition of a new paragraph, as follows:

5G. WARRANTS. By October 2, 2000, the Company shall issue to the Noteholder (or its affiliate designee), together with each of the other Secured Parties (or their affiliate designees) without any further consideration payable, warrants (the "WARRANTS"), exercisable at nominal cost for the Company's common stock such that upon issuance the Secured Parties, collectively, shall own 10% of the Company's then issued and outstanding common stock exercisable any time after issuance, but not later than December 31, 2005; provided, however, that the Warrants shall be reduced, to the extent not previously exercised, at a rate equal to 2% of such outstanding Warrants for each 1% of the amount by which the principal balance of the Senior Debt outstanding on August 31, 2000 is permanently reduced by principal payments made after

such date. The Warrants shall be accompanied by a warrant holders rights agreement providing the Noteholder and the other Secured Parties with customary registration, "call," "put," "clawback", antidilution provisions (including with respect to the exercise of options outstanding on August 31, 2000) and similar rights acceptable to the Noteholder, in its sole discretion. The Warrants shall be divided among the Secured Parties pro rata, without taking into account any outstanding Wachovia LC's (as defined in the Wachovia Credit Agreement) so long as, on the issuance date, cash collateral required to have been provided for such Wachovia LC's as of such date pursuant to the Wachovia Credit Agreement has been provided by the Company.

3. AMENDMENTS TO PARAGRAPH 6 OF THE NOTE AGREEMENT.

3A. Paragraph 6A hereby is amended and restated in its entirety as follows:

6A. FINANCIAL COVENANTS. The Company covenants that it will not at any time:

5

(i) CAPITAL EXPENDITURES. Permit Capital Expenditures during the period from April 2, 2000 through April 3, 2001 to exceed \$4,400,000.

(ii) CONSOLIDATED EBITDA. Permit cumulative Consolidated EBITDA as of the end of any fiscal month set forth below to be less than the amount set forth below opposite such date, provided, that the amounts set forth below are subject to adjustment satisfactory to the Noteholder and the Company following any material asset divestiture, to the extent necessary to take into account the effect thereon of any such divestiture:

<TABLE>
<CAPTION>

Fiscal Month-End -----	Minimum Consolidated EBITDA -----
<S>	<C>
July 2, 2000 (3 months)	(4,750,000)
August 6, 2000	(5,700,000)
September 3, 2000	(4,100,000)
October 1, 2000	(750,000)
November 5, 2000	2,750,000(1)
December 3, 2000	4,500,000
December 31, 2000	6,500,000
February 2, 2001	7,500,000
March 3, 2001	10,000,000
April 1, 2001	14,500,000

</TABLE>

3B. Paragraph 6N hereby is amended and restated in its entirety as follows:

6N. FACTOR ADVANCES. Permit to exist any Factor Advances, other than Factor Advances from a Permitted Factor in an aggregate amount not exceeding the amount set forth below during the periods set forth below, provided, that the amounts set forth below are subject to adjustment satisfactory to the Noteholder and the Company following any material asset divestiture, to the extent necessary to take into account the effect thereon of any such divestiture:

<TABLE>
<CAPTION>

Month-End Date -----	Factor Adv. Limit -----
<S>	<C>
August 31, 2000 through September 4, 2000	27,500,000
September 5, 2000 through September 11, 2000	28,000,000

September 12, 2000 through September 18, 2000	33,000,000
September 19, 2000 through September 25, 2000	34,000,000
September 26, 2000 through October 2, 2000	36,000,000
October 3, 2000 through October 9, 2000	36,000,000
October 10, 2000 through October 16, 2000	34,000,000
October 17, 2000 through October 23, 2000	32,000,000
October 24, 2000 through October 30, 2000	31,000,000
October 31, 2000 through November 6, 2000	27,000,000

</TABLE>

(1) This amount assumes receipt of the New York showroom rental income in the amount of \$1,021,000 during the fiscal month ending November 5. If such amount is not received in such fiscal month, the Minimum Consolidated EBITDA for the fiscal month ending November 5 will be decreased by such amount.

