

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

- (X) QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 1, 1995

- () TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File No. 1-7604

CROWN CRAFTS, INC.

(Exact name of registrant as specified in its charter)

Georgia

58-0678148

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

1600 Riveredge Parkway, Suite 200, Atlanta, Georgia 30328

(Address of principal executive offices)

(770) 644-6400

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
Registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days.

Yes X No

--- ---

The number of shares of common Stock, \$1.00 par value, of the Registrant
outstanding as of November 10, 1995 was 7,943,980.

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

PART 1 - FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS
OCTOBER 1, 1995 (UNAUDITED) AND APRIL 2, 1995

<TABLE>
<CAPTION>

(dollars in thousands)	October 1, 1995	April 2, 1995
<S>	<C>	<C>
ASSETS		

CURRENT ASSETS		
Cash	\$ 437	\$ 567
Accounts receivable, net:		
Due from factor	27,190	20,657
Other	3,975	4,382
Inventories	58,622	44,909
Deferred income taxes	735	737
Other current assets	3,022	2,152
	-----	-----
Total Current Assets	93,981	73,404
	-----	-----
PROPERTY, PLANT AND EQUIPMENT - at cost:		
Land, buildings and improvements	35,998	32,060
Construction projects in progress	3,631	666
Machinery and equipment	65,181	54,584
Furniture and fixtures	1,785	1,735
	-----	-----
	106,595	89,045
Less accumulated depreciation	33,364	29,583
	-----	-----
Property, Plant and Equipment - net	73,231	59,462
	-----	-----
OTHER ASSETS	4,130	1,165
	-----	-----
TOTAL	\$ 171,342	\$ 134,031
	=====	=====

</TABLE>

See notes to interim consolidated financial statements.

-1-

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

FINANCIAL STATEMENTS (continued)

CONSOLIDATED BALANCE SHEETS
OCTOBER 1, 1995 (UNAUDITED) AND APRIL 2, 1995

<TABLE>
<CAPTION>

(dollars in thousands)	October 1, 1995	April 2, 1995
<S>	<C>	<C>
LIABILITIES AND SHAREHOLDERS' EQUITY		

CURRENT LIABILITIES:		
Notes payable		\$ 15,070
Accounts payable	\$ 12,159	10,666
Income taxes payable	2,012	687

Accrued liabilities	6,663	5,026
Current maturities of long-term debt	5,584	5,000
	-----	-----
Total Current Liabilities	26,418	36,449
	-----	-----
LONG-TERM DEBT	56,990	5,000
	-----	-----
DEFERRED INCOME TAXES	5,208	4,933
	-----	-----
OTHER LIABILITIES	674	649
	-----	-----
SHAREHOLDERS' EQUITY:		
Common stock - par value \$1.00 per share; 15,000,000 shares authorized; 9,048,636 and 9,003,991 shares issued	9,049	9,004
Paid-in capital	34,349	33,811
Retained earnings	53,430	51,352
Less:		
1,104,656 and 464,188 shares of common stock held in treasury	(14,776)	(7,167)
	-----	-----
Total Shareholders' Equity	82,052	87,000
	-----	-----
TOTAL	\$171,342	\$134,031
	=====	=====

</TABLE>

See notes to interim consolidated financial statements.

-2-

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

FINANCIAL STATEMENTS (Continued)

CONSOLIDATED STATEMENTS OF EARNINGS
OCTOBER 1, 1995 AND OCTOBER 2, 1994
(UNAUDITED)

<TABLE>

<CAPTION>

(dollars in thousands, except per share data)	THREE MONTHS ENDED		SIX MONTHS ENDED	
	Oct. 1, 1995	Oct. 2, 1994	Oct. 1, 1995	Oct. 2, 1994
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
NET SALES	\$ 57,330	\$ 55,945	\$ 96,537	\$ 95,658
COST OF PRODUCTS SOLD		45,087	43,277	76,743
	-----	-----	-----	-----
GROSS PROFIT	12,243	12,668	19,794	20,368
MARKETING AND ADMINISTRATIVE EXPENSES		7,599	7,144	14,093
	-----	-----	-----	-----
EARNINGS FROM OPERATIONS		4,644	5,524	5,701
OTHER INCOME (EXPENSE):				
Interest expense	(684)	(592)	(1,213)	(955)
Other - net	(578)	49	(378)	81

EARNINGS BEFORE INCOME TAXES	3,382	4,981	4,110	6,945
PROVISIONS FOR INCOME TAXES	1,264	1,859	1,536	2,580
NET EARNINGS	\$ 2,118	\$ 3,122	\$ 2,574	\$ 4,365
NET EARNINGS PER SHARE	\$ 0.26	\$ 0.37	\$ 0.31	\$ 0.52
AVERAGE SHARES OUTSTANDING	8,046,468	8,438,049	8,305,949	8,429,809
DIVIDENDS DECLARED PER SHARE	\$ 0.03	\$ 0.03	\$ 0.06	\$ 0.06

</TABLE>

See notes to interim consolidated financial statements.

-3-

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

FINANCIAL STATEMENTS (continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED OCTOBER 1, 1995 AND
OCTOBER 2, 1994
(UNAUDITED)

<TABLE>

<CAPTION>

(dollars in thousands)	October 1, 1995	October 2, 1994	
<S>	<C>	<C>	
OPERATING ACTIVITIES:			
Net earnings	\$ 2,574	\$ 4,365	
Adjustments to reconcile net earnings to net cash provided by (used for) operating activities:			
Depreciation and amortization	4,284	3,540	
Deferred income taxes	2	(87)	
Gain on disposal of property, plant and equipment		(66)	(15)
Changes in assets and liabilities:			
Accounts receivable	(5,813)	(549)	
Inventories	(13,713)	(7,680)	
Other current assets	(850)	(660)	
Other assets	30	(193)	
Accounts payable	1,483	2,517	
Income taxes payable	1,086	1,882	
Accrued liabilities	1,575	540	
Other liabilities	25	23	
Net Cash Provided by (used for) Operating Activities		(9,383)	3,683
INVESTING ACTIVITIES:			
Capital Expenditures	(15,540)	(10,343)	
Acquisition, net of cash acquired	(3,958)		

Proceeds from sale of property, plant and equipment	333	107
Net Cash Used for Investing Activities	(19,165)	(10,236)
FINANCING ACTIVITIES:		
Long-term borrowings	53,860	
Payment of long-term debt	(2,850)	(2,500)
Increase (decrease) in notes payable	(15,070)	9,713
Purchase of common stock for treasury	(7,534)	
Exercise of stock options	508	292
Cash dividends	(496)	(506)
Net Cash Provided by Financing Activities	28,418	6,999
NET INCREASE (DECREASE) IN CASH		
(carried forward)	\$ (130)	\$ 446

</TABLE>

-4-

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

FINANCIAL STATEMENTS (continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED OCTOBER 1, 1995 AND
OCTOBER 2, 1994
(UNAUDITED)

<TABLE>

<CAPTION>

(dollars in thousands)	October 1, 1995	October 2, 1994
	<C>	<C>
NET INCREASE (DECREASE) IN CASH (brought forward)	\$ (130)	\$ 446
CASH, beginning of period	567	425
CASH, end of period	\$ 437	\$ 871
Supplemental Cash Flow Information:		
Income taxes paid	\$ 449	\$ 785
Interest paid net of amounts capitalized	\$ 1,020	\$ 968

</TABLE>

See notes to interim consolidated financial statements.

-5-

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. The accompanying interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to interim financial information and the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and disclosures required by generally accepted accounting principles for complete financial statements. In the opinion of management, such interim consolidated financial statements contain all adjustments necessary to present fairly the Company's financial position as of October 1, 1995 and the results of its operations and its cash flows for the periods ended October 1, 1995 and October 2, 1994. Such adjustments include normal recurring accruals and a pro rata portion of certain estimated annual expenses.
2. Interest costs of \$269,000 were capitalized during the three month period ended October 1, 1995. There was no capitalized interest during the three month period ended October 2, 1994. Interest costs of \$383,000 and \$67,000 were capitalized during the six month periods ended October 1, 1995 and October 2, 1994, respectively.
3. The computation of net earnings per share for the three-month and six-month periods ended October 1, 1995 and October 2, 1994 is based on the simple average shares outstanding. Stock options outstanding did not have a material dilutive effect during either period.
4. Major classes of inventory were as follows (in thousands):

<TABLE>
<CAPTION>

	October 1, 1995	April 2, 1995
	----	----
<S>	<C>	<C>
Raw materials	\$30,191	\$24,846
Work in process	5,712	2,831
Finished goods	22,719	17,232
	-----	-----
	\$58,622	\$44,909
	=====	=====

</TABLE>

5. Long-Term Debt at October 1, 1995, includes notes payable of \$23,860,000 which were refinanced under a long-term note agreement effective October 12, 1995.
6. Operating results of interim periods are not necessarily indicative of results to be expected for the year.

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Net sales by major product category were as follows during the three-month and six-month periods ended October 1, 1995 and October 2, 1994:

<TABLE>
<CAPTION>

(in thousands of dollars)	Three Months Ended		Six Months Ended		
	Oct. 1, 1995	Oct. 2, 1994	Oct. 1, 1995	Oct. 2, 1994	
<S>	<C>	<C>	<C>	<C>	
Comforters and accessories	\$28,452	\$29,967	\$50,084	\$55,010	
Jacquard-woven cotton products	26,387	23,901	41,916	36,917	
Other	2,491	2,077	4,537	3,731	
Total net sales	\$57,330	\$55,945	\$96,537	\$95,658	

</TABLE>

THREE MONTH PERIOD ENDED OCTOBER 1, 1995.

Consolidated net sales increased 2.5% for the quarter ended October 1, 1995 compared to the prior year quarter.

Net sales of comforters and accessories declined 5.1% from the prior year quarter. The weakness in consumer spending in this category which began in the first quarter continued in the second quarter ended October 1, 1995.

Net sales of jacquard-woven cotton products increased 10.4% in the current year quarter primarily due to increased unit sales of cotton throws and matelasse bedspreads. This product category includes cotton throws, bedspreads, blankets and rugs.

To meet the expected demand for jacquard-woven products, the Company recently completed the expansion of its warehouse and distribution center in Calhoun, Georgia and its new 90,000 square foot weaving plant in Dalton, Georgia which houses 36 state-of-the-art air-jet looms. The completion of these projects triples the Company's production capacity for matelasse bedspreads and increases its cotton throw capacity by over forty percent.

Gross margin declined to 21.4% for the quarter ended October 1, 1995 as compared to 22.6% for the quarter ended October 2, 1994. The decline was due to increased pricing pressure and higher raw material prices.

Interest expense is net of capitalized interest of \$269,000 for the quarter ended October 1, 1995. There was no capitalized interest during the corresponding prior year quarter. Excluding the effect of interest capitalized, interest expense increased \$361,000 in the current year quarter. The increase was due to higher levels of average total debt outstanding as discussed under "FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES" and also higher short-term interest rates.

-7-

Other-net for the quarter ended October 1, 1995 was an expense of \$578,000 compared to income of \$49,000 for the quarter ended October 2, 1994. This change was primarily the result of losses incurred on cotton futures contracts of \$626,000 in the current year quarter as compared to losses of \$32,000 in the prior year quarter.

SIX MONTH PERIOD ENDED OCTOBER 1, 1995

Consolidated net sales increased .9% for the six months ended October 1, 1995 as compared to the corresponding prior year period.

Net sales of comforters and accessories declined 9.0% for the current year six month period. Weakness in consumer spending in this category caused retailers to tighten their inventory positions thereby reducing orders for the Company's products. Also, chronically late shipments, especially during the last six months of fiscal 1995, by the Company's fabric supplier for the popular Royal Sateen luxury product line prevented the Company from meeting its customers' needs for luxury bedding products. Although the manufacturing problems which caused the late shipments were resolved and normal shipping levels resumed in the first quarter of the current fiscal year, it took additional time and considerable effort to reestablish the momentum in the brand with many large

customers. Sales of Royal Sateen products increased in the second quarter of the current year compared to the second quarter of the prior year. However, for the current year six month period sales in this product line were below the prior year.

Net sales of jacquard-woven cotton products increased 13.5% for the current year six month period primarily due to increased unit sales of cotton throws and matelasse bedspreads.

Gross margin declined to 20.5% for the six month period ended October 1, 1995 compared to 21.3% for the six month period ended October 2, 1994. The decline was due to increased pricing pressure and higher raw material prices.

Marketing and administrative expenses increased by \$1,544,000 or 12.3% during the six month period ended October 1, 1995 as compared to the corresponding prior year period in large part due to the Company's efforts to strengthen its management team to pursue acquisitions and other expansion opportunities which offer significant potential for profitable growth.

Interest expense is net of capitalized interest of \$383,000 and \$67,000 for the six month periods ended October 1, 1995 and October 2, 1994, respectively. Excluding the effect of interest capitalized, interest expense increased \$574,000 in the current year six month period. The increase was due to higher levels of average total debt outstanding as discussed under "FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES" and also higher short-term interest rates.

Other-net for the six month period ended October 1, 1995 was an expense of \$378,000 compared to income of \$81,000 for the corresponding prior year period. This change was primarily the result of losses incurred on cotton futures contracts of \$564,000 in the current year period as compared to losses of \$135,000 in the prior year period.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

The Company strengthened its financial position significantly during the current period. A long-term revolving credit facility was negotiated with each of its two major banks. The aggregate amount of these lines is \$30 million at variable interest rates based on LIBOR with a maturity date of August 25, 1998.

-8-

The Company also entered into a \$50 million note purchase and private shelf agreement with the Prudential Insurance Company of America. The initial borrowing under this facility was for \$25 million for a term of 10 years at a fixed rate of 7.27%. The remaining \$25 million of the facility may be borrowed at any time through October 12, 1997. The maturity and interest rate on those funds will be determined at the time of borrowing. Those funds will be available for future acquisitions, capital expenditures and other corporate purposes.

The proceeds from the bank lines and the initial borrowing under the note purchase and private shelf facility were used to reduce the Company's short-term borrowings, fund capital expenditures and repurchase stock as described below.

On April 3, 1995, the Company acquired all of the stock of Textile, Inc., a contract manufacturer of jacquard-woven cotton products located in Ronda, North Carolina. The acquisition provided the Company with immediate access to weaving capacity for cotton throws.

On July 12, 1995, the Company's Board of Directors authorized the repurchase of up to 1,000,000 shares of its common stock. Through October 1, 1995 the Company had repurchased 636,200 shares at an average price per share of \$11.843.

On October 31, 1995, the Company acquired all of the stock of The Red Calliope and Associates, Inc. for approximately \$16 million in cash and short-term notes. The Red Calliope is a leading designer, manufacturer and marketer of infant bedding products and related accessories. Utilizing its significant jacquard-weaving expertise, the Company plans to introduce a line of infant and

juvenile throws incorporating The Red Calliope designs, and to extend its upscale comforter designs to infant bedding. The Red Calliope, formerly a privately-owned company, had net sales of \$27,338,000 for its most recently completed fiscal year ended June 30, 1995.

Working capital increased to \$67.6 million at October 1, 1995 from \$37.0 million at April 2, 1995. This was due mainly to a reduction in notes payable of \$15.1 million and an increase in inventories of \$13.7 million which, among other things, were financed by an increase in long-term debt.

Total debt outstanding increased to \$62.6 million at October 1, 1995 from \$25.1 million at April 2, 1995. The ratio of debt to equity was 0.8:1 at October 1, 1995, and 0.3:1 at April 2, 1995. The Company's borrowing needs increased as it utilized funds of \$15.5 million for capital expenditures primarily in connection with the Calhoun Distribution Center expansion and the Dalton weaving facility project. Expenditures of \$4.0 million for the acquisition of Textile, Inc. and \$7.5 million for common stock repurchases, and financing needs for the increased inventory levels also were met through additional borrowings.

Inventories increased to \$58.6 million at October 1, 1995 from \$44.9 million at April 2, 1995. This increase was partly attributable to producing inventory based on anticipated customer order levels that were higher than the actual order volume received, and a normal inventory build up to bring stock to adequate levels to meet the heavier shipping demands of the fall season. The Company is focusing efforts on an inventory reduction plan, which combined with the inventory declines that normally occur in the third and fourth fiscal quarters, should result in inventory levels at the end of the fiscal year being equal to or below the prior year-end levels exclusive of inventories of acquired companies.

In addition to the long-term revolving credit facilities described above, The Company has short-term credit lines with two banks aggregating \$40.0 million which are used as needed.

-9-

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

PART II - OTHER INFORMATION

Item 1 - Legal Proceedings

None

Item 2 - Changes in Securities

None

Item 3 - Defaults Upon Senior Securities

None

Item 4 - Submission of Matters to Vote of Security Holders

The Registrant's Annual Meeting of Shareholders was held on August 8, 1995. The following matters were submitted to a vote of security holders of the Registrant through the solicitation of proxies.

Amendment to the Crown Crafts, Inc. Bylaws to classify the Company's Board of Directors

A proposal to amend the Company's Bylaws to divide the Board into three classes as nearly equal in size as possible was passed. After a start-up period during which two classes will be elected for one-year and two-year terms, the term of office of the directors of each class shall expire at the third annual meeting after their

election. There were 3,935,394 shares voted in favor of the amendment, 2,535,304 shares against the amendment, and 1,292,881 abstentions.

Directors of the Registrant were elected as follows:

<TABLE>

<CAPTION>

Three Year Term:	Two Year Term:	One Year Term:
<S>	<C>	<C>
Michael H. Bernstein	E. Randall Chestnut	Philip Bernstein
Paul A. Criscillis, Jr.	Roger D. Chittum	Rudolph J. Schmatz
Richard N. Toub	Patricia G. Knoll	Jane E. Shivers
	Alfred M. Swiren	

</TABLE>

Amendment to the Crown Crafts, Inc. Articles of Incorporation to increase authorized Common Stock

A proposal to amend the Company's Articles of Incorporation to provide for an increase to 50,000,000 the number of authorized shares of common stock, \$1.00 par value was passed. There were 5,812,624 shares voted in favor of the amendment, 1,937,516 shares against the amendment, and 13,439 abstentions.

-10-

Amendment to the Crown Crafts, Inc. Articles of Incorporation to authorize a new class of Preferred Stock

A proposal to amend the Company's Articles of Incorporation to authorize the creation of a new class of 10,000,000 shares of Preferred Stock was defeated. Approval would have required the affirmative vote of two-thirds of the outstanding shares. There were 4,114,433 shares voted in favor of the amendment, 2,361,042 shares against the amendment, and 1,288,104 abstentions.

Adoption of the Crown Crafts, Inc. 1995 Stock Option Plan

A proposal to approve the Crown Crafts, Inc. 1995 Stock Option Plan was passed. There were 5,046,226 shares in favor of the proposal, 1,420,669 shares against the proposal, and 1,296,684 abstentions.

Item 5 - Other Information

None

Item 6 - Exhibits and Reports on Form 8-K

<TABLE>

<CAPTION>

(A)	EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
<S>	<C>	
3(a)		Restated Articles of Incorporation of Registrant
3(b)		Bylaws of Registrant
10(a)(viii)		Letter Agreement with The Prudential Insurance Company of America dated October 12, 1995
10(b)(iv)		Crown Crafts, Inc. 1995 Stock Option Plan
10(b)(v)		Form of Nonstatutory Stock Option Agreement (pursuant to 1995 Stock Option Plan)
10(b)(vi)		Form of Nonstatutory Stock Option Agreement for Nonemployee Directors (pursuant to 1995 Stock Option Plan)
10(c)		Revolving Credit Agreement dated August 22, 1995 with

NationsBank, National Association (Carolinas)

10(d) Revolving Credit Agreement dated August 22, 1995 with Wachovia Bank of Georgia, N.A.

10(e) Note Purchase and Private Shelf Facility dated October 12, 1995 with The Prudential Insurance Company of America

27 Financial Data Schedule (for SEC use only)

</TABLE>

(B) In the quarter ended October 1, 1995, the Company filed one report on Form 8-K:

(1) Form 8-K dated August 22, 1995, covering Items 5 and 7.

-11-

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

OCTOBER 1, 1995

SIGNATURES

Pursuant to the requirements of the securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CROWN CRAFTS, INC.

Date: November 15, 1995 /s/ Robert E. Schnelle

ROBERT E. SCHNELLE
Treasurer
(Chief Accounting Officer)

-12-

EXHIBIT 3(a)

RESTATED ARTICLES OF INCORPORATION
OF
CROWN CRAFTS, INC.

1.

The name of the corporation is "CROWN CRAFTS, INC."

2.

The corporation is organized pursuant to the provisions of the Georgia Business Corporation Code.

3.

The period of duration of the corporation is perpetual.

4.

The general nature of the business of said corporation is the manufacture and sale of home furnishings products, and the corporation shall have the power to engage in any and all other types of business.

5.

(a) The maximum amount of shares of stock that this corporation shall be authorized to issue shall be 50,000,000 shares, all of which shares shall be Common Stock with a par value of \$1.00 per share.

The Common Stock may be created and issued from time to time in one or more series with voting rights for each series as determined by the Board of Directors of the Corporation and set forth in the resolution or resolutions providing for the creation and issuance of the stock in such series.

(b) The Corporation shall have the authority to issue fractional shares of with proportionate dividend, liquidation and voting rights.

6.

No holder of any of the shares of stock of the corporation, whether now or hereafter authorized or issued, shall have any pre-emptive rights or preference rights, or be entitled, as of right, to purchase or subscribe for (a) any unissued stock of any class, or (b) any additional stock of any class to be issued by reason of any increase in the authorized capital stock of the corporation of any class, or (c) any warrants, options or rights to purchase or subscribe for shares of stock of the corporation of any class, or to purchase or subscribe for any convertible or exchangeable obligations, whether now or hereafter authorized or whether unissued or issued and thereafter acquired by the corporation. Any such stock or other securities herein enumerated may be issued and disposed of pursuant to resolutions of the Board of Directors at such prices and upon such terms as may be deemed advisable to the Board of Directors in the exercise of its discretion.

7.

(a) A director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for breach of duty of care or other duty as a

2

director, except for liability (i) for any appropriation, in violation of his duties, of any business opportunity of the corporation; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a

knowing violation of law; (iii) of the types set forth in Section 14-2-154 of the Georgia Business Corporation Code; or (iv) for any transaction from which the director derived an improper personal benefit. The provisions of this article shall not apply with respect to acts or omissions occurring prior to the effective date of this article.

(b) Any repeal or modification of the provisions of this article by the shareholders of the corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the corporation with respect to any act or omission occurring prior to the effective date of such repeal or modification.

(c) If the Georgia Business Corporation Code hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the corporation, in addition to the limitation on liability provided herein, shall be limited to the fullest extent permitted by the amended Georgia Business Corporation Code. Specifically, and not in limitation of the foregoing sentence, in the event that the Georgia Business Corporation Code is amended to permit the elimination of the reference to a lack of "good faith" in clause

3

(ii) of paragraph (a) of Article Seven above, then, effective immediately upon the effective date, if any, of such amendment, clause (ii) of paragraph (a) of this Article 7 shall be deemed to read exactly as the corresponding provision of the Georgia Business Corporation Code, as so amended.

(d) In the event that any of the provisions of this article (including any provision within a single sentence) are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions are severable and shall remain enforceable to the fullest extent permitted by law.

8.

(a) Any director, or the entire Board of Directors, may be removed from office at any time, with or without cause, but only by the affirmative vote of the holders of at least seventy-five percent of the outstanding shares of capital stock of the corporation entitled to vote in the election of directors at a meeting called for that purpose.

(b) Vacancies on the Board of Directors shall be filled as follows:

(i) any vacancy resulting from removal of a director from office by the shareholders shall be filled by the affirmative vote of the holders of a majority of the outstanding shares of capital stock of the corporation entitled to vote thereon; and

4

(ii) any vacancy resulting from any other event may be filled by a vote of the majority of the directors then in office, though less than a quorum, or by the sole remaining director or, if there are no directors in office, by the affirmative vote of the holders of a majority of the outstanding shares of capital stock of the corporation entitled to vote thereon.

(c) Notwithstanding any other provision of these articles or the by-laws of the corporation (and in addition to any other vote that may be specified by law, these articles or the by-laws), the provisions of this article may not be repealed or amended in any respect, nor may any provision of these articles or the by-laws be adopted inconsistent with this article, unless such action is approved by the affirmative vote of the holders of not less than

seventy-five percent of the outstanding shares of capital stock of the corporation entitled to vote in the election of directors.

9.

Subject to the provisions of Articles 8 and 10 hereof, the corporation shall have the power to amend its articles of incorporation upon the affirmative vote of the holders of two-thirds of the corporation's outstanding Common Stock; and all rights conferred upon stockholders, directors and officers herein are granted subject to this reservation.

5

10.

(a) Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Board of Directors or the Chairman of the Board, and shall be called by the Chairman of the Board or the Secretary at the request in writing of the holders of not less than seventy-five percent of the outstanding shares of capital stock of the corporation entitled to vote in the election of directors.

(b) Nominations by shareholders of persons for election by the shareholders to the Board of Directors of the corporation may be made at a meeting of shareholders at which directors are to be elected only (i) by or at the direction of the Board of Directors or (ii) by any shareholder of the corporation entitled to vote in the election of directors at the meeting who gives written notice of such nomination to the Secretary of the corporation in accordance with this paragraph (b). Such notice shall be delivered or mailed to and received at the principal executive offices of the corporation not more than 90 days nor less than 60 days prior to the date of an annual meeting; and, in the case of a special meeting, not later than the close of business on the 15th day following the day on which notice of the date of the special meeting was mailed to the shareholders. Such notice shall set forth (i) as to each person whom the shareholder giving notice proposes to nominate for election or reelection as a director, all

6

information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, and shall include each such person's written consent to serve as a director if elected; and (ii) as to the shareholder giving the notice (x) the name and address of such shareholder as they appear on the corporation's books, and (y) the class and number of shares of the corporation's capital stock that are beneficially owned by such shareholder. At the request of the Board of Directors, any person nominated by the Board of Directors for election as a director shall furnish to the Secretary of the corporation that information required to be set forth in a shareholder's notice of nomination which pertains to the nominee. No person shall be eligible for election by the shareholders as a director of the corporation unless nominated in accordance with the provisions of this paragraph (b). The officer of the corporation or other person presiding at the meeting shall, if the facts so warrant, determine and declare to the meeting that a nomination was not made in accordance with such provisions and, if he shall so determine and declare, the nomination shall be disregarded.

(c) At any meeting of the shareholders, only such business shall be conducted as shall have been brought before the meeting (i) by or at the direction of the Board of Directors or

(ii) by any shareholder of the corporation who is entitled to vote with respect thereto and who gives written notice of such business to the Secretary of the corporation in accordance with this paragraph (c). Such notice must be delivered or mailed to and received at the principal executive offices of the corporation not more than 90 days nor less than 60 days prior to the date of an annual meeting and, in the case of a special meeting, not later than the close of business on the 15th day following the day on which notice of the date of the special meeting was mailed to the shareholders. Such notice shall set forth as to each matter such shareholder proposes to bring before the meeting (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and address, as they appear on the corporation's books, of the shareholder proposing such business, (iii) the class and number of shares of the corporation's capital stock that are beneficially owned by such shareholder, and (iv) any material interest of such shareholder in such business. Notwithstanding anything in the corporation's by-laws to the contrary, no business shall be brought before or conducted at a meeting except in accordance with the provisions of this paragraph (c). The officer of the corporation or other person presiding at the meeting shall, if the facts so warrant, determine and declare to the meeting that business was not properly brought before the

meeting in accordance with such provisions and, if he shall so determine and declare, such business shall not be transacted. Notwithstanding the provisions of this paragraph (c), if the corporation is subject to Rule 14a-8 under the Securities Exchange Act of 1934, business consisting of a proposal properly included in the corporation's proxy statement with respect to a meeting pursuant to such Rule may be transacted at a meeting.

(d) Notwithstanding any other provisions of these articles or the by-laws (and in addition to any other vote that may be specified by law, these articles or the by-laws), the provisions of this article may not be repealed or amended in any respect, nor may any provision of these articles or the by-laws be adopted inconsistent with this article, unless such action is approved by the affirmative vote of the holders of not less than seventy-five percent of the outstanding shares of capital stock of the corporation entitled to vote in the election of directors.

* * *

EXHIBIT 3(b)

BY LAWS
OF
CROWN CRAFTS, INC.

ARTICLE I
OFFICES

Section 1. Registered Office. The registered office shall be in the State of Georgia, County of Fulton.

Section 2. Other Offices. The corporation may also have offices at such other places both within and without the State of Georgia as the board of directors may from time to time determine and the business of the corporation may require or make desirable.

ARTICLE II
SHAREHOLDERS MEETINGS

Section 1. Annual Meetings. The annual meeting of the shareholders of the corporation shall be held at the principal office of the corporation or at such other place in the United States as may be determined by the board of directors, at 2:00 p.m. on the second Tuesday of the fifth month following the close of each fiscal year or at such other time and date prior thereto and following the close of the fiscal year as shall be determined by the board of directors, for the purpose of electing directors and transacting such other business as may properly be brought before the meeting.

Section 2. Special Meetings. Special meetings of the shareholders shall be held at the principal office of the corporation or at such other place in the United States as may be designated in the notice of said meetings, upon call of the chairman of the board of directors or the president and shall be called by the president or the secretary when so directed by the board of directors or at the request in writing of shareholders owning at least 50% of the issued and outstanding capital stock of the corporation entitled to vote thereat. Any such request shall state the purposes for which the meeting is to be called.

Section 3. Notice of Meetings. Written notice of every meeting of shareholders, stating the place, date and hour of the meetings, shall be given personally or by mail to each shareholder of record entitled to vote at such meeting not less than 10 nor more than 50 days before the date of the meeting. If mailed, such

notice shall be deemed to be delivered when deposited in the United States mail with first class postage thereon prepaid addressed to the shareholder at his address as it appears on the corporation's record of stockholders. Attendance of a shareholder at a meeting of shareholders shall constitute a waiver of notice of such meeting and of all objections to the place or time of meeting, or the manner in which it has been called or convened, except when a shareholder attends a meeting solely for the purpose of stating, at the beginning of the meeting, any such objection to the transaction of any business. Notice need not be given to any shareholder who signs a waiver of notice, in person or by proxy, either before or after the meeting.

Section 4. Quorum. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the shareholders except as otherwise provided by statute, by the articles of incorporation, or by these by-laws. If a quorum is not present or represented at any meeting of the shareholders, a majority of the shareholders entitled to vote thereat, present in person or represented by proxy, may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented,

any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

Section 5. Order of Business. At the annual meeting of shareholders the order of business shall be as follows:

1. Calling meeting to order.
2. Proof of notice of meeting.
3. Reading of minutes of last previous annual meeting.
4. Reports of officers.
5. Reports of committees.
6. Election of directors.
7. Miscellaneous business.

Section 6. Voting. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of law or of the articles of

2

incorporation, a different vote is required, in which case such express provision shall govern and control the decision of the question. Each shareholder shall at every meeting of the shareholders be entitled to one vote in person or by proxy for each share on the capital stock having voting power registered in his name on the books of the corporation, but no proxy shall be voted or acted upon after 11 months from its date, unless otherwise provided in the proxy.

Section 7. Consent of Shareholders. Any action required or permitted to be taken at any meeting of the shareholders may be taken without a meeting if all of the shareholders consent thereto in writing, setting forth the action so taken. Such consent shall have the same force and effect as a unanimous vote of shareholders.

Section 8. List of Shareholders. The corporation shall keep at its registered office or principal place of business, or at the office of the transfer agent or registrar, a record of its shareholders, giving their names and addresses and the number, class and series, if any, of the shares held by each. The officer who has charge of the stock transfer books of the corporation shall prepare and make, before every meeting of shareholders or any adjournment thereof, a complete list of the shareholders entitled to vote at the meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number and class series, if any, of shares held by each. The list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any shareholder during the whole time of the meeting for the purposes thereof. The said list may be the corporation's regular record of shareholders if it is arranged in alphabetical order or contains an alphabetical index.

ARTICLE III

DIRECTORS

Section 1. Powers. Except as otherwise provided by any legal agreement among shareholders, the property, affairs and business of the corporation shall be managed and directed by its board of directors, which may exercise all powers of the corporation and do all lawful acts and things which are not by law, by any legal agreement among shareholders, by the articles of incorporation or by these by-laws directed or required to be exercised or done by the shareholders.

Section 2. Number, Election and Term. The number of directors which shall constitute the whole board shall be not less than three nor more than fifteen, the exact number thereof to be

determined by resolution of the Board of Directors; provided, however, that the number of directors may be increased or decreased from time to time by the Board of Directors by amendment of this by-law, but no decrease shall have the effect of shortening the term of an incumbent director. The directors shall be elected by plurality vote at the annual meeting of shareholders, except as hereinafter provided. Directors shall be natural persons who have attained the age of 18 years, but need not be residents of the State of Georgia or shareholders of the corporation. The Board of Directors of the corporation shall be divided into three classes which shall be as nearly equal in number as is possible. At the first election of directors to such classified Board, each Class 1 director shall be elected to serve until the next ensuing annual meeting of shareholders, each Class 2 director shall be elected to serve until the second ensuing annual meeting of shareholders and each Class 3 director shall be elected to serve until the third ensuing annual meeting of shareholders, and in each case until his or her successor is elected and qualified or until his or her earlier death, resignation or removal from office. At each annual meeting of shareholders following the meeting at which the Board of Directors is initially classified, the number of directors equal to the number of the class whose term expires at the time of such meeting shall be elected to serve until the third ensuing annual meeting of shareholders. Notwithstanding any of the foregoing provisions of this Section 2, directors shall serve until their successors are elected and qualified or until their earlier death, resignation or removal from office.

In the event of any change in the authorized number of directors, the number of directors in each class shall be adjusted so that thereafter each of the three classes shall be composed, as nearly as may be possible, of one-third of the authorized number of directors; provided, that any change in the authorized number of directors shall not increase or shorten the term of any director, and any decrease shall become effective only as and when the term or terms of office of the class or classes of directors affected thereby shall expire, or a vacancy or vacancies in such class or classes shall occur.

Section 3. Vacancies. Vacancies, including vacancies resulting from any increase in the number of directors, but not including vacancies resulting from removal from office by the shareholders, may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and a director so chosen shall hold office until the next annual election and until his successor is duly elected and qualified unless sooner displaced. If there are no directors in office, then vacancies shall be filled through election by the shareholders.

Section 4. Meeting and Notice. The board of directors of the corporation may hold meetings, both regular and special, either within or without the State of Georgia. Regular meetings of the board of directors may be held without notice at such time and place as shall from time to time be determined by resolution of the board. Special meetings of the board may be called by the chairman of the board or president or by any two directors on one day's oral, telegraphic or written notice duly given or served on each director personally, or three days' notice deposited, first class postage prepaid, in the United States mail. Such notice shall state a reasonable time, date and place of meeting, but the purpose need not be stated therein. Notice need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and waiver of all objections to the place and time of the meeting, or the manner in which it has been called or convened, except when the director states, at the beginning of the meeting, any such objection or objections to the transaction of business.

Section 5. Quorum. At all meetings of the board a majority of directors shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board, except as may be otherwise specifically provided by law, by the articles of incorporation, or by these by laws. If a

quorum shall not be present at any meeting of the board, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 6. Consent of Directors. Unless otherwise restricted by the articles of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the board of directors or any committee thereof may be taken without a meeting, if all members of the board or committee, as the case may be, consent thereto in writing, setting forth the action so taken, and the writing or writings are filed with the minutes of the proceedings of the board of committee. Such consent shall have the same force and effect as a unanimous vote of the board.

Section 7. Committees. The board of directors may by resolution passed by a majority of the whole board, designate from among its members one or more committees, each committee to consist of two or more directors. The board may designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of such committee. Any such committee, to the extent provided in the resolution, shall have and

5

may exercise all of the authority of the board of directors in the management of the business and affairs of the corporation, except that it shall have no authority with respect to (1) amending the articles of incorporation or these by-laws; (2) adopting a plan of merger or consolidation; (3) the sale, lease, exchange or other disposition of all or substantially all of the property and assets of the corporation; and (4) a voluntary dissolution of the corporation or a revocation thereof. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. A majority of each committee may determine its action and may fix the time and places of its meetings, unless otherwise provided by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Section 8. Removal of Directors. At any shareholders' meeting with respect to which notice of such purpose has been given, any director may be removed from office, with or without cause, by the vote of shareholders representing three fourths (3/4) of the issued and outstanding capital stock entitled to vote for the election of directors, and his successor may be elected at the same or any subsequent meeting of shareholders; provided that to the extent any vacancy created by such removal is not filled by such an election within 60 days after such removal, the remaining directors shall, by majority vote, fill any such vacancy.

Section 9. Compensation of Directors. Directors shall be entitled to such reasonable compensation for their services as directors or members of any committee of the board as shall be fixed from time to time by resolution adopted by the board, and shall also be entitled to reimbursement for any reasonable expenses incurred in attending any meeting of the board or any such committee.

ARTICLE IV

OFFICERS

Section 1. Number. The officers of the corporation shall be chosen by the board of directors and shall be a president, a secretary and a treasurer. The board of directors may also choose a chairman of the board, one or more vice-presidents, assistant secretaries and assistant treasurers. Any number of offices, except the offices of president and secretary may be held by the same person. The board of directors may appoint such other officers and agents as it shall deem necessary who shall hold their

6

offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 2. Compensation. The salaries of all officers and agents of the corporation shall be fixed by the board of directors or a committee or officer appointed by the board. Salary payments made to an officer of the corporation that shall be disallowed in whole or in part as a deductible expense by the corporation for Federal income tax purposes shall be reimbursed by such officer to the corporation to the full extent of the disallowance. It shall be the duty of the board of directors to enforce payment of each such amount disallowed.

Section 3. Term of office. Unless otherwise provided by resolution of the board of directors, the principal officers shall be chosen annually by the board at the first meeting of the board following the annual meeting of shareholders of the corporation, or as soon thereafter as is conveniently possible. Subordinate officers may be elected from time to time. Each officer shall serve until his successor shall have been chosen and qualified, or until his death, resignation or removal.