6

<TABLE>

<S>	<C>	
November 7, 2000 through November 13, 2000		25,000,000
November 14, 2000 and thereafter		24,000,000

</TABLE>

3C. Paragraph 6 hereby is amended by adding new paragraph 6O as follows:

6O. PRORATA PAYMENTS TO SECURED PARTIES. Except as to any Discretionary Loans (as defined in the Intercreditor Agreement), notwithstanding any provision to the contrary contained in any of the Senior Debt Documents or the Intercreditor Agreement, the Company may not make any principal payments to any of the Secured Parties other than prorata principal payments, and each Secured Party's prorata share shall be calculated as provided in Section 32 of the Intercreditor Agreement.

4. AMENDMENT TO PARAGRAPH 7 OF THE NOTE AGREEMENT. Paragraph 7 is amended by deleting clause (v) thereof and substituting the following therefor:

(v) the Company fails to perform or observe any agreement contained in paragraphs 5E, 5F, 5G or 6; or

5. AMENDMENTS TO PARAGRAPH 10 OF THE NOTE AGREEMENT.

5A. Paragraph 10A is hereby amended by adding the following sentence at the of each of the following defined terms, "Discounted Value", "Reinvestment Yield", "Remaining Average Life", "Remaining Scheduled Payments" and "Yield-Maintenance Amount":

For purposes of this calculation for any Note, it is agreed that the mandatory prepayment schedule applicable to the Notes as originally issued (annual prepayments equal to \$3,571,428 with a maturity date of October 12, 2005) and the interest rate as set forth in the originally executed Notes (Series A Note equal to 7.27% per annum; Series B Note equal to 6.56% per annum) shall be used.

5B. Paragraph 10B is hereby amended as follows:

(i) By deleting the definitions of "Consolidated EBITDA" and "Restricted Asset Dispositions" and replacing the following definitions of "Consolidated EBITDA" and "Restricted Asset Dispositions" in lieu thereof:

"CONSOLIDATED EBITDA" means, with respect to the Company and its Subsidiaries for any measurement period ending on the date of computation thereof, the sum of, without duplication, (i) Consolidated Net Income, (ii) Consolidated Interest Expense, (iii) taxes on income, (iv) amortization and (v) depreciation, all determined on a consolidated basis in accordance with GAAP applied on a Consistent Basis, but excluding one-time charges associated with divestitures,

plant closures, severance, asset write-offs, employee retention and fees and expenses incurred by the Company in connection with the August 2000 Transaction Document Amendments (as defined in Section 32 of the Intercreditor Agreement).

7

"RESTRICTED ASSET DISPOSITIONS" means (i) any Subsidiary Disposition and (ii) any Asset Dispositions (other than an Asset Disposition referred to in clauses (a), (f) or (g) of the definition of "Permitted Asset Dispositions", provided that the proceeds therefrom shall be applied as provided in Paragraph 4A(ii).

(ii) By inserting the following definition of the term "Net Proceeds" in the appropriate alphabetical order:

"NET PROCEEDS" means (a) in connection with any Restricted Asset Disposition, the proceeds thereof in the form of cash and cash equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) of such Restricted Asset Disposition, after deducting therefrom, as applicable, (i) attorneys' fees, accountants' fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, amounts required to be applied to the repayment of Indebtedness secured by a Lien on any asset which is the subject of such Restricted Asset Disposition and other customary fees and expenses actually incurred in connection therewith, (ii) taxes paid or reasonably estimated by the Company to be payable as a result thereof (including withholding taxes incurred in connection with cross-border transactions, if applicable), (iii) appropriate amounts to be provided by the Company or any Subsidiary, as the case may be, as a reserve required in accordance with GAAP against any liabilities associated with such Restricted Asset Disposition and retained by the Company or any Subsidiary, as the case may be, after such Restricted Asset Disposition, including, without limitation, pension and other post-employment benefit liabilities and liabilities under any indemnification obligations associated with such Restricted Asset Disposition, and (iv) amounts agreed upon by the Secured Parties in writing for employee retention and severance, (b) in connection with any Capital Market Transactions (but not including in "Net Proceeds" any replacements, refundings or refinancings of existing Indebtedness), the cash proceeds received from such issuance or incurrence, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith and (c) in connection with any Asset Disposition, means cash payments received by the Company therefrom (including any cash payments received pursuant to any note or other debt security received in connection with any Asset Disposition) as and when received, net of (i) all legal fees and expenses and other fees and expenses paid to third parties and incurred in connection therewith, (ii) all taxes required to be paid or accrued as a consequence of such disposition and (iii) all amounts applied to repayment of Indebtedness (other than the Senior Debt) secured by a Lien on the asset or property disposed.

8

6. AMENDMENT TO EXHIBIT A. Exhibit A to the Note Agreement shall be deleted in its entirety and Exhibit A attached hereto shall be substituted therefor.

7. CONDITIONS OF EFFECTIVENESS. This Amendment shall become effective when, and only upon the satisfaction of each of the following conditions, such satisfaction to occur on or prior to August 31, 2000:

- (a) No Default or Event of Default shall be in existence after giving effect to this Amendment;
- (b) the Noteholder shall have received executed originals of this

Amendment and all of the following documents, each (unless otherwise indicated) being dated the date hereof, in form and substance satisfactory to the Noteholder:

(i) The Notes;

(ii) Copies of all documents evidencing all governmental approvals, if any, with respect to this Amendment and the matters contemplated hereby and thereby;

(iii) A certificate of the Secretary or an Assistant Secretary of the Company certifying the names and true signatures of the officers authorized to sign this Amendment on behalf of the Company and any other documents to be delivered by the Company hereunder;

(iv) The Consent and Reaffirmation of the Facility Guarantors attached hereto by each of the Guarantors;

(v) A duly executed Amendment No. 4, satisfactory to the Required Holders in all respects, to the Wachovia Bank Credit Agreement;

(vi) A duly executed Amendment No. 4, satisfactory to the Required Holders in all respects, to the Bank of America Credit Agreement;

(vii) A duly executed Global Amendment No. 2 to Intercreditor Agreements in form and substance satisfactory to Noteholder;

(viii) A legal opinion of counsel to Company, as to such matters as the Noteholder may request; and

(ix) Such other documents, instruments, approvals or opinions as the Noteholder may reasonably request.

(c) The Company shall have paid to the Noteholder and the other Secured Parties, on a pro rata basis a fully-earned, non-refundable amendment fee in an amount equal to 0.25% of the total principal amount outstanding of the Senior Debt;

9

(d) Payment to the Person indicated below of the following amounts in immediately available funds:

(i) to the Collateral Agent, Collateral Agent Fees in an amount equal to \$1,425;

(ii) to the Collateral Agent for Field Audit Expenses of the Collateral Agent with respect to Core Crown Crafts, CCIP, and Hamco, in the amount as set forth in a statement submitted to the Company;

(iii) to the appropriate Secured Party, legal fees and expenses of Jones, Day, Reavis & Pogue; King & Spalding; and Smith, Helms, Mullis & Moore, LLP, counsel to the respective Secured Parties, through the effective date of the Amendment, pursuant to statements submitted to the Company (which statements may include estimates of time and expenses to be incurred on and after the dates of posting of actual time and expenses set forth therein, which estimated amounts shall be subject to subsequent adjustment to reflect actual time and expenses subsequently posted; and

(iv) to the appropriate Secured Party, fees and expenses of consultants to the respective Secured Parties incurred in connection with the review of the Company's proposed employee retention plan.

8. REPRESENTATIONS AND WARRANTIES.

(a) The Company hereby repeats and confirms each of the representations and warranties made by it in the Note Agreement, as amended

hereby, as though made on and as of the date hereof, with each reference therein to "this Agreement", "hereof", "hereunder", "thereof", "thereunder" and words of like import being deemed to be a reference to the Note Agreement as amended hereby.

(b) The Company further represents and warrants as follows:

(i) The execution, delivery and performance by the Company of this Amendment and the Notes are within its corporate powers, have been duly authorized by all necessary corporate action and do not contravene (A) its charter or by-laws, (B) law or (C) any legal or contractual restriction binding on or affecting the Company; and such execution, delivery and performance do not or will not result in or require the creation of any Lien upon or with respect to any of its properties.