Section 4. Removal. Any officer may be removed from office at any time, with or without cause, by the board of directors whenever in its judgment the best interest of the corporation will be served thereby.

Section 5. Vacancies. Any vacancy in an office resulting from any cause may be filled by the board of directors.

Section 6. Powers and Duties. Except as hereinafter provided, the officers of the corporation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as from time to time may be conferred by the board of directors.

(a) President. The president shall be the chief executive officer of the corporation, shall preside at all meetings of the shareholders and (unless the board shall have created an office of chairman of the board) the board of directors, shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the board of directors are carried into effect. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof

7

shall be expressly delegated by the board of directors to some other officer or agent of the corporation.

(b) Vice-President. In the absence of the president or in the event of his inability or refusal to act, the vice-president (or in the event there be more than one vice-president, the vice-presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-presidents shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

(c) Secretary. The secretary shall attend all meetings of the board of directors and all meetings of the shareholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his

signature.

(d) Assistant Secretary. The assistant secretary or if there be more than one, the assistant secretaries in the order determined by the board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

(e) Treasurer. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the

8

corporation in such depositories as may be designated by the board of directors. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements and shall render to the president and the board of directors at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation. If required by the board of directors, he shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, paper, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

(f) Assistant Treasurer. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

Section 7. Voting Securities of Corporation. Unless otherwise ordered by the board of directors, the president shall have full power and authority on behalf of the corporation to attend and to act and vote at any meetings of security holders of corporations in which the corporation may hold securities, and at such meetings shall possess and may exercise any and all rights and powers incident to the ownership of such securities which the corporation might have possessed and exercised if it had been present. The board of directors by resolution from time to time may confer like powers upon any other person or person.

ARTICLE V

CERTIFICATES OF STOCK

Section 1. Form of Certificate. Every holder of fully-paid stock in the corporation shall be entitled to have a certificate in such form as the board of directors may from time to time prescribe.

9

Section 2. Lost Certificates. The board of directors may direct that a new certificate be issued in place of any certificate theretofore issued by the corporation and alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such

issue of a new certificate, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 3. Transfers. (a) Transfers of shares of the capital stock of the corporation shall be made only on the books of the corporation by the registered holder thereof, or by his duly authorized attorney, or with a transfer clerk or transfer agent appointed as in Section 5 of this Article provided, and on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon.

(b) The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and for all other purposes, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

(c) Shares of capital stock may be transferred by delivery of the certificates therefor, accompanied either by an assignment in writing on the back of the certificates or by separate written power of attorney to sell, assign and transfer the same, signed by the record holder thereof, or by his duly authorized attorney-in-fact, but no transfer shall affect the right of the corporation to pay and dividend upon the stock to the holder of record as the holder in fact thereof for all purposes, and no transfer shall be valid, except between the parties thereto, until such transfer shall have been made upon the books of the corporation as herein provided.

(d) The board may, from time to time, make such additional rules and regulations as it may deem expedient, not inconsistent with these by-laws or the certificate of incorporation, concerning the issue, transfer and registration of certificates for shares of the capital stock of the corporation.

10

Section 4. Record Date. In order that the corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than 50 days and, in case of a meeting of shareholders, not less than 10 days prior to the date on which the particular action requiring such determination of stockholders is to be taken. If no record date is fixed for the determination of shareholders entitled to notice of and to vote at any meeting of shareholders, the record date shall be at the close of business on the day next preceding the day on which the notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. If no record date is fixed for other purposes, the record date shall be at the close of business on the day next preceding the day on which the board of directors adopts the resolution relating thereto. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting unless the board of directors shall fix a new record date for the adjourned meeting.

Section 5. Transfer Agent and Registrar. The board of directors may appoint one or more transfer agents or one or more transfer clerks and one or more registrars, and may require all certificates of stock to bear the signature or signatures of any of them.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the articles of incorporation, if any, may be declared by the board of directors at any regular or special meetings, pursuant to law. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock, subject to the provisions of the articles of incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other

11

purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 2. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

Section 3. Seal. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal" and "Georgia". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. In the event it is inconvenient to use such a seal at any time, the signature of the corporation followed by the word "Seal" enclosed in parentheses shall be deemed the seal of the corporation.

Section 4. Annual Statements. Not later than four months after the close of each fiscal year, and in any case prior to the next annual meeting of stockholders, the corporation shall prepare:

(1) A balance sheet showing in reasonable detail the financial condition of the corporation as of the close of its fiscal year, and

(2) A profit and loss statement showing the results of its operations during its fiscal year.

Upon written request, the corporation promptly shall mail to any shareholder of record a copy of the most recent such balance sheet and profit and loss statement.

Section 5. Application of Articles 11 and 11A of Georgia Business Corporation Code. All of the requirements of Article 11, Parts II and III of the Georgia Business Corporation Code shall apply to the corporation.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Right of Indemnification. Any person who was or is a party or who is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including any action by or in the right of the corporation) by reason of the fact that he is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director,

12

officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by this corporation against expenses (including attorney's fees), judgments, fines and amounts paid in settlement in connection with such action, suit or proceeding to the full extent to which a corporation is permitted to indemnify a director, and in the manner prescribed, by the Georgia Business Corporation Code, as the same may be amended from time to time.

Section 2. Advance of Expenses. Expenses incurred with respect to any action, suit or proceeding of the character described in Section 1 of this Article VII may be advanced by the corporation prior to the final disposition thereof upon receipt of the documentation required pursuant to Section 14-2-853 (or any successor provisions) of the Georgia Business Corporation Code to be submitted to the corporation by the recipient.

Section 3. Rights of Indemnification Cumulative. The rights of indemnification provided in this Article VII shall be in addition to any rights to which any such director or officer or other person may otherwise be entitled under any by-law, agreement, vote of shareholders, or otherwise, and shall be in addition to then power of the corporation to purchase and maintain insurance on behalf of any such director or officer or other person against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, regardless of whether the corporation would have the power to indemnify him against such liability under this Article or otherwise.

ARTICLE VIII

AMENDMENTS

The Board of Directors shall have power to alter, amend or repeal the by-laws or adopt new by-laws by majority vote of all of the directors, but any by-laws adopted by the Board of Directors may be altered, amended or repealed and new by-laws adopted, by the shareholders by majority vote of all of the shares having voting power.

EXHIBIT 10(a)(VIII)

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
c/o Prudential Capital Group
Four Gateway Center
Newark, New Jersey 07102

October 12, 1995

CROWN CRAFTS, INC.
1600 Riveredge Parkway
Suite 200
Atlanta, Georgia 30328
Attention: Robert E. Schnelle
Treasurer

Ladies and Gentlemen:

This letter is to amend the Note Agreement dated December 18, 1990 between Crown Crafts, Inc. (the "Company") and The Prudential Insurance Company of America ("Prudential") pursuant to which the Company issued and Prudential purchased the Company's 9.22% promissory notes in the original principal amount of \$15,000,000 (as previously amended, the "Note Agreement"). Capitalized terms used herein without definition have the meanings ascribed to such terms in the Note Agreement.

Pursuant to paragraph 11C of the Note Agreement, Prudential and the Company hereby agree as follows:

1. Paragraph 4 of the Note Agreement is hereby amended and restated in its entirety as follows:

"4. PREPAYMENTS. The Notes shall be subject to required prepayment as and to the extent provided in paragraph 4A. The Notes shall also be subject to prepayment under the circumstances set forth in paragraphs 4B and 4D. Any prepayment made by the Company pursuant to any other provision of this paragraph 4 shall not reduce or otherwise affect its obligation to make any required prepayment as specified in paragraph 4A.

4A. REQUIRED PREPAYMENTS OF NOTES. Until the Notes shall be paid in full, the Company shall apply to the prepayment of the Notes, without Yield-Maintenance Amount, the sum of \$2,500,000 on May 15 and November 15 in each of the years 1994 through 1995, and \$2,500,000 on May 15, 1996, and such principal amounts of the Notes, together with interest thereon to the payment dates, shall

CROWN CRAFTS, INC.
October 12, 1995
Page -2-

become due on such payment dates. The remaining unpaid principal amount of the Notes, together with interest accrued thereon, shall become due on the maturity date of the Notes.

4B. OPTIONAL PREPAYMENT WITH YIELD-MAINTENANCE AMOUNT. The Notes shall be subject to prepayment, in whole at any time or from time to time in part (in integral multiples of \$100,000 and in a minimum amount of \$1,000,000), at the option of the Company, at 100% of the principal amount so prepaid plus interest thereon to the prepayment date and the Yield-Maintenance Amount, if any, with respect to each such Note. Any partial prepayment of the Notes pursuant to this paragraph 4B shall be applied in satisfaction of required payments of principal in inverse order of their scheduled due dates.

4C. NOTICE OF OPTIONAL PREPAYMENT. The Company shall give the holder of each Note to be prepaid pursuant to paragraph 4B irrevocable written notice of such prepayment not less than 10 Business Days prior to the prepayment date, specifying such prepayment

date, the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of the Notes held by such holder to be prepaid on that date and that such prepayment is to be made pursuant to paragraph 4B. Notice of prepayment having been given as aforesaid, the principal amount of the Notes specified in such notice, together with interest thereon to the prepayment date and together with the Yield-Maintenance Amount, if any, herein provided, shall become due and payable on such prepayment date. The Company shall, on or before the day on which it gives written notice of any prepayment pursuant to paragraph 4B, give telephonic notice of the principal amount of the Notes to be prepaid and the prepayment date to each Significant Holder which shall have designated a recipient for such notices on the Purchaser Schedule attached hereto or by notice in writing to the Company.

4D. PREPAYMENT OF NOTES UPON CHANGE OF CONTROL. The Company shall give written notice to each holder of a Note of the occurrence of any Change of Control within 10 days after such occurrence (which notice is herein referred to as the "CONTROL CHANGE NOTICE"). A Control Change Notice shall be given by facsimile communication confirmed by overnight courier sent on the same day of such facsimile transmission and contain reasonable detail describing the Change of Control and an offer by the Company to prepay 100% of such holder's Notes on a closing date designated in such Control Change Notice, which closing date shall be not less than 30 days or more than 60 days after the date of such notice (such closing date being hereinafter referred to as the "CONTROL CHANGE PREPAYMENT DATE"). Such Control Change Notice shall also provide that each holder of a Note may accept such offer of prepayment by notice to the Company not more than 25 days after the

CROWN CRAFTS, INC.
October 12, 1995
Page -3-

date of such Control Change Notice. Failure of any holder of Notes to respond to any offer to prepay pursuant to this paragraph 4D shall constitute an acceptance of such offer. The Company shall prepay all of the Notes on the Control Change Prepayment Date of any holder which has timely accepted (or which has been deemed to have accepted) the offer of prepayment at a price equal to 100% of the principal amount of the Notes to be prepaid, plus accrued interest thereon to the Control Change Prepayment Date plus the Yield-Maintenance Amount, if any, in respect of each Note to be prepaid.

For purposes of this paragraph 4D, "CHANGE OF CONTROL" shall mean the acquisition after the date of this Agreement by any Person (as such term is used in section 13(d) and section 14(d)(2) of the Securities Exchange Act of 1934 as in effect on the date of this Agreement (the "Exchange Act") or related persons constituting a group (as such term is used in Rule 13d-5 under Exchange Act), other than any member of the Management Group, of beneficial ownership (as such term is used under Rule 13d-3 under the Exchange Act) directly or indirectly of Voting Stock sufficient to elect or cause the election of at least a majority of the Company's Board of Directors, "MANAGEMENT GROUP" shall mean, collectively, the Company's Employee Stock Ownership Plan and the officers and directors of the Company and "VOTING STOCK" shall mean, with respect to any corporation, any shares of stock of such corporation whose holders are entitled under ordinary circumstances to vote for the election of directors of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

4E. APPLICATION OF REQUIRED PREPAYMENTS. In the case of each prepayment of less than the entire unpaid principal amount of all outstanding Notes pursuant to paragraphs 4A or 4D, the amount to be prepaid shall be applied pro rata to all outstanding Notes (including, for the purpose of this paragraph 4E only, all Notes prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates other than by prepayment pursuant to paragraph 4A or 4D) according to the respective unpaid principal amounts thereof.

4F. RETIREMENT OF NOTES. The Company shall not, and shall not permit any of its Subsidiaries or Affiliates to, prepay or otherwise retire in whole or in part prior to their stated final maturity (other than by prepayment pursuant to paragraphs 4A or 4D or upon acceleration of such final maturity pursuant to paragraph 7A), or purchase or otherwise acquire, directly or indirectly, Notes held by any holder unless the Company or such Subsidiary or Affiliate shall have offered to prepay or otherwise retire or purchase or otherwise acquire, as the case may be, the same proportion of the aggregate principal amount of Notes held by each other holder of Notes at the

CROWN CRAFTS, INC.
October 12, 1995
Page -4-

time outstanding upon the same terms and conditions. Any Notes so prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates shall not be deemed to be outstanding for any purpose under this Agreement, except as provided in paragraph 4E."

2. Paragraphs 5A, 5B, 5C, 5D, 5E, 6A, 6B, 6C, 6D and 7A(iii) of the Note Agreement are hereby deleted and the provisions of paragraphs 5A, 5B, 5C, 5D, 5E, 6A, 6B, 6C, 6D and 7A(iii) of the 1995 Agreement (as defined below) are hereby incorporated by reference into the Note Agreement together with all terms defined in the Note Agreement and used in such provisions (other than the terms "Required Holders," "Significant Holder" and "Authorized Officer" which shall have the meanings set forth in the Note Agreement as amended hereby)(the "Incorporated Provisions"). The Company will, and will cause its Subsidiaries to, comply with the Incorporated Provisions irrespective of any termination, modification, amendment, consent or waiver relating to such provisions under the 1995 Note Agreement and irrespective of whether any promissory notes issued under the 1995 Note Agreement remain outstanding. For purposes hereof, the term "1995 Note Agreement" shall mean the Note Purchase and Private Shelf Agreement dated as of October 12, 1995 between the Company and Prudential and each Prudential Affiliate (as defined therein) that becomes a party thereto.

3. Paragraphs 10L, 10N, 10O, 10P, 10Q, 10R and 10S of the Note Agreement are hereby amended and restated in their entirety as follows:

"10L. "REMAINING AVERAGE LIFE" shall mean, with respect to the Called Principal of any Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) each Remaining Scheduled Payment of such Called Principal (but not of interest thereon) by (b) the number of years (calculated to the nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment."

"10N. "CALLED PRINCIPAL" shall mean, with respect to any Note, the principal of such Note that is to be prepaid pursuant to paragraph 4B or 4D or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires."

"10O. "DISCOUNTED VALUE" shall mean, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (as converted to reflect the periodic basis

CROWN CRAFTS, INC.
October 12, 1995
Page -5-

on which interest on such Note is payable, if payable other than on a semi-annual basis) equal to the Reinvestment Yield with respect to such Called Principal."

"10P "REINVESTMENT YIELD" shall mean, with respect to the

Called Principal of any Note, the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City local time) on the Business Day next preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page 678" on the Telerate Service (or such other display as may replace page 678 on the Telerate Service) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, (ii) the Treasury Constant Maturity Series yields reported, for the latest day for which such yields have been so reported as of the Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between yields reported for various maturities."

"10Q. "REMAINING SCHEDULED PAYMENTS" shall mean, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date."

"10R. "SETTLEMENT DATE" shall mean, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to paragraphs 4B or 4D or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires."

"10S. "YIELD-MAINTENANCE AMOUNT" shall mean, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Called Principal of such Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. The Yield-Maintenance Amount shall in no event be less than zero."

CROWN CRAFTS, INC.

October 12, 1995

Page -6-

4. Paragraph 7A of the Note Agreement is hereby amended by deleting each reference to "Yield Maintenance Premium" contained therein and inserting in lieu thereof the term "Yield-Maintenance Amount."

5. Clause (iii) of paragraph 7A of the Note Agreement is hereby amended by deleting the reference to "\$350,000" and inserting in lieu thereof "\$1,000,000".

6. The Note Agreement is hereby amended to add a new paragraph 10AA as follows:

"10AA. "AUTHORIZED OFFICER" shall mean the chief executive officer, chief financial officer or treasurer of the Company."

7. The Purchaser Schedule attached to the Note Agreement is hereby replaced with Exhibit A attached hereto.

Except as modified hereby, the terms and conditions of the Note Agreement shall remain in full force and effect.

If you agree with the foregoing, please sign the enclosed counterparts of this letter and return them to us, at which time this letter shall become a binding agreement between the Company and Prudential as of the date first above written.

Very truly yours,

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA

By: /s/ Thomas Cecka

Vice President

The foregoing is Agreed to and Accepted
as of the date first above written

CROWN CRAFTS, INC.

By: /s/ Robert E. Schnelle

Robert E. Schnelle
Treasurer

EXHIBIT A

PURCHASER SCHEDULE

<TABLE>
<CAPTION>

	Aggregate Principal Amount of Notes to be Purchased	Note Denom- ination(s)
	----- <C>	----- <C>
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	\$15,000,000	\$15,000,000

</TABLE>

- (1) All payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

Account No. 050-54-526

Morgan Guaranty Trust Company of New York
23 Wall Street
New York, New York 10015
(ABA No.: 021-000-238)

Each such wire transfer shall set forth the name of the Company, a reference to 9.22% Senior Notes due 1996, Security No. !Inv. 1242! and the due date and application (as among principal, interest and Yield-Maintenance Amount) of the payment being made.

- (2) Address for all notices relating to payments:

The Prudential Insurance Company of America
c/o Prudential Capital Group
Four Gateway Center
100 Mulberry Street
Newark, New Jersey 07102-4077

Attention: Investment Structure and Pricing

- (3) Address for all other communications and notices:

The Prudential Insurance Company of America
c/o Prudential Capital Group
1230 Peachtree Street, N.E.
Suite 2525
Atlanta, Georgia 30309

Attention: Managing Director

- (4) Recipient of telephone prepayment notices:

Manager, Investment Structure and Pricing
(201) 802-6429

- (5) Tax Identification No.: 22-1211670

EXHIBIT 10(b)(iv)

CROWN CRAFTS, INC.
1995 STOCK OPTION PLAN

ARTICLE

I.

DEFINITIONS

As used herein, the following terms have the meanings hereinafter set forth unless the context clearly indicates to the contrary:

(a) "Annual Meeting Date" shall mean the date of the annual meeting of the shareholders of the Company at which the directors are elected.

(b) "Board" shall mean the Board of Directors of the Company.