(ii) No governmental approval is required for the due execution, delivery and performance by the Company of this Amendment and the Notes, except for such governmental approvals as have been duly obtained or made and which are in full force and effect on the date hereof and not subject to appeal.

10

(iii) This Amendment and the Notes constitute the legal, valid and binding obligations of the Company enforceable against the Company in accordance with its terms.

(iv) There are no pending or threatened actions, suits or proceedings affecting the Company or any of its Subsidiaries or the properties of the Company or any of its Subsidiaries before any court, governmental agency or arbitrator, that may, if adversely determined, materially adversely affect the financial condition, properties, business, operations or prospects of the Company and its Subsidiaries, considered as a whole, or affect the legality, validity or enforceability of the Note Agreement as amended by this Amendment.

(v) No material adverse change in the business, properties, prospects, operations or condition, financial or otherwise, of the Company and its Subsidiaries, taken as a whole, has occurred since March 28, 1999, except any which arise out of events which have been disclosed to the Noteholder.

9. MISCELLANEOUS.

9A. REFERENCE TO AND EFFECT ON THE NOTE AGREEMENT.

(a) Upon the effectiveness of this Amendment, on and after the date hereof each reference in the Note Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Note Agreement, and each reference in any other document to "the Note Agreement", "thereunder", "thereof" or words of like import referring to the Note Agreement, shall mean and be a reference to the Note Agreement, as amended hereby and each reference to the Notes shall mean and be a reference to the Notes issued in connection with this Amendment.

(b) Except as specifically amended above, the Note Agreement and the Notes, and all other related documents, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any holder of a Note under the Note Agreement or the Notes, nor constitute a waiver of any provision of any of the foregoing.

9B. COSTS AND EXPENSES. The Company agrees to pay on demand all costs and expenses incurred by any holder of a Note in connection with the preparation, execution and delivery of this Amendment, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel. The Company further agrees to pay on demand all costs and expenses, if any (including, without limitation, reasonable counsel fees and expenses of counsel), incurred by any holder of a Note in connection with the enforcement

(whether through negotiations, legal proceedings or otherwise) of this Amendment, including, without limitation, counsel fees and expenses in connection with the enforcement of rights under this paragraph 9B.

11

9C. EXECUTION IN COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

9D. GOVERNING LAW. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

9E. NO DEFAULT OR CLAIMS. To induce the Noteholder to enter into this Amendment, the Company hereby acknowledges and agrees that, as of the date hereof, and after giving effect to the terms hereof, (i) no Default or Event of Default exists, (ii) no right of offset, recoupment, defense, counterclaim, claim or objection exists in favor of the Company arising out of or with respect to any of the Notes or other obligations of the Company owed to any holder of a Note, and (iii) the Noteholder has acted in good faith and has conducted its relationships with the Company in a commercially reasonable manner in connection with the negotiations, execution and delivery of this Amendment and in all respects in connection with the Note Agreement, the Company hereby waiving and releasing any such claims to the contrary that may exist as of the date of this Amendment.

9F. Extension of the Time for Delivery of Certain Reports. The Noteholder hereby agrees the time for delivery of the reports and other items required to be furnished pursuant to (i) Paragraph 5A(1)(i) of the Note Agreement for the Fiscal Year ended April 2, 2000, and (ii) Paragraph 5A(1)(ii) for the fiscal quarter ended July 2, 2000, hereby is extended to September 15, 2000.

12

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

CROWN CRAFTS, INC.

By

Title:

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA

By

Title:

CONSENT AND REAFFIRMATION OF FACILITY GUARANTORS

Each of the undersigned (i) acknowledges receipt of the foregoing Amendment of 1995 Note Agreement (the "AMENDMENT"), (ii) consents to the execution and delivery of the Amendment by the parties thereto, and (iii) reaffirms all of its obligations and covenants under that certain Subsidiary Guaranty Agreement dated as of August 9, 1999, and agrees that none of such obligations and covenants shall be affected by the execution and delivery of the

Amendment. This Consent and Reaffirmation may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

FACILITY GUARANTORS:

CHURCHILL WEAVERS, INC.
CROWN CRAFTS DESIGNER, INC.
CROWN CRAFTS FURNISHINGS, INC.
CROWN CRAFTS FURNISHINGS OF
ILLINOIS, INC.
G.W. STORES, INC.
HAMCO, INC.
CROWN CRAFTS INFANT PRODUCTS, INC.
(as successor to Noel Joanna, Inc. and
The Red Calliope and Associates, Inc.)