(c) "Change in Control" shall mean the occurrence of any of the following:

(i) The Company is merged, consolidated or reorganized into or with another corporation or other legal person and as a result of such merger, consolidation or reorganization less than two-thirds of the combined voting power of the then-outstanding securities of such other corporation or person immediately after such transaction are held in the aggregate by the holders of the then-outstanding securities entitled to vote generally in the election of directors (the "Voting Stock") of the Company immediately prior to such transaction;

(ii) The Company sells or otherwise transfers all or substantially all of its assets to any other corporation or other legal person, and as a result of such sale or transfer, less than two-thirds of the combined voting power of the then-outstanding voting securities of such other corporation or entity immediately after such sale or transfer are held in the aggregate by the holders of Voting Stock of the Company immediately prior to such sale or transfer;

(iii) The shareholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company;

(iv) There is a report filed on Schedule 13D or Schedule 14D-1 under the Exchange Act (or any successor schedule, form, report or item therein), disclosing that any person (as the term "person" is used in Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) has become the beneficial owner (as defined under Rule 13d-3 or any successor

rule) of securities representing 20% or more of the combined voting power of the Voting Stock of the Company;

(v) The Company files a report or proxy statement with the Securities and Exchange Commission pursuant to the Exchange Act disclosing in, or in response to, Form 8-K or Schedule 14A (or any successor schedule, form or report) that a change in control of the Company has or may have occurred or will or may occur in the future pursuant to any then-existing contract or transaction; or

(vi) If during any period of two consecutive years, individuals who at the beginning of such period constitute the directors of the Company cease for any reason to constitute at least two-thirds thereof; provided, however, that for such purposes each director who is first elected, or first nominated for election by the Company's shareholders, by a vote of at least

two-thirds of the directors of the Company then still in office who were directors of the Company at the beginning of any such period will be deemed to have been a director of the Company at the beginning of such period; or

(vii) Notwithstanding the foregoing provisions of paragraphs (iv) or (v) above, a Change in Control shall not be deemed to have occurred for purposes of paragraphs (iv) or (v) solely because (a) any entity in which the Company, directly or indirectly, beneficially owns 50% or more of the voting securities of such entity (an "Affiliate"), (b) any Company-sponsored employee stock ownership plan or any other employee benefit plan of the Company or any Affiliate or (c) any group whose beneficial ownership includes Voting Stock owned of record or beneficially, directly or indirectly, by Philip Bernstein, his spouse or his lineal descendants, either files or becomes obligated to file a report or a proxy statement under or in response to Schedule 13D, Schedule 14D-1, Form 8-K or Schedule 14A (or any successor schedule, form or report) under the Exchange Act, disclosing beneficial ownership by it of shares of Voting Stock, whether in excess of 20% or otherwise, or because the Company reports that a change in control of the Company has or may have occurred or will or may occur in the future by reason of such beneficial ownership;

(viii) Notwithstanding the foregoing paragraphs (i) through (vi) above, solely with respect to Options granted under Article VI to Employees (and not with respect to any Option granted to a Nonemployee Director under Article VII) a Change in Control shall not be deemed to have occurred if so determined by a vote of a majority of the directors described in paragraph (vi) above prior to an event described in paragraph (i) through (iii) or within 90 days after the occurrence of an event described in paragraph (iv) or (v) above.

(d) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(e) "Committee" shall mean a committee of the Board designated by the Board to administer the Plan. For purposes of any action taken with respect to an Option granted to an officer or director of the Company subject to Section 16 of the Exchange Act, the Committee shall consist solely of two or more Nonemployee Directors. For purposes of any action taken with respect to an Option granted to any other Employee, the Committee may delegate its authority under the Plan to any member or members of the Board.

(f) "Company" shall mean Crown Crafts, Inc., a Georgia corporation.

(g) "Disabled Person" shall mean an Employee who, as determined by a licensed physician acceptable to the Committee and evidenced by a certificate to the Company, is completely unable to engage in the Employee's regular occupation by reason of any physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve (12) months; provided, the determination of the Committee in its sole discretion as to the classification of an employee as a Disabled Person shall be final.

(h) "Effective Date" shall mean May 13, 1995.

(i) "Employee" shall mean any common law employee of the Company or any of its Subsidiaries who is determined by the Committee to be a "key employee" of the Company or such Subsidiary.

(j) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(k) "Fair Market Value" shall mean the fair market value of the Stock as determined by the Committee for the date in question. If the Stock is listed on a national securities exchange, the fair market value per share of Stock shall be not less than 100% of the closing price of the Stock on such national securities exchange on such date. If the Stock is listed on a national securities exchange but no sales of shares of Stock occurred thereon on such date, the fair market value per share of Stock shall be not less than

100% of the closing price of the Stock on the closest date preceding such date. If the Stock is not listed on a national securities exchange, the fair market value of the Stock shall be determined by the method or procedures as established from time to time by the Committee.

(l) "Incentive Stock Option" shall mean an option to purchase any stock of the Company, which option complies with and is subject to the terms, limitations and conditions of Section 422 of the Code and any regulations promulgated with respect thereto.

(m) "LSAR" shall mean a limited stock appreciation right granted pursuant to Article VIII of the Plan.

(n) "Nonemployee Director" shall mean a member of the Board of Directors who is not an Employee at the time of grant of an Option.

(o) "Nonstatutory Stock Option" shall mean an option to purchase any stock of the Company, which option does not qualify for treatment as an Incentive Stock Option under Section 422 of the Code but instead is subject to tax under Section 83 of the Code.

(p) "Option" shall mean either an Incentive Stock Option or a Nonstatutory Stock Option granted to an Employee or Nonemployee Director pursuant to the Plan.

(q) "Optionee" shall mean an Employee or Nonemployee Director to whom an Option has been granted hereunder.

(r) "Plan" shall mean the Crown Crafts, Inc. 1995 Stock Option Plan, the terms of which are set forth herein.

(s) "Rule 16b-3" shall mean Rule 16b-3 promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act (or any successor rule to the same effect) as in effect from time to time.

(t) "Stock" shall mean the \$1.00 par value common stock of the Company or, in the event that the outstanding shares of Stock are hereafter changed into or exchanged for shares of a different class or series of stock or other securities of the Company or some other corporation, such other stock or securities.

(u) "Stock Option Agreement" shall mean a written document evidencing an Option grant by the Company to the Optionee under which the Optionee may purchase Stock under the Plan.

(v) "Subsidiary" shall mean any corporation in which the Company owns or controls directly or indirectly more than 50% of the total combined voting power represented by all classes of stock issued by such corporation at the time of grant of any Option.

(w) "Ten Percent Shareholder" shall mean any person who, as of the date an Option is granted to such person, owns or is considered to own stock representing more than 10% of the total combined voting power of all classes of stock of the Company. For this purpose, a person shall be considered to own (i) the stock owned, directly or indirectly, by or for such person's brothers and sisters (whether by the whole or half blood), spouse, ancestors and lineal descendants; and (ii) the stock owned, directly or indirectly, by or for a corporation, partnership, estate or trust in proportion to such person's stock interest, partnership interest or beneficial interest therein.

ARTICLE II.

THE PLAN

2.1 Purpose. The purpose of the Plan is to advance the interests of the Company and its shareholders by affording selected Employees and Nonemployee Directors an opportunity to acquire or increase their proprietary interests in the Company by granting such persons Options to purchase Stock in the Company.

2.2 Effective Date. The Plan shall become effective on the Effective Date; provided, if the Plan is not approved by the holders of a majority of the shares of stock of the Company represented at a meeting and entitled to vote thereon within 12 months before or after the date on which the Plan is adopted by the Board, the Plan and any Options granted thereunder shall terminate and become null and void.

2.3 Termination Date. Subject to Section 2.2 hereof, the Plan shall terminate and no further Options shall be granted hereunder upon the 10th anniversary of the Effective Date.

ARTICLE III.

PARTICIPANTS

Employees and Nonemployee Directors shall be eligible to participate in the Plan. The Committee may grant Options to any Employee as it may determine from time to time in its sole discretion. In addition, Nonemployee Directors shall be awarded Options on a nondiscretionary basis as provided in Article VII hereof.

ARTICLE IV.

ADMINISTRATION

4.1 Duties and Powers of Committee.

(a) The Plan shall be administered by the Committee. The Board may from time to time remove members from, or add members to, the Committee and shall fill any vacancy on the Committee. The Committee shall keep minutes of its meetings and shall make such rules and regulations for the conduct of its business as it may deem necessary. The determination of the Committee on the matters referred to in this Section 4.1 shall be conclusive.

(b) Subject to the express provisions of the Plan, the Committee shall have the discretion and authority to determine to whom from among the Employees an Option will be granted, the time or times at which each Option granted to an Employee may be

exercised, the number of shares of Stock subject to each such Option and the terms and conditions of each such Stock Option Agreement. Subject to the express provisions of the Plan, the grant of an Option by the Committee shall be final and shall not be subject to approval by any other party. Notwithstanding the foregoing or anything in the Plan to the contrary, the Committee shall not exercise discretion with respect to grants of Options to Nonemployee Directors or the terms and conditions of Stock Option Agreements with Nonemployee Directors, which shall be subject to Article VII hereof.

(c) Subject to the express provisions of the Plan, the Committee shall also have complete authority to interpret the Plan, to prescribe, amend and rescind rules and requirements relating to it, to determine the details and provisions of each Stock Option Agreement, and to make all other determinations necessary or advisable in the administration of the Plan, including, without limitation, the amending or altering of the Plan and any Options granted hereunder as may be required to comply with or to conform to any federal, state or local laws or regulations.

(d) No member of the Board or the Committee shall be liable to any person for any action or determination made in good faith with respect to the Plan or any Option granted hereunder.

4.2 Majority Rule. A majority of the members of the Committee shall constitute a quorum, and any action taken by a majority at a meeting at which a quorum is present or any action taken without a meeting evidenced by a writing executed by all the members of the Committee shall constitute the action of the Committee.

ARTICLE V.

SHARES OF STOCK SUBJECT TO PLAN

5.1 Limitations. Subject to adjustments pursuant to the provisions of Section 5.2 hereof, the maximum number of shares of Stock that may be issued and sold pursuant to the exercise of Options hereunder, in the aggregate or to any one Employee, shall not exceed 1,500,000 shares of Stock. The grant of an LSAR shall not reduce the number of shares of Stock that may be issued and sold hereunder. Shares of Stock subject to an Option may be either authorized but unissued shares or shares issued and reacquired by the Company. If outstanding Options granted hereunder shall terminate or expire for any reason without being wholly exercised, the shares of Stock allocable to any unexercised portion of such Option may again be the subject of an Option granted under the Plan.

5.2 Adjustments. In the event of any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, any merger, consolidation,

spin-off, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or any other corporate transaction having an effect similar to any of the foregoing:

(a) The Committee may make or provide for such adjustments in the number of shares of Stock subject to each outstanding Option, the Option price applicable to such Option and the kind of shares covered thereby, as the Committee in its sole discretion may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of Optionees;

(b) The Committee may make or provide for such adjustments in the number of shares specified in Sections 5.1 and 7.2 as the Committee in its sole discretion may in good faith determine to be appropriate in order to reflect such transaction or event; and

(c) The Committee may provide in substitution for any or all outstanding Options such alternative consideration as the Committee may in good faith determine to be equitable under the circumstances, or it may provide that the Optionee will be entitled to receive an equivalent grant or award in respect of securities of the surviving entity of any merger, consolidation or other transaction having a similar effect.

Notwithstanding the foregoing, (i) any adjustments or amendments to Incentive Stock Options under this Section 5.2 shall, if determined by the Committee, be made in accordance with Section 424(a) of the Code so as to preserve the status of such Options as incentive stock options under Section 422 of the Code, and (ii) Nonstatutory Stock Options subject to grants or previously granted to Nonemployee Directors at the time of any such event described in this Section 5.2 shall be subject only to such adjustment as shall be necessary to maintain the proportionate interest of the Optionee and preserve, without exceeding, the value of the Option.

ARTICLE VI.

OPTIONS TO BE GRANTED TO EMPLOYEES

6.1 General. The provisions of this Article VI shall apply to Options granted by the Committee to Employees and, except as expressly set forth in Article VII, shall not apply to Options granted to Nonemployee Directors.

6.2 Option Grant. Each Option granted hereunder to an Optionee shall be evidenced by minutes of a meeting of the Committee or the written consent of the Committee, and by a written Stock Option Agreement dated as of the date of grant and executed by the Company and the Optionee. As to each such grant hereunder, the terms of the Option, including the Option's duration, time or

times of exercise, and exercise price shall be stated in the Stock Option Agreement. The Stock Option Agreement shall clearly identify whether the Options granted are Incentive Stock Options or Nonstatutory Stock Options. If an Incentive Stock Option and a Nonstatutory Stock Option are issued together, the right of the Optionee to exercise or surrender one such Option shall not be

conditioned on the surrender of, or failure to exercise, the other Option. The terms and conditions of each Stock Option Agreement shall be consistent with the Plan, and in the event of any inconsistencies between the Plan and any Stock Option Agreement, the terms of the Plan shall control.

6.3 Optionee Limitations. To the extent that the aggregate Fair Market Value of stock of the Company with respect to which Incentive Stock Options are exercisable for the first time by an Optionee during any calendar year (under the Plan and all other Incentive Stock Option plans of the Company) exceeds \$100,000, such options shall be treated as Nonstatutory Stock Options. The rule set forth in the preceding sentence shall be applied by taking options into account in the order in which they were granted. For purposes of this Section 6.3, the Fair Market Value of stock shall be determined as of the time the option with respect to such stock is granted.

6.4 Option Price. The per share Option price of the Stock subject to each Incentive Stock Option shall be equal to the Fair Market Value of the Stock on the date the Option is granted; provided, the Option price of the Stock subject to any Incentive Stock Option granted to a Ten Percent Shareholder shall be equal to at least 110% of the Fair Market Value of the Stock. The per share Option price of the Stock subject to each Nonstatutory Stock Option shall be determined by the Committee, and may be less than Fair Market Value on the date the Option is granted.

6.5 Exercise Period. The period of the exercise of each Option shall be determined by the Committee, but in no instance shall the exercise period for an Incentive Stock Option exceed 10 years (5 years in the case of an Option granted to a Ten Percent Shareholder) from the date of grant of the Option. The Committee shall have the right to accelerate, in whole or in part, from time to time, conditionally or unconditionally, rights to exercise any Option granted hereunder.

6.6 Acceleration Upon Change in Control. Unless otherwise determined by the Committee and set forth in the Stock Option Agreement, each Option shall become fully and immediately exercisable upon the occurrence of a Change in Control, provided that the Optionee is employed by the Company or a Subsidiary on the date of such Change in Control. Notwithstanding the foregoing, if an Employee exercises an LSAR following an event described in paragraph (iv) or (v) of the definition of Change in Control contained in Article I hereof, the exercise of any portion of the Option which would not, except to the extent that such event constitutes a Change in Control, then be exercisable shall not be

effective until the expiration of the 90 day period following such event. If the directors determine that the event did not constitute a Change in Control in accordance with paragraph (viii) of such definition, the exercisability of the Option shall not be accelerated.

6.7 Option Exercise. Unless otherwise provided in the Stock Option Agreement, an Option shall be exercisable in whole or in part at any time and from time to time prior to expiration of the Option. The Committee shall have the authority in its sole discretion to prescribe in any Stock Option Agreement that the Option may be exercised in installments during the term of the Option and to further condition an Optionee's right to exercise all or any portion thereof.

(a) An Option may be exercised at any time and from time to time during the term of the Option as to any or all full shares of Stock that have become purchasable under the provisions of the Option, but not at any time as to fewer than 100 shares unless the remaining shares that are purchasable are fewer than 100 shares. An Option shall be exercised by written notice of exercise of the Option with respect to a specified number of shares of Stock delivered to the Company at its principal office.

(b) The Option price for the number of shares of Stock with respect to which the Option is being exercised shall be paid in full in cash or check acceptable to the Company, and the Company shall not be required to deliver certificates for such shares until such payment has been made; provided, in lieu of cash funds, an Optionee may, to the extent permitted by the Stock Option Agreement at the date of grant, exercise the Option in whole or in part (i) by tendering to the Company nonforfeitable shares of Stock owned by the Optionee for at least 6 months and having a Fair Market Value equal to the Option price applicable to the Option, or a combination of cash and shares

or (ii) by deferred payment from the proceeds of sale through a broker of some or all of the shares of Stock to which the exercise relates. The Optionee shall not have any of the rights of a stockholder with respect to the shares of Stock subject to the Option until such shares have been issued or transferred to the Optionee upon the exercise of the Option.

(c) In addition to and at the time of payment of the Option price, the Optionee shall pay to the Company in cash or check acceptable to the Company the full amount of any federal, state or local withholding or other employment taxes required by any government to be withheld or otherwise deducted and paid by the Company in respect of such exercise. To the extent permitted by the Committee at the time of exercise, any withholding obligation may be satisfied by relinquishment of that number of the shares of Stock with respect to which the Option is being exercised having a Fair Market Equal to the required withholding, or a combination of cash and shares. In addition, the Company shall have the right to withhold the amount of such taxes from any other sums due or to become due from the Company to the Optionee, upon such terms and

conditions as the Committee shall prescribe.

6.8 Nontransferability of Option. Except as expressly authorized by the Committee, no Option may be transferred by an Optionee otherwise than by will or the laws of descent and distribution.

6.9 Termination of Service. Except as otherwise provided in Section 6.11 hereof, in the event of termination of the employment of an Optionee by the Company or a Subsidiary for any reason, including retirement, any Option held by the Optionee, to the extent not theretofore exercised, shall forthwith terminate unless the Committee, in its sole discretion, provides in the Stock Option Agreement that the Option shall be exercisable after such termination (but only to the extent of the number of shares of Stock with respect to which the Option may be exercised at the date of termination of employment), and, provided further, that in no event shall any Stock Option Agreement provide for the extension of the period during which the Option may be exercised beyond the earlier of (i) the expiration of the period of exercisability of such Option as specified in the Stock Option Agreement, or (ii) 90 days from the date of termination.

6.10 No Right to Employment. Nothing in the Plan or in any Option or Stock Option Agreement shall confer on any person any right to continue in the employ of the Company or a Subsidiary or shall interfere in any way with any right the Company or a Subsidiary may have to terminate such person's employment at any time.

6.11 Death or Disability of Holder of Option. In the event any Optionee dies or becomes a Disabled Person while the Optionee is an employee of the Company or a Subsidiary, any Option created pursuant to the Plan held by the Optionee (i) shall become immediately exercisable in full (unless otherwise specified in the Stock Option Agreement), and (ii) may be exercised by the Optionee or the legatee or legatees under the Optionee's will, or by the Optionee's personal representative or distributees, within 1 year following the date of the Optionee's disability or death, or such shorter period as may be specified in the Stock Option Agreement, but in no event after the expiration of the period of exercisability of such Option as specified in the Stock Option Agreement. If an Option granted hereunder shall be exercised by the personal representative of a deceased, disabled or former employee, or by a person who acquired an Option granted hereunder by bequest or inheritance or by reason of the death of any employee or former employee, written notice of such exercise shall be accompanied by a certified copy of letters testamentary or equivalent proof of the right of such personal representative or other person to exercise such Option.

ARTICLE VII.

OPTIONS TO BE GRANTED TO NONEMPLOYEE DIRECTORS

7.1 Nondiscretionary Grants. Each Option granted hereunder to a Nonemployee Director shall be evidenced by a written Stock Option Agreement dated as of the date of grant and executed by the Company and the Optionee. Each such Stock Option Agreement shall include and conform to the terms and conditions set forth in this Article VII, and such other terms and conditions

not inconsistent herewith.

7.2 Annual Grants. On the first business day following each Annual Meeting Date, each Nonemployee Director serving on the Board of Directors on such date shall be granted an Option to purchase 2,000 shares of Stock. Each Option granted to a Nonemployee Director shall include a related LSAR as described in Article VIII hereof.

7.3 Option Price. The per share Option price of the Stock subject to each Option granted to a Nonemployee Director shall be equal to the Fair Market Value of the Stock on the date the Option is granted.

7.4 Exercise Period. Each Option granted to a Nonemployee Director shall first become exercisable with respect to one-third of the number of shares subject to the Option on each of the first three anniversaries of the date of grant and shall expire on the fifth anniversary of the date of grant of the Option. Notwithstanding the foregoing, each Option granted to a Nonemployee Director shall become fully and immediately exercisable upon the occurrence of a Change in Control.

7.5 Option Exercise. Each Option granted to a Nonemployee Director may be exercised in the manner described in Section 6.7(a) and (b) hereof. Each such Stock Option Agreement shall provide for the exercise of such Option by payment of cash or check or by the tender of shares of Stock in the manner described in Section 6.7(b) hereof.

7.6 Nontransferability of Option. No Option shall be transferred by a Nonemployee Director otherwise than by will or the laws of descent and distribution. During the lifetime of an Optionee, an Option shall be exercisable only by the Optionee.

7.7 Termination of Membership on the Board. If a Nonemployee Director terminates membership on the Board of Directors for any reason, including death, an Option held by the Optionee on the date of such termination may be exercised in whole or in part (but only to the extent of the number of shares of Stock with respect to which the Option was exercisable at the date of such termination) at any time prior to the earlier of (i) the expiration of the period of exercisability of such Option as specified in

Section 7.4, or (ii) 90 days from the date of termination. If an Option granted hereunder shall be exercised by the personal representative of a deceased Nonemployee Director, or by a person who acquired an Option granted hereunder by bequest or inheritance or by reason of the death of any Nonemployee Director, written notice of such exercise shall be accompanied by a certified copy of letters testamentary or equivalent proof of the right of such personal representative or other person to exercise such Option.

ARTICLE VIII.

LIMITED STOCK APPRECIATION RIGHTS

8.1 General. Each Option granted to a Nonemployee Director, and unless otherwise determined by the Committee, each Option granted pursuant to the Plan shall include a limited stock appreciation right ("LSAR") relating to a number of shares of Stock subject to such option. Each LSAR granted hereunder shall be subject to the terms and conditions set forth below:

8.2 Benefit Upon Exercise. The exercise of an LSAR with respect to any number of shares of Stock shall entitle the Optionee to a cash payment, for each such share, equal to the excess of (a) the greater of (i) the highest price per share of Stock paid in a tender offer, exchange offer or merger occurring in connection with the Change in Control with respect to which such LSAR became exercisable and (ii) the highest Fair Market Value of a share of Stock during the 60 day period immediately preceding such Change in Control over (b) the Option price of the related Option. Such payment shall be paid as soon as practical, but in no event later than the expiration of 5 business days after the effective date of such exercise. The Company shall have the right to withhold from the payment an amount sufficient to satisfy any federal, state or local tax withholding obligations in respect of such exercise.

8.3 Term and Exercise of LSARs. An LSAR shall be exercisable only during the period commencing on the first day following the occurrence of a

Change in Control and terminating on the expiration of 60 days after such date. Notwithstanding the preceding sentence, in the event that an LSAR held by any Optionee who is or may be subject to the provisions of Section 16 of the Exchange Act becomes exercisable prior to the expiration of 6 months following the date on which it is granted, the LSAR shall also be exercisable during the period commencing on the first day immediately following the expiration of such 6 month period and terminating on the expiration of 60 days following such date. Notwithstanding anything else herein, an LSAR may be exercised only if and to the extent that the Option to which it relates is exercisable.

(a) The exercise of an LSAR with respect to a number of shares of Stock shall cause the immediate and automatic cancellation of the related Option with respect to an equal number of shares. The exercise of an Option, or the cancellation,

termination or expiration of an Option (other than pursuant to this subsection), with respect to a number of shares of Stock, shall cause the cancellation of the LSAR with respect to an equal number of shares.

(b) Each LSAR shall be exercisable in whole or in part; provided, no partial exercise of an LSAR shall be for fewer than 100 shares of Stock. The partial exercise of an LSAR shall not cause the expiration, termination or cancellation of the remaining portion thereof.

(c) No LSAR shall be assignable or transferable otherwise than together with its related Option.

(d) An LSAR shall be exercised only by written notice of exercise served upon the Company specifying the number of shares of Stock in respect of which the LSAR is being exercised and the proposed effective date of exercise. The Optionee may withdraw such notice at any time prior to the close of business on the business day immediately preceding the proposed effective date of exercise.

(e) Notwithstanding anything to the contrary in this Article VIII, if an Employee exercises an LSAR following an event described in paragraph (iv) or (v) of the definition of Change in Control contained in Article I hereof, no payment shall be made to the Employee during the 90 day period following such event. If the directors determine that the event did not constitute a Change in Control in accordance with paragraph (viii) of such definition, the exercise of the LSAR shall be invalid. During this 90 day period, the Employee may withdraw the notice of exercise of the LSAR at any time.

ARTICLE IX.

STOCK CERTIFICATES

The Company shall not be required to issue or deliver any certificate for shares of Stock purchased upon the exercise of any Option granted hereunder or any portion thereof, prior to fulfillment of all of the following conditions:

(a) The admission of such shares to listing on all stock exchanges on which the Stock is then listed;

(b) The completion of any registration or other qualification of such shares under any federal or state law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body that the Committee shall in its discretion deem necessary or advisable; and

(c) The obtaining of any approval or other clearance from any federal or state governmental agency that the Committee

shall in its sole discretion determine to be necessary or advisable.

ARTICLE X.

PURCHASE FOR INVESTMENT

Except as hereafter provided, the Board may require as a condition of issuance of any shares of Stock pursuant to this Plan that the holder of an Option granted hereunder shall, upon any exercise thereof, execute and deliver to the Company a written statement, in form satisfactory to the Company, in which such holder represents and warrants that such holder is purchasing or acquiring the shares of Stock acquired thereunder for such holder's own account, for investment only and not with a view to the resale or distribution thereof, and agrees that any subsequent resale or distribution of any of such shares of Stock shall be made only pursuant to either (a) a registration statement on an appropriate form under the Securities Act of 1933, as amended (the "Securities Act"), which registration statement has become effective and is current with regard to the shares of Stock being sold, or (b) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the holder shall, prior to any offer of sale or sale of such shares of Stock, if required by the Company, obtain a prior favorable written opinion, in form and substance satisfactory to the Company, from counsel for or approved by the Company, as to the application of such exemption thereto. The foregoing restriction shall not apply to issuances by the Company so long as the shares of Stock being issued are registered under the Securities Act and a prospectus in respect thereof is current.

ARTICLE XI.

LEGENDS

The Company may endorse such legend or legends upon the certificates for shares of Stock issued upon exercise of an Option granted hereunder, and the Committee may issue such "stop transfer" instructions to its transfer agent in respect of such shares of Stock, as the Committee, in its discretion, determines to be necessary or appropriate to (i) prevent a violation of, or to perfect an exemption from, the registration requirements of the Securities Act, (ii) implement the provisions of any agreement between the Company and the Optionee with respect to such shares of Stock, or (iii) permit the Company to determine the occurrence of a disqualifying disposition, as described in Section 421(b) of the Code, of shares of Stock transferred upon exercise of an Incentive Stock Option granted under the Plan.

ARTICLE XII.

TERMINATION, AMENDMENT AND MODIFICATION OF PLAN

The Board may at any time terminate the Plan, and may at any time and from time to time and in any respect amend or modify the Plan; provided, the Board, without approval of the shareholders of the Company, may not adopt any amendment to the Plan if the amendment would:

- (a) increase the total number of shares of Stock that may be issued pursuant to the Plan except as contemplated in Section 5.2 hereof;
- (b) materially increase the benefits accruing to participants in the Plan; or
- (c) materially modify the requirements as to eligibility for participation in the Plan.

Provided further, in no event shall any provision of Article VII hereof be amended more than once every 6 months other than to comport with changes in the Code, the Employee Retirement Income Security Act of 1974, or the rules thereunder, or rules promulgated by the Securities and Exchange Commission.

Notwithstanding the foregoing, the Board shall not terminate, amend or modify the Plan in any manner so as to affect the price of the shares of Stock purchasable pursuant to any Option theretofore granted under the Plan without the consent of the Optionee or transferee of the Option. Neither the amendment, suspension nor termination of the Plan shall, without the consent of the holder of the Option, impair any rights or obligations under any Option theretofore granted.

ARTICLE XIII.

RELATIONSHIP TO OTHER COMPENSATION PLANS

The adoption of the Plan shall not affect any other stock option, incentive or other compensation plans in effect for the Company, nor shall the adoption of the Plan preclude the Company from establishing any other forms of incentive or other compensation for employees. Any benefits earned or income realized under the Plan shall not be deemed to constitute compensation or income for purposes of any other plan or payroll practice of the Company or any Subsidiary, except as expressly set forth in such other plan or practice.

ARTICLE XIV.

MISCELLANEOUS

14.1 Plan Binding on Successors. The Plan shall be binding upon the Company, its successors and assigns.

14.2 Number and Gender. Whenever used herein, nouns in the singular shall include the plural, and the masculine pronoun shall include the feminine gender.

14.3 Headings. Headings of articles and sections hereof are inserted for convenience and reference only and constitute no part of the Plan.

14.4 Applicable Law. The Plan shall be governed by, and construed in accordance with, the laws of the State of Georgia, without reference to the principles regarding conflicts of laws.

14.5 Restricted Shares. Any and all shares of Stock issued pursuant to this Plan shall be subject to the terms and conditions of any other agreement between the Optionee and the Company with respect to such shares of Stock.

EXHIBIT 10(b)(v)

CROWN CRAFTS, INC.

NONSTATUTORY STOCK OPTION AGREEMENT

(PURSUANT TO 1995 STOCK OPTION PLAN)

THIS AGREEMENT (the "Agreement") between Crown Crafts, Inc., a Georgia corporation (the "Company"), and _____ ("Employee") is entered into as of this _____ day of _____, 199__.

R E C I T A L S

A. The Board of Directors of the Company (the "Board") has established the Crown Crafts, Inc. 1995 Stock Option Plan (the "Plan") in order to provide employees of the Company and its Subsidiaries with a favorable opportunity to acquire shares of the Company's stock.

B. Employee is employed by the Company or one of its Subsidiaries.

C. The committee that administers the Plan (the "Committee") has determined that it is in the best interests of the Company and its shareholders to grant the option described in this Agreement to Employee as an incentive to achieve the Company's objectives through participation in its success and growth and as encouragement to remain in the employment of Company or its Subsidiaries.

NOW, THEREFORE, it is agreed as follows:

1. Definitions and Incorporation. This Agreement is subject to all of the provisions of the Plan as amended from time to time, and such provisions are incorporated herein by this reference. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings given to such terms in the Plan.

2. Grant. The Company hereby grants to Employee the option (the "Option") to purchase all or any part of an aggregate of _____ shares of the \$1.00 par value Common Stock of the Company (the "Stock") on the terms and conditions set forth herein, pursuant to the Plan and subject to adjustment in accordance with Section 5.2 of the Plan. The Option is not intended to qualify as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended. The Option is intended to be a Nonstatutory Stock Option.

3. Option Price. The price to be paid for the Stock upon exercise of the Option or any part thereof shall be \$_____ per share [which is equal to the Fair Market Value per share as of the date of this Agreement].

4. Right to Exercise. Subject to the conditions set forth in this Agreement, the right to exercise the Option shall accrue in accordance with Schedule 1 attached hereto and hereby made a part hereof. Notwithstanding anything to the contrary, the Option shall be immediately

exercisable in full upon the occurrence of a Change in Control of the Company in accordance with Section 6.6 of the Plan.

5. Exercise. The Option may be exercised on the terms and conditions contained herein by notice to the Company at the Company's principal office. Each exercise of the Option shall be made with respect to no fewer than one hundred (100) shares unless the remaining shares which are purchasable are fewer than one hundred (100) shares. The Option price with respect to which the Option is then being exercised shall be paid in cash or check acceptable to the Company on the date of exercise or not later than ten (10) days from the date of exercise. The Option price may also be paid, in whole or in part, by delivery to the Company of Stock owned by Employee for at least 6 months and valued at Fair Market Value as of the date of exercise. If the Option is exercised by a person other than Employee, the notice of exercise of

the Option shall be accompanied by proof, satisfactory to the Company, of such person's right to exercise the Option.

6. Term. Unless sooner terminated as otherwise provided herein, the Option shall lapse and expire five (5) years from the date of this Agreement to the extent such Option has not been exercised prior to such date.

7. Termination of Employment.

(a) Termination for Cause. In the event that Employee's employment with the Company is terminated as a result of (i) Employee's gross negligence, dishonesty, malfeasance or willful misconduct with regard to the business of the Company, or (ii) Employee's indictment (or similar proceeding) for any misdemeanor with regard to the business of the Company or for any felony or for any crime involving moral turpitude, the Option shall immediately terminate and be null and void.

(b) Other Termination. In the event that Employee's employment with the Company terminates for any reason other than as set forth in Section 7(a), the Option may be exercised for 90 days after the date of termination of employment, but only to the extent that such Option was exercisable on the date of termination of employment and in no event after the date on which such Option would otherwise terminate pursuant to the terms of this Agreement. If Employee terminates employment by reason of death or dies after termination but while the Option could have been exercised hereunder, the Option may be exercised during such 90-day period by Employee's legatees or his personal representatives or distributees.

(c) Time of Termination. For the purposes of this Agreement, Employee's employment shall be deemed to have terminated on the earlier of (i) the date when Employee's service in fact terminated or (ii) the date specified in any written notice given to or received by the Employee that his or her employment was to terminate.

(d) Employment by Affiliates. For purposes of this Section 7, Employee will be deemed employed by the Company if employed by the Company or any of its Subsidiaries.

8. Limited Stock Appreciation Right. The Option shall include a Limited Stock Appreciation Right ("LSAR") relating to the number of shares of Stock set forth in Section 2.

2

The LSAR shall be exercisable only in the event of a Change in Control of the Company and shall be subject to the terms and conditions set forth in Article VIII of the Plan.

9. Nontransferability of Option. The Option shall be transferable only by will or by the laws of descent and distribution and shall be exercisable during Employee's lifetime only by Employee.

10. Withholding Taxes. In addition to and at the time of payment of the Option Price, Employee shall pay to the Company in cash or check acceptable to the Company the full amount of any federal and state withholding or other employment taxes required by any government authority to be withheld or otherwise deducted and paid by the Company in respect of such exercise. To the extent permitted by the Committee at the time of exercise, such withholding obligation may be settled by relinquishment of the number of shares of Stock with respect to which the Option is then being exercised having a Fair Market Value equal to the required withholding, or a combination of cash and shares. In the absence of such payments, Employee hereby consents that the Company may withhold the amount of such taxes from any other sums due or to become due from the Company to Employee.

11. Securities Laws Requirements. The Option is not exercisable, in whole or in part, and the Company is not obligated to sell any shares of Stock subject to the Option, if such exercise or sale, in the opinion of counsel for the Company, would violate the Securities Act of 1933 or any other

federal or state statutes having similar requirements as may be in effect at that time. Further, the Board may require as a condition of issuance of any shares pursuant to this Agreement that Employee furnish a written representation that Employee is purchasing or acquiring the shares for investment and not with a view to resale or distribution to the public, and that such Employee shall resell or distribute such shares only pursuant to a registration statement on an appropriate form under the Securities Act of 1933, as amended, or a specific exemption from the registration requirements of such Act. Further, the Board may decide, in its sole discretion, that the listing or qualification of the shares of Stock subject to the Option under any securities or other applicable laws is necessary or desirable. In such event, the Option shall not be exercisable, in whole or in part, unless and until such listing, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board.

12. Issuance of Shares. Subject to the terms of this Agreement, the Company, within ten (10) working days after proper exercise of an Option and without transfer or issue tax or other incidental expense to the person exercising the Option, shall deliver to such person at the principal office of the Company, or such other location as may be acceptable to the Company and such person, one or more certificates for the shares of Stock with respect to which the Option is exercised. Such shares shall be fully paid and nonassessable and shall be issued in the name of such person. Any fractional shares of Stock with respect to which an Option is exercised shall be settled in cash.

13. Rights as a Shareholder. Neither Employee nor any other person entitled to exercise the Option shall have any rights as a shareholder of the Company with respect to the shares subject to the Option until a certificate for such shares has been issued upon exercise of the Option.

3

14. Notices. Any notice to the Company contemplated by the Agreement shall be addressed to Crown Crafts, Inc., 1600 Riveredge Parkway, Suite 200, Atlanta, Georgia 30328 or at such other address as the Company may hereafter designate in writing, and any notice to Employee shall be addressed to him at the address on file with the Company on the date hereof or at such other address as he may hereafter designate in writing.

15. Effective Date. The Option shall be effective as of the date on which the Option was granted by the Committee, but its exercise shall not be permitted until both parties hereto have executed this Agreement.

16. Interpretation. The interpretation, construction, performance and enforcement of this Agreement and of the Plan shall lie within the sole discretion of the Committee, and the Committee's determinations shall be conclusive and binding on all persons.

17. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia.

CROWN CRAFTS, INC.

By: _____
Title: _____

EMPLOYEE:

SCHEDULE 1

RIGHT TO EXERCISE

Subject to the conditions set forth in this Agreement, the Option shall become exercisable with respect to one-third (1/3) of the number of shares set forth in Section 2 on each of the first three anniversaries of the date of the Agreement as follows:

Number of Shares	May be Purchased Only On and After
-----	-----
-----	First Anniversary
-----	Second Anniversary
-----	Third Anniversary

EXHIBIT 10(b)(vi)

CROWN CRAFTS, INC.

NONSTATUTORY STOCK OPTION AGREEMENT

FOR NONEMPLOYEE DIRECTORS

(PURSUANT TO 1995 STOCK OPTION PLAN)

THIS AGREEMENT (the "Agreement") between Crown Crafts, Inc., a Georgia corporation (the "Company"), and _____ ("Director") is entered into as of this _____ day of _____, 199__.

R E C I T A L S

A. The Board of Directors of the Company (the "Board") has established the Crown Crafts, Inc. 1995 Stock Option Plan (the "Plan") in order to provide employees of the Company and its Subsidiaries and members of the Board who are not employees ("Nonemployee Directors") with a favorable opportunity to acquire shares of the Company's stock.

B. Director is a Nonemployee Director.

C. Pursuant to the terms of Article VII of the Plan, Director has become entitled to the option described in the Agreement as an incentive to achieve the Company's objectives through participation in its success and growth and as encouragement to remain in service on the Board.

NOW, THEREFORE, it is agreed as follows:

1. Definitions and Incorporation. This Agreement is subject to all of the provisions of the Plan as amended from time to time, and such provisions are incorporated herein by this reference. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings given to such terms in the Plan.

2. Grant. The Company hereby grants to Director the option (the "Option") to purchase all or any part of an aggregate of 2,000 shares of the \$1.00 par value Common Stock of the Company (the "Stock") on the terms and conditions set forth herein, pursuant to the Plan and subject to adjustment in accordance with Section 5.2 of the Plan. The Option is not intended to qualify as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended. The Option is intended to be a Nonstatutory Stock Option.