By:

Name:

Title:

APPENDIX 1

OUTSTANDING ITEMS

Crown Crafts

Title Insurance Policy for property located in Person County, North Carolina (see comments to title commitment set forth in letter to George Jackson, Esq. dated 12/14/99 and letter to Mary Delehant dated 7/20/00)

Title Insurance Policy for property located in Gordon County, Georgia (see comments to title commitment set forth in letter to Mary Delehant dated 7/20/00)

Title Insurance Policy for property located in Whitfield County, Georgia (see comments to title commitment set forth in letter to Mary Delehant dated 7/20/00)

Title Insurance Commitments for property located in Watauga County, North Carolina (Parcel 1 only) (see comments to title commitment set forth in letter to Mary Delehant dated 7/20/00)

Opinion Letter from Crown Crafts, Inc.

Surveys for all properties

EXHIBIT A

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE OFFERED OR SOLD IN VIOLATION OF SUCH ACT.

THIS NOTE IS GIVEN SUBSTITUTION AND WITHOUT NOVATION OF A PROMISSORY NOTE DATED [OCTOBER 12, 1995] [JANUARY 25, 1996] ISSUED BY CROWN CRAFTS, INC.

CROWN CRAFTS, INC.

No. R-
\$ _____

August 31, 2000

FOR VALUE RECEIVED, the undersigned, CROWN CRAFTS, INC. (herein called the "COMPANY"), a corporation organized and existing under the laws of the State of Georgia, hereby promises to pay to _____ or registered assigns, the principal sum of _____ DOLLARS on April 3, 2001 with (a) interest (computed on the basis of a 360-day year-30-day month) (i) on the unpaid balance thereof at the Applicable Rate (as defined below) from the date hereof, payable monthly on the 12th day of each calendar month in each year, commencing with September 12, 2000, until the principal hereof shall have become due and payable, and (ii) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of Yield Maintenance Amount and any overdue payment of interest, payable monthly as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (x) the Applicable Rate or (y) 2% over the rate of interest publicly announced by Bank of New York from time to time in New York City as its Prime Rate and (b) the accrued interest from July 12, 2000 through the date hereof payable on September 12, 2000. "APPLICABLE RATE" shall mean and equal 11.77% per annum plus if prior to or on January 1, 2001, the aggregate principal amount of Senior Debt has not been reduced below \$85,000,000, an additional 2% per annum ("ADDITIONAL AMOUNT") commencing January 2, 2001, provided, however, that if the aggregate principal amount of Senior Debt has been reduced permanently to less than \$65,000,000 prior to or on February 15, 2001, such Additional Amount shall cease to accrue commencing February 15, 2001; and provided further that if prior to or on March 31, 2001, the aggregate principal amount of Senior Debt has been reduced permanently to less than \$60,000,000, the Applicable Rate shall be reduced to and equal 11.77% per annum.

Payments of principal, Yield Maintenance Amount, if any, and interest are to be made at the main office of Bank of New York in New York City or at such other place as the holder

A-1

hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Senior Notes (as amended or substituted, the "NOTES") issued pursuant to a Note Purchase and Private Shelf Agreement, dated as of October 12, 1995 (as it has been and may be amended, the "AGREEMENT"), between the Company and The Prudential Insurance Company of America and each Prudential Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof. As provided in the Agreement, this Note is subject to prepayment, in whole or from time to time in part, with the Yield Maintenance Amount as specified in the Agreement.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for the then outstanding principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

In case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

Capitalized terms used and not otherwise defined herein shall have the meanings (if any) provided in the Agreement.

THIS NOTE IS INTENDED TO BE PERFORMED IN THE STATE OF NEW YORK AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAW OF SUCH STATE.

CROWN CRAFTS, INC.

By: _____
Title: _____