3. Option Price. The price to be paid for the Stock upon exercise of the Option or any part thereof shall be \$ _____ per share, which is equal to the Fair Market Value per share as of the date of this Agreement.

4. Right to Exercise. Subject to the conditions set forth in this Agreement, the right to exercise the Option shall be exercisable with respect to 666 shares subject to the Option on each of the first two anniversaries of the date of this Agreement and with respect to 668 shares

on the third anniversary of the date of this Agreement. Notwithstanding anything to the contrary, the Option shall be immediately exercisable in full upon the occurrence of a Change in Control of the Company in accordance with Section 6.6 of the Plan.

5. Exercise. The Option may be exercised on the terms and conditions contained herein by notice to at the Company's principal office. Each exercise of the Option shall be made with respect to no fewer than one hundred (100) shares unless the remaining shares which are purchasable are fewer than one hundred (100) shares. The Option price with respect to which the Option is then being exercised shall be paid in cash or check acceptable to the Company on the date of exercise or not later than ten (10) days from the date of exercise. The Option price may also be paid, in whole or in part, by delivery to the Company of Stock owned by Director for at least 6 months and valued at Fair Market Value as of the date of exercise. If the Option is

exercised by a person other than Director, the notice of exercise of the Option shall be accompanied by proof, satisfactory to the Company, of such person's right to exercise the Option.

6. Term. Unless sooner terminated as otherwise provided herein, the Option shall lapse and expire five (5) years from the date of this Agreement to the extent such Option has not been exercised prior to such date.

7. Termination of Membership on Board. If a Director terminates membership on the Board for any reason, including death, the Option may be exercised in whole or in part (but only to the extent of the number of shares of Stock with respect to which the Option was exercisable at the date of such termination) at any time prior to the earlier of (i) the expiration of the period of exercisability of such Option as specified in Section 6, or (ii) 90 days from the date of termination.

8. Limited Stock Appreciation Right. The Option shall include a Limited Stock Appreciation Right ("LSAR") relating to the number of shares of Stock set forth in Section 2. The LSAR shall be exercisable only in the event of a Change in Control of the Company and shall be subject to the terms and conditions set forth in Article VIII of the Plan.

9. Nontransferability of Option. The Option shall be transferable only by will or by the laws of descent and distribution and shall be exercisable during Director's lifetime only by Director.

10. Securities Laws Requirements. The Option is not exercisable, in whole or in part, and the Company is not obligated to sell any shares of Stock subject to the Option, if such exercise or sale, in the opinion of counsel for the Company, would violate the Securities Act of 1933 or any other federal or state statutes having similar requirements as may be in effect at that time. Further, the Board may require as a condition of issuance of any shares pursuant to this Agreement that Director furnish a written representation that Director is purchasing or acquiring the shares for investment and not with a view to resale or distribution to the public, and that such Director shall resell or distribute such shares only pursuant to a registration statement on an appropriate form under the Securities Act of 1933, as amended, or a specific exemption from the registration requirements of such Act. Further, the Board may decide, in its sole discretion, that the listing or qualification of the shares of Stock subject to the Option under any securities or other applicable laws is necessary or desirable. In such event, the Option shall not be

2

exercisable, in whole or in part, unless and until such listing, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board.

11. Issuance of Shares. Subject to the terms of this Agreement, the Company, within ten (10) working days after proper exercise of an Option and without transfer or issue tax or other incidental expense to the person exercising the Option, shall deliver to such person at the principal office of the Company, or such other location as may be acceptable to the Company and such person, one or more certificates for the shares of Stock with respect to which the Option is exercised. Such shares shall be fully paid and nonassessable and shall be issued in the name of such person. Any fractional shares of Stock with respect to which an Option is exercised shall be settled in cash.

12. Rights as a Shareholder. Neither Director nor any other person entitled to exercise the Option shall have any rights as a shareholder of the Company with respect to the shares subject to the Option until a certificate for such shares has been issued upon exercise of the Option.

13. Notices. Any notice to the Company contemplated by the Agreement shall be addressed to Crown Crafts, Inc., 1600 Riveredge Parkway, Suite 200, Atlanta, Georgia 30328 or at such other address as the Company may hereafter designate in writing, and any notice to Director shall be addressed

to him at the address on file with the Company on the date hereof or at such other address as he may hereafter designate in writing.

14. Effective Date. The Option shall be effective as of the date on which the Option was granted by the Committee, but its exercise shall not be permitted until both parties hereto have executed this Agreement.

15. Interpretation. The interpretation, construction, performance and enforcement of this Agreement and of the Plan shall lie within the sole discretion of the Committee, and the Committee's determinations shall be conclusive and binding on all persons.

16. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia.

CROWN CRAFTS, INC.

By: _____
Title: _____

DIRECTOR:

REVOLVING CREDIT AGREEMENT

by and between

CROWN CRAFTS, INC.
as Borrower,

NATIONSBANK, NATIONAL ASSOCIATION (CAROLINAS),
as Lender

August 25, 1995

TABLE OF CONTENTS

<TABLE>
<CAPTION>

<S>	<C>	Page	<C>
ARTICLE I			
Definitions and Terms			
1.1.	Definitions	1	
1.2	Accounting Terms	18	
1.3	UCC Terms	18	
ARTICLE II			
The Revolving Credit Facility			
2.1.	Revolving Loans	18	
2.2.	Payment of Interest	19	
2.3.	Payment of Principal	20	
2.4.	Non-Conforming Payments	20	
2.5.	Revolving Notes	21	
2.6.	Reductions	21	
2.7.	Conversions and Elections of Subsequent Interest Periods	21	
2.8.	Unused Fee	22	
2.9.	Use of Proceeds	22	
2.10.	Extension of Revolving Credit Termination Date	22	

ARTICLE III

Yield Protection and Illegality

3.1.	Additional Costs	23
3.2.	Suspension of Loans	24
3.3.	Illegality	25
3.4.	Compensation	25
3.5.	Alternate Loan and Lender	26
3.6.	Taxes	26

ARTICLE IV

Conditions to Making Loans

4.1.	Conditions of Initial Advance	27
4.2.	Conditions of All Revolving Loans	29

ARTICLE V

Representations and Warranties

5.1.	Organization and Authority	30
5.2.	Loan Documents	30
5.3.	Solvency	31

</TABLE>

<TABLE>

<CAPTION>

	Page	
<S>	----	<C>
5.4.		31
5.5.		31
5.6.		31
5.7.		32
5.8.		32
5.9.		32
5.10.		32
5.11.		32
5.12.		33
5.13.		33
5.14.		33
5.15.		33
5.16.		34
5.17.		35
5.18.		35
5.19.		35

ARTICLE VI

Affirmative Covenants

6.1.	Financial Reports, Etc.	35
6.2.	Maintain Properties	37
6.3.	Existence, Qualification, Etc.	37
6.4.	Regulations and Taxes	37
6.5.	Insurance	37
6.6.	True Books	38
6.7.	Payment of Other Indebtedness	38
6.8.	Right of Inspection	38
6.9.	Observe all Laws	38
6.10.	Governmental Licenses	38
6.11.	Covenants Extending to Other Persons	39
6.12.	Officer's Knowledge of Default	39
6.13.	Suits or Other Proceedings	39
6.14.	Notice of Discharge of Hazardous Material or Environmental Complaint	39
6.15.	Environmental Compliance	39
6.16.	Indemnification	40
6.17.	Further Assurances	40
6.18.	Employee Benefit Plans	40
6.19.	Termination Events	40
6.20.	ERISA Notices	41

6.21.	Continued Operations	41
6.22.	Use of Proceeds	41
6.23.	New Subsidiaries	41

</TABLE>

<TABLE>
<CAPTION>

Page

<S>

<C>

<C>

ARTICLE VII

Negative Covenants

7.1.	Consolidated Leverage Ratio	42
7.2.	Consolidated Fixed Charge Coverage Ratio	43
7.3.	Consolidated Shareholders' Equity	43
7.4.	Consolidated Cash Flow Ratio	43
7.5.	Liens	43
7.6.	Transfer of Assets	44
7.7.	Investments; Acquisitions	44
7.8.	Merger or Consolidation	45
7.9.	Restricted Payments	45
7.10.	Transactions with Affiliates	45
7.11.	Compliance with ERISA	45
7.12.	Fiscal Year	46
7.13.	Limitations on Sales and Leasebacks	46
7.14.	Dissolution, etc.	46

ARTICLE VIII

Events of Default and Acceleration

8.1.	Events of Default	47
8.2.	Lender to Act	50
8.3.	Cumulative Rights	50
8.4.	No Waiver	50
8.5.	Allocation of Proceeds	50

ARTICLE IX

Miscellaneous

9.1.	Assignments and Participations	51
9.2.	Notices	52
9.3.	Survival	53
9.4.	Expenses	53
9.5.	Amendments	54
9.6.	Counterparts	54
9.7.	Termination	54
9.8.	Indemnification	55
9.9.	Headings and References	55
9.10.	Severability	56
9.11.	Entire Agreement	56
9.12.	Agreement Controls	56
9.13.	Usury Savings Clause	56
9.14.	Governing Law; etc.	57

EXHIBIT A	Commitment	59
-----------	----------------------	----

EXHIBIT B	Form of Assignment and Acceptance	60
-----------	---	----

</TABLE>

<TABLE>
<CAPTION>

	Page

<S> EXHIBIT C	<C> Notice of Appointment (or Revocation) of Authorized Representative 63
EXHIBIT D	Form of Borrowing Notice. 64
EXHIBIT E	Form of Interest Rate Selection Notice. 66
EXHIBIT F	Form of Revolving Note. 67
EXHIBIT G	Form of Subsidiary Guaranty 69
EXHIBIT H	Form of Opinion of Borrower's Counsel 70
EXHIBIT I	Form of Compliance Certificate. 71
Schedule 5.4	Subsidiaries and Ownership Interests 74
Schedule 5.6	Liabilities. 75
Schedule 5.16	ERISA Matters 76
Schedule 7.5	Liens 77

</TABLE>

REVOLVING CREDIT AGREEMENT

THIS REVOLVING CREDIT AGREEMENT, dated as of August 25, 1995 (the "Agreement"), is made by and among CROWN CRAFTS, INC., a Georgia corporation having its principal place of business in Atlanta, Georgia (the "Borrower"), NATIONSBANK, NATIONAL ASSOCIATION (CAROLINAS), a national banking association organized under the laws of the United States ("NationsBank"), in its capacity as Lender (the "lender"), and each other lender which may hereafter execute and deliver an instrument of assignment with respect to this Agreement pursuant to Section 9.1 hereof (hereinafter such lenders may be referred to individually as a "Lender" or collectively as the "Lenders");

WITNESSETH:

WHEREAS, the Borrower has requested that the Lender make available to the Borrower a revolving credit facility of up to \$15,000,000, the proceeds of such facilities to be used to finance Acquisitions permitted hereunder, general working capital needs and other general corporate purposes of the Borrower; and

WHEREAS, the Lender is willing to make the revolving credit facility available to the Borrower upon the terms and conditions set forth herein;

NOW, THEREFORE, the Borrower and the Lender hereby agree as follows:

ARTICLE I

Definitions and Terms

1.1. Definitions. For the purposes of this Agreement, in addition to the definitions set forth above, the following terms shall have the respective meanings set forth below:

"Acquisition" means the non-hostile acquisition of (i) a controlling equity interest in another Person (including the purchase

of an option, warrant or convertible or similar type security to acquire such a controlling interest at the time it becomes exercisable by the holder thereof), whether by purchase of such equity interest or upon exercise of an option or warrant for, or conversion of securities into, such equity interest, or (ii) assets of another Person for which the Cost of Acquisition equals or exceeds two percent (2%) of Consolidated Total Assets determined as of the last day of the fiscal quarter of the Borrower immediately preceding the date of the agreement related to such Acquisition;

"Advance" means a borrowing under the Revolving Credit Facility consisting of a Base Rate Loan or a Eurodollar Rate Loan;

"Affiliate" means any Person (i) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with the Borrower; or (ii) which beneficially owns or holds 10% or more of any class of the outstanding voting stock (or in the case of a Person which is not a corporation, 10% or more of the equity interest) of the Borrower or any Person described in clause (i) above; or 10% or more of any class of the outstanding voting stock (or in the case of a Person which is not a corporation, 10% or more of the equity interest) of which is beneficially owned or held by the Borrower. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting stock, by contract or otherwise;

"Applicable Interest Addition" means for each Loan that percent per annum set forth below, which shall be based upon the Consolidated Funded Debt Ratio for the most recent Determination Date as specified below:

<TABLE>
<CAPTION>

Consolidated Funded Debt Ratio		Applicable Interest Addition	
		Base Rate	Eurodollar Rate
<S>	<C>	<C>	<C>
(a)	Greater than .55 to 1.00	0	.650%
(b)	Less than or equal to .55 to 1.00 and greater than .50 to 1.00	0	.500%
(c)	Less than or equal to .50 to 1.00	0	.425%

</TABLE>

The Applicable Interest Addition shall be established at the end of each fiscal quarter of the Borrower (the "Determination Date"). Any change in the Applicable Interest Addition following each Determination Date shall be determined based upon the computations set forth in the certificate furnished to the Lender pursuant to Section 6.1(a)(ii) and Section 6.1(b)(ii) hereof, subject to review and approval of such computations by the Lender and shall be effective (a) in the case of Base Rate Loans, from the date such certificate is received (or, if earlier, the date such certificate was required to be delivered), and (b) in the case of Eurodollar Rate Loans, for all Interest Periods commencing on or after the date such certificate is received (or, if earlier, the date such certificate was required to be delivered), and in

required to be delivered, whichever shall first occur, and a new Applicable Interest Addition becomes effective;

"Applicable Unused Fee" means that percent per annum set forth below, which shall be based upon the Consolidated Funded Debt Ratio for the Four-Quarter Period most recently ended as specified below:

<TABLE>

<CAPTION>

	Consolidated Funded Debt Ratio	Applicable Unused Fee
<S>	<C>	<C>
(a)	Greater than .55 to 1.00	.2500%
(b)	Less than or equal to .55 to 1.00 and greater than .50 to 1.00	.1875%
(c)	Less than or equal to .50 to 1.00	.1500%

</TABLE>

The Applicable Unused Fee shall be established at the end of each fiscal quarter of the Borrower (the "Determination Date"). Any change in the Applicable Unused Fee following each Determination Date shall be determined based upon the computations set forth in the certificate furnished to the Lender pursuant to Section 6.1(a)(ii) and Section 6.1(b)(ii) hereof, subject to review and approval of such computations by the Lender and shall be effective from the date such certificate is received (or, if earlier, the date such certificate was required to be delivered) until the date a new certificate is delivered or is required to be delivered, whichever shall first occur, and a new Applicable Unused Fee becomes effective;

"Assignment and Acceptance" shall mean an Assignment and Acceptance in the form of Exhibit B (with blanks appropriately filled in) delivered to the Lender in connection with an assignment of a Lender's interest under this Agreement pursuant to Section 9.1 hereof;

"Authorized Representative" means any of the President or Vice President of the Borrower or, with respect to financial matters, the chief financial officer of the Borrower or any other person expressly designated by the Board of Directors of the Borrower (or the appropriate committee thereof) as an Authorized Representative of the Borrower, as set forth from time to time in a certificate in the form attached hereto as Exhibit C;

"Base Rate" means the per annum rate of interest equal to the sum of (a) the greater of (i) the Prime Rate or (ii) the Federal Funds Effective Rate plus one-half of one percent (1/2%) plus (b) the Applicable Interest Addition. Any change in the Base Rate resulting from a change in the Prime Rate or the Federal Funds Effective Rate shall become effective as of

3

12:01 A.M. of the Business Day on which each such change occurs. The Base Rate is a reference rate used by Lender in determining interest rates on certain loans and is not intended to be the lowest rate of interest charged on any extension of credit to any debtor;

"Base Rate Loan" means a Loan or a Segment of a Loan for which the rate of interest is determined by reference to the Base Rate;

"Bernstein Family" means Philip Bernstein and his wife, their children and their children's spouses and their grandchildren;

"Board" means the Board of Governors of the Federal Reserve

System (or any successor body);

"Borrower's Account" means a demand deposit account number 00936036 or any successor account with the Lender, which may be maintained at one or more offices of the Lender or an agent of the Lender;

"Borrowing Notice" means the notice delivered by an Authorized Representative in connection with an Advance under the Revolving Credit Facility, in the form attached hereto as Exhibit D and incorporated herein by reference;

"Business Day" means, (i) with respect to any Base Rate Loan, any day which is not a Saturday, Sunday or a day on which banks in the State of North Carolina are authorized or obligated by law, executive order or governmental decree to be closed and, (ii) with respect to any Eurodollar Rate Loan, any day which is a Business Day, as described above, and on which the relevant international financial markets are open for the transaction of business contemplated by this Agreement in London, England, New York, New York, and Charlotte, North Carolina;

"Capital Leases" means all leases which have been or should be capitalized in accordance with GAAP as in effect from time to time including Statement No. 13 of the Financial Accounting Standards Board and any successor thereof;

"Closing Date" means the date as of which this Agreement is executed by the Borrower and the Lender and on which the conditions set forth in Section 4.1 hereof have been satisfied;

"Code" means the Internal Revenue Code of 1986, as amended, and any final or temporary regulations promulgated thereunder;

"Consistent Basis" in reference to the application of GAAP means the accounting principles observed in the period referred to are comparable in all material respects to those

4

applied in the preparation of the audited financial statements of the Borrower first delivered to the Lender hereunder;

"Consolidated Cash Flow" means, with respect to the Borrower and its Subsidiaries for any Four-Quarter Period, the sum of, without duplication, (i) Consolidated Net Income, plus (ii) amortization accrued during such period, plus (iii) without duplication, any depreciation during such period, plus (iv) all other non-cash charges or expenses accrued during such period minus (v) all cash distributions on any capital stock of the Borrower or its Subsidiaries, minus (vi) all other non-cash gains otherwise included in Consolidated Net Income during such period, all determined on a consolidated basis in accordance with GAAP applied on a Consistent Basis;

"Consolidated EBIT" means, with respect to the Borrower and its Subsidiaries for any Four-Quarter 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 and (iv) Consolidated Lease Expense, all determined on a consolidated basis in accordance with GAAP applied on a Consistent Basis;

"Consolidated Fixed Charge Coverage Ratio" means, with respect to the Borrower and its Subsidiaries for any Four-Quarter Period ending on the date of computation thereof, the ratio of (i) Consolidated EBIT for such period, to (ii) Consolidated Fixed Charges for such period;

"Consolidated Fixed Charges" means, with respect to Borrower

and its Subsidiaries for any Four-Quarter Period ending on the date of computation thereof, the sum of, without duplication, (i) Consolidated Interest Expense plus (ii) Consolidated Lease Expense, all determined on a consolidated basis in accordance with GAAP applied on a Consistent Basis;

"Consolidated Funded Debt Ratio" means, with respect to the Borrower and its Subsidiaries, the ratio of (i) Consolidated Funded Indebtedness, to (ii) the sum of Consolidated Funded Indebtedness plus Consolidated Shareholders' Equity;

"Consolidated Funded Indebtedness" means the sum of (a) all Indebtedness for Borrowed Money of the Borrower and its Subsidiaries, plus (b) all obligations of the Borrower and its Subsidiaries in connection with Capital Leases, plus (c) all direct and indirect guaranties by the Borrower or any Subsidiary of Indebtedness of any Person other than a Guarantor, all determined on a consolidated basis;

"Consolidated Interest Expense" means, with respect to any period of computation thereof, the gross interest expense of the Borrower and its Subsidiaries, including without limitation (i) the current amortized portion of debt discounts to the extent included in gross interest expense, (ii) the current amortized portion of all fees (including, without

5

limitation, fees payable in respect of a Hedging Agreement) payable in connection with the incurrence of Indebtedness to the extent included in gross interest expense and (iii) the portion of any payments made in connection with Capital Leases allocable to interest expense, all determined on a consolidated basis in accordance with GAAP applied on a Consistent Basis;

"Consolidated Lease Expense" means for any period all amounts paid or accrued by the Borrower and its Subsidiaries during such period under operating leases (whether or not constituting rental expense) determined on a consolidated basis;

"Consolidated Leverage Ratio" means, as of the date of computation thereof, the ratio of (i) Consolidated Funded Indebtedness as of such date to (ii) the sum of Consolidated Tangible Net Worth plus Consolidated Funded Indebtedness as of such date;

"Consolidated Net Income" means, for any period of computation thereof, the Net Income of the Borrower and its Subsidiaries determined on a consolidated basis, but excluding (a) extraordinary items and (b) any equity interests of the Borrower or any Subsidiary in the unremitted earnings of any Person that is not a Subsidiary;

"Consolidated Shareholders' Equity " means at any time as of which the amount thereof is to be determined, the sum of the following in respect of the Borrower and its Subsidiaries (determined on a consolidated basis and excluding intercompany items among the Borrower and its Subsidiaries and any upward adjustment after the Closing Date due to revaluation of assets): (i) the amount of issued and outstanding share capital, plus (ii) the amount of additional paid-in capital and retained income (or, in the case of a deficit, minus the amount of such deficit), minus (iii) the amount of any treasury stock, minus (iv) valuation allowances, minus (v) receivables due from the Crown ESOP and minus (vi) any translation, adjustments for any foreign currency transactions all as determined in accordance with GAAP applied on a Consistent Basis;

"Consolidated Tangible Net Worth" means at any time as of which the amount thereof is to be determined, Consolidated Shareholders' Equity minus (without duplication of deductions in respect of items already deducted in arriving at surplus and retained earnings) the book value of all assets which would be treated as

intangible assets under GAAP, all as determined on a consolidated basis in accordance with GAAP applied on a Consistent Basis;

"Consolidated Total Assets" means, as at any time of calculation thereof, the net book value of all assets of the Borrower and its Subsidiaries as determined on a consolidated basis in accordance with GAAP applied on a Consistent Basis;

6

"Contingent Obligation" of any Person means all contingent liabilities required (or which, upon the creation or incurring thereof, would be required) to be included in the financial statements (including footnotes) of such Person in accordance with GAAP applied on a Consistent Basis, including Statement No. 5 of the Financial Accounting Standards Board, all Rate Hedging Obligations and any obligation of such Person guaranteeing or in effect guaranteeing any Indebtedness, dividend or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including obligations of such Person however incurred:

(a) to purchase such Indebtedness or other obligation or any property or assets constituting security therefor;

(b) to advance or supply funds in any manner (i) for the purchase or payment of such Indebtedness or other obligation, or (ii) to maintain a minimum working capital, net worth or other balance sheet condition or any income statement condition of the primary obligor;

(c) to grant or convey any lien, security interest, pledge, charge or other encumbrance on any property or assets of such Person to secure payment of such Indebtedness or other obligation;

(d) to lease property or to purchase securities or other property or services primarily for the purpose of assuring the owner or holder of such Indebtedness or obligation of the ability of the primary obligor to make payment of such Indebtedness or other obligation; or

(e) otherwise to assure the owner of the Indebtedness or such obligation of the primary obligor against loss in respect thereof;

"Cost of Acquisition" means, with respect to any Acquisition, as at the date of entering into any agreement therefor, the sum of the following (without duplication): (i) the value of the capital stock, warrants or options to acquire capital stock of Borrower or any Subsidiary to be transferred in connection therewith, (ii) any cash or other property (excluding property described in clause (i)) and the unpaid principal amount of any debt instrument given as consideration, (iii) any Indebtedness assumed by the Borrower or its Subsidiaries in connection with such Acquisition, and (iv) out of pocket transaction costs for the services and expenses of attorneys, accountants and other consultants incurred in effecting such a transaction, and other similar transaction costs so incurred (all such costs in excess of such amount being included as a "Cost of Acquisition" for such transaction). For purposes of determining the Cost of Acquisition for any transaction, (A) the capital stock of the Borrower shall be valued (I) at its market value as reported on the New York Stock Exchange with respect to shares that are

freely tradeable, and (II) with respect to shares that are not freely tradeable, as determined by the Board of Directors of the Borrower and, if requested by the Lender, determined to be a reasonable valuation by the independent public accountants referred to in Section 6.1(a) hereof, (B) the capital stock of any Subsidiary shall be valued as determined by the Board of Directors of such Subsidiary and, if requested by the Lender, determined to be a reasonable valuation by the independent public accountants referred to in Section 6.1(a) hereof, and (C) with respect to any Acquisition accomplished pursuant to the exercise of options or warrants or the conversion of securities, the Cost of Acquisition shall include both the cost of acquiring such option, warrant or convertible security as well as the cost of exercise or conversion;

"Crown ESOP" means that certain employee stock ownership plan of the Borrower as in effect on the date hereof;

"Default" means any event or condition which, with the giving or receipt of notice or lapse of time or both, would constitute an Event of Default hereunder;

"Dollars" and the symbol "\$" means dollars constituting legal tender for the payment of public and private debts in the United States of America;

"Eastern Time" means Eastern Standard Time or Eastern Daylight Time, as applicable;

"Eligible Securities" means the following obligations and any other obligations previously approved in writing by the Lender:

(a) Government Securities;

(b) obligations of any corporation organized under the laws of any state of the United States of America or under the laws of any other nation, payable in the United States of America, expressed to mature not later than 90 days following the date of issuance thereof and rated in an investment grade rating category by S&P and Moody's;

(c) interest bearing demand or time deposits issued by any bank or certificates of deposit, bankers acceptances and other "money market instruments" maturing within one hundred eighty (180) days from the date of issuance thereof and issued by a bank or trust company organized under the laws of the United States or of any state thereof having capital surplus and undivided profits aggregating at least \$400,000,000 and being rated A or better by S&P or A2 or better by Moody's;

(d) Repurchase Agreements;

(e) Municipal Obligations;

(f) shares of mutual funds which invest exclusively in obligations described in paragraphs (a) through (e) above, the shares of which mutual funds are at all times rated "AAA" by S&P; and

(g) shares of "money market funds," of financial institutions rated A or better by S&P or A2 or better by Moody's;

"Employee Benefit Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA which (a) is maintained for

Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Lender on such day on such transaction as determined by the Lender;

"Fiscal Year" means the twelve month fiscal period of the Borrower ending the Sunday nearest March 31 of each calendar year; any reference to a Fiscal Year immediately followed by a calendar year shall mean the Fiscal Year ending in such calendar year;

"Foreign Benefit Law" means any applicable statute, law, ordinance, code, rule, regulation, order or decree of any foreign nation or any province, state, territory, protectorate or other political subdivision thereof regulating, relating to, or imposing liability or standards of conduct concerning, any Employee Benefit Plan;

"Four-Quarter Period" means a period of four full consecutive fiscal quarters of the Borrower and its Subsidiaries, taken together as one accounting period;

"GAAP" means Generally Accepted Accounting Principles, being those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board, the American Institute of Certified Public Accountants or which have other substantial authoritative support and are applicable in the circumstances as of the date of a report, as such principles are from time to time supplemented and amended;

"Government Securities" means direct obligations of, or obligations the timely payment of principal and interest on

10

which are fully and unconditionally guaranteed by, the United States of America;

"Governmental Authority" shall mean any Federal, state, municipal, national or other governmental department, commission, board, bureau, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative or judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether a state of the United States, the United States or foreign;

"Guaranties" means all obligations of the Borrower or any Subsidiary directly or indirectly guaranteeing, or in effect guaranteeing, any Indebtedness or other obligation of any other Person;

"Guarantors" means on any date the Subsidiaries party to a Subsidiary Guaranty on such date and shall in any event include all Material Subsidiaries;

"Hazardous Material" means and includes any hazardous, toxic or dangerous waste, substance or material, the generation, handling, storage, disposal, treatment or emission of which is subject to any Environmental Law;

"Indebtedness" means with respect to any Person, without duplication, all Indebtedness for Money Borrowed, all indebtedness of such Person for the acquisition of property, all indebtedness secured by any Lien on the property of such Person whether or not such indebtedness is assumed, all liability of such Person by way of endorsements (other than for collection or deposit in the ordinary course of business), all Contingent Obligations, that portion of obligations with respect to Capital Leases and other items which in accordance with GAAP is classified as a liability on a balance sheet; but excluding all accounts payable in the ordinary course of business so long as payment therefor is due within one year; provided that in

no event shall the term Indebtedness include surplus and retained earnings, lease obligations (other than pursuant to Capital Leases), reserves for deferred income taxes and investment credits, other deferred credits and reserves, and deferred compensation obligations;

"Indebtedness for Money Borrowed" means for any Person all indebtedness in respect of money borrowed, including without limitation all Capital Leases and the deferred purchase price of any property or asset, evidenced by a promissory note, bond, debenture or similar written obligation for the payment of money, other than trade payables incurred in the ordinary course of business;

"Interbank Offered Rate" means, with respect to any Eurodollar Rate Loan for the Interest Period applicable thereto, the average (rounded upward to the nearest one-sixteenth (1/16) of one percent) per annum rate of interest

11

determined by the office of Lender then determining such rate (each such determination to be conclusive and binding) as of two Business Days prior to the first day of such Interest Period, as the effective rate at which deposits in immediately available funds in Dollars are being, have been, or would be offered or quoted by Lender to major banks in the applicable interbank market for Eurodollar deposits at any time during the Business Day which is the second Business Day immediately preceding the first day of such Interest Period, for a term comparable to such Interest Period and in the amount of the Eurodollar Rate Loan;

"Interest Period" for each Eurodollar Rate Loan means a period commencing on the date such Eurodollar Rate Loan is made or converted and each subsequent period commencing on the last day of the immediately preceding Interest Period for such Eurodollar Rate Loan, and ending, at the Borrower's option, on the date one, two, three or six months thereafter as notified to the Lender by the Authorized Representative no later than three (3) Business Days prior to the beginning of such Interest Period; provided, that,

(i) if the Authorized Representative fails to notify the Lender of the length of an Interest Period three (3) Business Days prior to the first day of such Interest Period, the Loan for which such Interest Period was to be determined shall be deemed to be a Base Rate Loan as of the first day thereof;

(ii) if an Interest Period for a Eurodollar Rate Loan would end on a day which is not a Business Day such Interest Period shall be extended to the next Business Day (unless such extension would cause the applicable Interest Period to end in the succeeding calendar month, in which case such Interest Period shall end on the next preceding Business Day);

(iii) any Interest Period which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month;

(iv) no Interest Period shall extend past August 25, 1998 or such later date as shall become the scheduled Revolving Credit Termination Date pursuant to Section 2.12 hereof; and

(v) there shall not be more than four (4) Interest Periods in effect on any day.

"Interest Rate Selection Notice" means the notice delivered by an Authorized Representative in connection with the election of a

subsequent interest period for any Eurodollar Rate Loan or the conversion of any Eurodollar Rate Loan into a Base Rate Loan or the conversion of any Base Rate

12

Loan into a Eurodollar Rate Loan, in the form of Exhibit E attached hereto;

"Lien" means any interest in property securing any obligation owed to, or a claim by, a Person other than the owner of the property, whether such interest is based on the common law, statute or contract, and including but not limited to the lien or security interest arising from a mortgage, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. For the purposes of this Agreement, the Borrower and any Subsidiary shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sale agreement, financing lease, or other arrangement pursuant to which title to the property has been retained by or vested in some other Person for security purposes;

"Loan" or "Loans" means any of the Revolving Loans made under the Revolving Credit Facility;

"Loan Documents" means this Agreement, any Subsidiary Guaranty, the Notes and all other instruments and documents heretofore or hereafter executed or delivered to or in favor of the Lender in connection with the Loans made and transactions contemplated under this Agreement, as the same may be amended, supplemented or replaced from the time to time;

"Margin Stock" shall have the meaning given to such term in Section 5.11 hereof;

"Material Adverse Effect" means with respect to the Borrower and any Guarantor a material adverse effect (x) on the business, properties, operations or condition, financial or otherwise, of the Borrower and its Subsidiaries taken as a whole or (y) on the ability of any party to the Loan Documents to perform, or of the Lender to enforce, the obligations of such Person under the Loan Documents to which it is a party;

"Material Subsidiary" means (i) any direct or indirect Subsidiary of the Borrower which (a) has total assets equal to or greater than 10% of Consolidated Total Assets (calculated as of the most recent fiscal period with respect to which the Lender shall have received financial statements required to be delivered pursuant to Sections 6.1(a) or (b) (or if prior to delivery of any financial statements pursuant to such Sections, then calculated with respect to the Fiscal Year end financial statements referenced in Section 5.6 hereof) (the "Required Financial Information")) or (ii) has net income equal to or greater than 10% of Consolidated Net Income (each calculated for the most recent Four-Quarter Period for which the Lender has received the Required Financial Information); provided, however, that notwithstanding the foregoing, if the Borrower and the Material Subsidiaries, as defined above, have less than 90% of Consolidated Total Assets (calculated as

13

described above) or have Net Income of less than 90% of Consolidated Net Income (as calculated above), then the term "Material Subsidiaries" shall mean Subsidiaries of the Borrower, as specified by the Borrower, that together with the Borrower have assets equal to not

less than 90% of Consolidated Total Assets (calculated as described above) and net income of not less than 90% of Consolidated Net Income (calculated as described above);

"Moody's" means Moody's Investors Service, Inc.;

"Multiemployer Plan" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which the Borrower or any ERISA Affiliate is making, or is accruing an obligation to make, contributions or has made, or been obligated to make, contributions within the preceding six (6) years;

"Municipal Obligations" means general obligations issued by, and supported by the full taxing authority of, any state of the United States of America or of any municipal corporation or other public body organized under the laws of any such state which are rated, in their capacity as issuer of general obligations, in the highest investment rating category by both S&P and Moody's;

"Net Income" means, as applied to any Person for any period, the aggregate amount of net income of such Person, after taxes, for such period, as determined in accordance with GAAP applied on a Consistent Basis;

"Notes" means, collectively, the Revolving Notes;

"Obligations" means the obligations, liabilities and Indebtedness of the Borrower with respect to (i) the principal and interest on the Loans as evidenced by the Notes, (ii) all liabilities of Borrower to the Lender which arise under a Swap Agreement and (iii) the payment and performance of all other obligations, liabilities and Indebtedness of the Borrower to the Lender hereunder, under any one or more of the other Loan Documents or with respect to the Loans;

"PBGC" means the Pension Benefit Guaranty Corporation and any successor thereto;

"Pension Plan" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to the provisions of Title IV of ERISA or Section 412 of the Code and which is, or was during the six (6) years immediately prior to the date hereof maintained for employees of the Borrower or any ERISA Affiliate;

"Permitted Liens" shall have the meaning given to such term in Section 7.5 hereof;

"Permitted Stock Repurchases" shall have the meaning given to such term in Section 7.9 hereof;

"Person" means an individual, partnership, corporation, trust, unincorporated organization, association, joint venture or a government or agency or political subdivision thereof;

"Prime Rate" means the rate of interest per annum announced publicly by the Lender as its prime rate from time to time. The Prime Rate is not necessarily the best or the lowest rate of interest offered by the Lender;

"Principal Office" means the office of the Lender at Independence Center, 15th Floor, 001-15-04, Charlotte, North Carolina 28255 or such other office and address as the Lender may from time to time designate;

"Rate Hedging Obligations" means any and all obligations of the Borrower or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired

(including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, exchange rates or forward rates applicable to such party's assets, liabilities or exchange transactions, including, but not limited to, Dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts, warrants and those commonly known as interest rate "swap" agreements; and (ii) any and all cancellations, buybacks, reversals, terminations or assignments of any of the foregoing;

"Regulation D" means Regulation D of the Board as the same may be amended or supplemented from time to time;

"Regulatory Change" means any change effective after the Closing Date in United States federal or state laws or regulations (including Regulation D and capital adequacy regulations) or foreign laws or regulations or the adoption or making after such date of any interpretations, directives or requests applying to a class of banks, which includes any of the Lenders, under any United States federal or state or foreign laws or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof or compliance by the Lender with any request or directive regarding capital adequacy, including with respect to "highly leveraged transactions," whether or not having the force of law, whether or not failure to comply therewith would be unlawful and whether or not published or proposed prior to the date hereof;

"Repurchase Agreement" means a repurchase agreement entered into with any financial institution whose debt obligations or commercial paper are rated "A" by either of S&P or Moody's or "A-1" by S&P or "P-1" by Moody's;

15

"Restricted Payment" means (a) any redemption, conversion, exchange, retirement or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock of Borrower now or hereafter outstanding, other than shares redeemed, converted, exchanged or retired in connection with the existing employee stock option plan of the Borrower; and (b) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of stock of Borrower or any Subsidiary now or hereafter outstanding;

"Revolving Credit Commitment" means, with respect to the Lender, the obligation of such Lender to make Revolving Loans to the Borrower up to an aggregate principal amount at any one time outstanding equal to the Total Revolving Credit Commitment as set forth on Exhibit A hereto as the same may be increased or decreased from time to time pursuant to this Agreement;

"Revolving Credit Facility" means the facility described in Article II hereof providing for Loans to the Borrower by the Lender in the aggregate principal amount equal to the Total Revolving Credit Commitment;

"Revolving Credit Outstandings" means, as of any date of determination, the aggregate principal amount of all Revolving Loans then outstanding and all interest accrued and unpaid thereon;

"Revolving Credit Termination Date" means (i) August 25, 1998 or such later date as the Lender, in accordance with Section 2.10 hereof, may determine to be the Revolving Credit Termination Date or (ii) such earlier date of termination of Lender's obligations pursuant

to Section 8.1 upon the occurrence of an Event of Default, or (iii) such date as the Borrower may voluntarily and permanently terminate the Revolving Credit Facility by payment in full of all Revolving Credit Outstandings and cancellation of the Total Revolving Credit Commitment pursuant to Section 2.6 hereof;

"Revolving Loan" means any borrowing pursuant to an Advance under the Revolving Credit Facility in accordance with Article II hereof;

"Revolving Note" means the promissory note of the Borrower evidencing Revolving Loans executed and delivered to the Lender as provided in Section 2.5 hereof substantially in the form attached hereto as Exhibit F;

"S&P" means Standard & Poor's Ratings Group;

"Single Employer Plan" means any employee pension benefit plan covered by Title IV of ERISA in respect of which the Borrower is an "employer" as described in Section 4001(b) of ERISA and which is not a Multi-employer Plan;

16

"Solvent" means, when used with respect to any Person, that at the time of determination:

(i) the fair value of its assets (both at fair valuation and at present fair saleable value on an orderly basis) is in excess of the total amount of its liabilities, including, without limitation, Contingent Obligations; and

(ii) it is then able and expects to be able to pay its debts as they mature; and

(iii) it has capital sufficient to carry on its business as conducted and as proposed to be conducted;

"Subsidiary" means any corporation or other entity in which more than 50% of its outstanding voting stock or more than 50% of all equity interests is owned directly or indirectly by the Borrower and/or by one or more of the Borrower's Subsidiaries;

"Subsidiary Guaranty" means each guaranty agreement between one or more of the Subsidiaries and the Lender which is delivered by a Subsidiary pursuant to Section 6.23 hereof and substantially in the form of Exhibit G hereof, as the same may be amended, modified or supplemented;

"Swap Agreement" means one or more agreements between the Borrower and any Person with respect to Indebtedness evidenced by the Notes, on terms mutually acceptable to Borrower and such Person and approved by the Lender, which agreements create Rate Hedging Obligations;

"Termination Event" means: (a) a "Reportable Event" described in Section 4043 of ERISA and the regulations issued thereunder (unless the notice requirement has been waived by applicable regulation); or (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or was deemed such under Section 4068(f) of ERISA; or (c) the termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination under Section 4041 of ERISA; or (d) the institution of proceedings to terminate a Pension Plan by the PBGC; or (e) any other event or condition which would constitute grounds under Section 4042(a) of ERISA for the termination of, or the appointment of a trustee to

administer, any Pension Plan; or (f) the partial or complete withdrawal of the Borrower or any ERISA Affiliate from a Multiemployer Plan; or (g) the imposition of a Lien pursuant to Section 412 of the Code or Section 302 of ERISA; or (h) any event or condition which results in the reorganization or insolvency of a Multiemployer Plan under Section 4241 or Section 4245 of ERISA, respectively; or (i) any event or condition which results in the termination of a Multiemployer Plan under Section 4041A of

17

ERISA or the institution by the PBGC of proceedings to terminate a Multiemployer Plan under Section 4042 of ERISA;

"Total Revolving Credit Commitment" means a principal amount equal to \$15,000,000, as reduced from time to time in accordance with Section 2.7 hereof; and

"Wachovia" means Wachovia Bank of Georgia, N.A., a national banking association, together with its successors;

"Wachovia Facility" means that certain revolving credit facility in the aggregate amount of \$15,000,000 provided to the Borrower by Wachovia pursuant to that certain Revolving Credit Agreement dated as of the date hereof.

1.2 Accounting Terms. All accounting terms not specifically defined herein shall have the meanings assigned to such terms and shall be interpreted in accordance with GAAP applied on a Consistent Basis.

1.3 UCC Terms. Each term defined in Article 1 or 9 of the Georgia Uniform Commercial Code shall have the meaning given therein unless otherwise defined herein, except to the extent that the Uniform Commercial Code of another jurisdiction is controlling, in which case such terms shall have the meaning given in the Uniform Commercial Code of the applicable jurisdiction.

ARTICLE II

The Revolving Credit Facility

2.1. Revolving Loans.

(a) Commitment. Subject to the terms and conditions of Article V of this Agreement, the Lender severally agrees to make Advances to the Borrower under the Revolving Credit Facility from time to time from the Closing Date until the Revolving Credit Termination Date on a pro rata basis as to the total borrowing requested by the Borrower on any day up to but not exceeding the Revolving Credit Commitment of the Lender. Within such limits, the Borrower may borrow, repay and reborrow under the Revolving Credit Facility on a Business Day from the Closing Date until, but (as to borrowings and reborrowings) not including, the Revolving Credit Termination Date; provided, however, that (y) no Revolving Loan that is a Eurodollar Rate Loan shall be made which has an Interest Period that extends beyond the Revolving Credit Termination Date and (z) each Revolving Loan that is a Eurodollar Rate Loan may, subject to the provisions of Section 2.7 hereof, be repaid only on the last day of the Interest Period with respect thereto.

(b) Amounts. Except as otherwise permitted by the consent of the Lender from time to time, the aggregate unpaid principal amount of the Revolving Credit Outstandings shall not exceed at any time the Total Revolving Credit Commitment. The

18

Lender shall have no obligation to advance any funds in excess of the Total Revolving Credit Commitment. Each Revolving Loan hereunder and each conversion under Section 2.7 hereof shall be in an amount of at least (i) \$2,000,000, and, if greater than \$2,000,000, an integral multiple of \$1,000,000, if a Eurodollar Rate Loan and (ii) \$250,000, and, if greater than \$250,000, an integral multiple of \$100,000, if a Base Rate Loan.

(c) Advances. (i) An Authorized Representative shall give the Lender (A) at least three (3) Business Days' irrevocable telephonic notice of each Revolving Loan that is a Eurodollar Rate Loan (whether representing an additional borrowing hereunder or the conversion of borrowing hereunder from Base Rate Loans to Eurodollar Rate Loans) prior to 10:00 A.M. Eastern Time and (B) irrevocable written notice of each Revolving Loan that is a Base Rate Loan (whether representing an additional borrowing hereunder or the conversion of borrowing hereunder from Eurodollar Rate Loans to Base Rate Loans) prior to 10:00 A.M. Eastern Time on the day of such proposed Revolving Loan. Each such telephonic notice, which shall be effective upon receipt by the Lender, shall specify the amount of the borrowing, the type of Revolving Loan (Base Rate or Eurodollar Rate), the date of borrowing and, if a Eurodollar Rate Loan, the Interest Period to be used in the computation of interest. The Authorized Representative shall provide the Lender written confirmation of each such telephonic notice no later than 11:00 A.M. Eastern Time on the same day received by telefacsimile transmission in the form of a Borrowing Notice for additional Advances, or in the form of an Interest Rate Selection Notice for the selection or conversion of interest rates for outstanding Revolving Credit Loans, in each case with appropriate insertions, but failure to provide such confirmation shall not affect the validity of such telephonic notice. The amount of any Advance shall, subject to the terms and conditions of this Agreement, be made available to the Borrower by delivery of the proceeds thereof to the Borrower's Account or otherwise as shall be directed in the applicable Borrowing Notice by the Authorized Representative not later than 3:00 P.M., Eastern Time on the day so received.

(ii) The duration of the initial Interest Period for each Revolving Loan that is a Eurodollar Rate Loan shall be as specified in the initial Borrowing Notice for such Loan. The Borrower shall have the option to elect the duration of subsequent Interest Periods and to convert the Loans in accordance with Section 2.7 hereof. If the Lender does not receive an Interest Rate Selection Notice giving notice of election of duration of an Interest Period or conversion by the time prescribed by Section 2.7 hereof, the Borrower shall be deemed to have elected to convert such Revolving Loan to (or continue such Revolving Loan as) a Base Rate Loan until the Borrower notifies the Lender in accordance with Section 2.7 hereof.

2.2. Payment of Interest. (a) The Borrower shall pay interest to the Lender on the outstanding and unpaid principal amount of each Revolving Loan made by the Lender for the period commencing on the date of such Revolving Loan until such Revolving Loan shall be due at the then applicable Base Rate for Base Rate

Loans or applicable Eurodollar Rate for Eurodollar Rate Loans, as designated by the Authorized Representative pursuant to Section 2.1 hereof; provided, however, that if any amount of principal or interest or fees to the Lender shall not be paid when due (at maturity, by acceleration or otherwise), or any Event of Default shall have occurred and be continuing hereunder, all amounts outstanding hereunder shall bear interest so long as such amount shall remain unpaid or such Event of Default continues, as applicable, (i) in the case of a Eurodollar Rate Loan, until the end of the Interest Period with respect to any Eurodollar Rate Loan at a rate of two percent (2%) above the applicable Eurodollar Rate for such Eurodollar Rate Loan and thereafter at a rate per annum which shall be two percent (2%) plus the Base Rate, (ii) with respect to Base Rate Loans, fees or other amounts owing hereunder, at a rate of interest per annum which shall be two percent (2%) above the Base Rate, and (iii) in any case, the maximum rate permitted by applicable law, if lower.

(b) Interest on each Revolving Loan shall be computed on

the basis of a year of 360 days and calculated for the actual number of days elapsed. Interest on each Revolving Loan shall be paid (i) quarterly in arrears on the last Business Day of each June, September, December and March, commencing September 29, 1995 for each Base Rate Loan, (ii) on the last day of the applicable Interest Period for each Eurodollar Rate Loan and if such interest period extends for more than three (3) months, at intervals of three (3) months after the first day of such Interest Period and (iii) upon payment in full of the principal amount of such Revolving Loan.

2.3. Payment of Principal. The principal amount of each Revolving Loan shall be due and payable to the Lender in full on the Revolving Credit Termination Date, or earlier as specifically provided herein. The principal amount of any Base Rate Loan may be prepaid in whole or in part on any Business Day provided the Borrower gives the Lender notice of such prepayment by telecopy at or prior to 10:00 A.M. Eastern Time on the date of such prepayment. The principal amount of any Eurodollar Rate Loan may be prepaid only at the end of the applicable Interest Period unless the Borrower shall pay to the Lender the amount, if any, required under Section 3.4 hereof. If at any time the amount of Revolving Credit Outstandings exceeds the Total Revolving Credit Commitment, a principal amount of the outstanding Revolving Loans equal to such excess shall be due and payable immediately. All prepayments of Revolving Loans made by the Borrower shall be in the amount of \$250,000 or such greater amount which is an integral multiple of \$100,000, or such other amount as necessary to comply with this Section 2.3 or with Section 2.7 hereof.

2.4. Non-Conforming Payments. (a) Each payment of principal (including any prepayment) and payment of interest and fees, and any other amount required to be paid to the Lender with respect to the Revolving Loans, shall be made to the Lender at the Principal Office in Dollars and in immediately available funds before 12:30 P.M. Eastern Time on the date such payment is due. The Lender may, but shall not be obligated to, debit the amount of any such payment

20

which is not made by such time to any ordinary deposit account, if any, of the Borrower with the Lender.

(b) The Lender shall deem any payment made by or on behalf of the Borrower hereunder that is not made both in Dollars and in immediately available funds and prior to 12:30 P.M. Eastern Time to be a non-conforming payment. Any such payment shall not be deemed to be received by the Lender until the later of (i) the time such funds become available funds and (ii) the next Business Day. Any non-conforming payment may constitute or become a Default or Event of Default. Interest shall continue to accrue on any principal as to which a non-conforming payment is made until the later of (x) the date such funds become available funds or (y) the next Business Day at the respective rates of interest per annum specified in the proviso to Section 2.2 hereof regarding late payments of interest, from the date such amount was due and payable.

(c) In the event that any payment hereunder or under the Revolving Notes becomes due and payable on a day other than a Business Day, then such due date shall be extended to the next succeeding Business Day unless provided otherwise under clause (ii) of the definition of "Interest Period"; provided that interest shall continue to accrue during the period of any such extension and provided further, that in no event shall any such due date be extended beyond the Revolving Credit Termination Date.

2.5. Revolving Notes. Revolving Credit Loans made by the Lender shall be evidenced by the Revolving Notes, which Revolving Notes shall be dated the Closing Date or such later date pursuant to an Assignment and Acceptance and shall be duly completed, executed and delivered by the Borrower.

2.6. Reductions. The Borrower shall, by notice from an Authorized Representative, have the right from time to time, upon not less than three (3) Business Days written notice to the Lender, to reduce the Total Revolving Credit Commitment. Each such reduction shall be in the aggregate amount of \$2,500,000 or such greater amount which is in an integral multiple of \$500,000,

and shall permanently reduce the Total Revolving Credit Commitment. No such reduction shall result in the payment of any Eurodollar Rate Loan other than on the last day of the Interest Period of such Eurodollar Rate Loan unless such prepayment is accompanied by amounts due, if any, under Section 3.4 hereof. Each reduction of the Total Revolving Credit Commitment shall be accompanied by payment of the Revolving Notes to the extent that the amount of Revolving Credit Outstandings exceeds the Total Revolving Credit Commitment after giving effect to such reduction, together with accrued and unpaid interest on the amounts prepaid and any fees otherwise due.

2.7. Conversions and Elections of Subsequent Interest Periods.

Provided that no Event of Default shall have occurred and be continuing and subject to the limitations set forth below and in Sections 3.1(b), 3.2 and 3.3 hereof, the Borrower may:

21

(a) upon delivery of a properly completed Interest Rate Selection Notice to the Lender on or before 11:00 A.M. Eastern Time on any Business Day, convert all or a part of Eurodollar Rate Loans to Base Rate Loans on the last day of the Interest Period for such Eurodollar Rate Loans; and

(b) upon delivery of a properly completed Interest Rate Selection Notice to the Lender on or before 11:00 A.M. Eastern Time three (3) Business Days prior to the date of such election or conversion:

(i) elect a subsequent Interest Period for all or a portion of Eurodollar Rate Loans to begin on the last day of the current Interest Period for such Eurodollar Rate Loans; and

(ii) convert Base Rate Loans to Eurodollar Rate Loans on any date.

Each election and conversion pursuant to this Section 2.7 shall be subject to the limitations on Eurodollar Rate Loans set forth in the definition of "Interest Period" herein and in Sections 2.1, 2.3 and Article IV hereof.

2.8. Unused Fee. For the period beginning on the Closing Date and ending on the Revolving Credit Termination Date, the Borrower agrees to pay to the Lender an unused fee equal to the Applicable Unused Fee multiplied by the average daily amount by which the Total Revolving Credit Commitment exceeds Revolving Credit Outstandings. Such payments of fees provided for in this Section 2.8 shall be due in arrears on the last Business Day of each June, September, December and March, commencing September 29, 1995 to and on the Revolving Credit Termination Date. Notwithstanding the foregoing, so long as the Lender fails to make available any of its Revolving Credit Commitment when required, the Lender shall not be entitled to receive payment of such fee until the Lender shall make its Revolving Credit Commitment available. Such fee shall be calculated on the basis of a year of 360 days for the actual number of days elapsed.

2.9. Use of Proceeds. The proceeds of the Loans made pursuant to the Revolving Credit Facility hereunder shall be used by the Borrower for Acquisitions permitted hereunder, general working capital needs and other corporate purposes, provided, however, that no portion of the Revolving Credit Facility shall be used, directly or indirectly, in connection with any financing of a hostile Acquisition.

2.10. Extension of Revolving Credit Termination Date. At the request of the Borrower the Lender may, in its sole discretion, elect not more than twice after the Closing Date to extend the Revolving Credit Termination Date then in effect for one additional period of one year. The Borrower shall notify the Lender in writing of its request for such an extension of one year by delivering to the Lender notice of such request signed by an Authorized Representative not less than ninety (90) days prior to

the first and second anniversary dates of the Closing Date. If the Lender shall elect to so extend, the Lender shall notify the Borrower in writing within thirty (30) days of its receipt of such request for extension of the decision of the Lender as to whether to extend the Revolving Credit Termination Date and any conditions applicable to such extension. Failure by the Lender to respond to a request for an extension shall constitute a refusal of the Lender to give its consent to such extension.

ARTICLE III

Yield Protection and Illegality

3.1. Additional Costs. (a) The Borrower shall promptly pay to the Lender from time to time, without duplication, such amounts as such Lender may reasonably determine to be necessary to compensate it or its parent corporation, without duplication, for any costs incurred by the Lender or its parent corporation which it determines are attributable to its making or maintaining any Loan or its obligation to make any Loans, or any reduction in any amount receivable by the Lender under this Agreement or the Notes in respect of any of such Loans, including reductions in the rate of return on a Lender's capital (such increases in costs and reductions in amounts receivable and returns being herein called "Additional Costs"), resulting from any Regulatory Change which: (i) changes the basis of taxation of any amounts payable to such Lender under this Agreement or the Notes in respect of any of such Loans (other than taxes imposed on or measured by income, revenues or assets); or (ii) imposes or modifies any reserve, special deposit, or similar requirements relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, such Lender or its parent corporation (other than any such reserve, deposit or requirement reflected in the Prime Rate, the Federal Funds Effective Rate or the Eurodollar Rate, in each case computed in accordance with the respective definitions of such terms set forth in Section 1.1 hereof); or (iii) has or would have the effect of reducing the rate of return on capital of any such Lender to a level below that which the Lender could have achieved but for such Regulatory Change (taking into consideration such Lender's policies with respect to capital adequacy); or (iv) imposes any other condition adversely affecting the Lender or its parent corporation under this Agreement or the Notes (or any of such extensions of credit or liabilities). The Lender will notify the Authorized Representative of any event occurring after the Closing Date which would entitle it to compensation pursuant to this Section 3.1(a) as promptly as practicable after it obtains knowledge thereof and determines to request such compensation.

(b) Without limiting the effect of the foregoing provisions of this Section 3.1, in the event that, by reason of any Regulatory Change, the Lender or its parent corporation either (i) incurs Additional Costs based on or measured by the excess above a specified level of the amount of a category of deposits or other liabilities of the Lender or its parent corporation which

includes deposits by reference to which the interest rate on Eurodollar Rate Loans is determined as provided in this Agreement or a category of extensions of credit or other assets of the Lender or its parent corporation which includes Eurodollar Rate Loans or (ii) becomes subject to restrictions on the amount of such a category of liabilities or assets which it may hold, then, if the Lender so elects, the obligation hereunder of the Lender to make, and to convert Base Rate Loans into, Eurodollar Rate Loans that are the subject of such restrictions shall be suspended until the date such Regulatory Change ceases to be in effect and the Borrower shall, on the last day(s) of the then current Interest Period(s) for outstanding Eurodollar Rate Loans convert such Eurodollar Rate Loans into Base Rate Loans. In the event that the obligation of the Lender to make, or to convert Base Rate Loans into, Eurodollar Rate

Loans is suspended, then any request by the Borrower during the pendency of such suspension for a Eurodollar Rate Loan shall be deemed a request for a Base Rate Loan from the Lender.

(c) Determinations by the Lender or its parent corporation for purposes of this Section 3.1 of the effect of any Regulatory Change on its costs of making or maintaining, or being committed to make Loans, or the effect of any Regulatory Change on amounts receivable by the Lender in respect of Loans, and of the additional amounts required to compensate the Lender in respect of any Additional Costs, shall be made taking into account such Lender's policies, or the policies of its parent corporation, as to the allocation of capital, costs and other items and shall be conclusive absent manifest error. The Lender requesting such compensation shall furnish to the Authorized Representative within sixty (60) days of the incurrence of any Additional Costs for which compensation is sought an explanation of the Regulatory Change and calculations, in reasonable detail, setting forth the Lender's or its parent corporation's determination of any such Additional Costs.

3.2. Suspension of Loans. Anything herein to the contrary notwithstanding, if, on or prior to the determination of any interest rate for any Eurodollar Rate Loan for any Interest Period, the Lender determines (which determination made on a reasonable basis shall be conclusive absent manifest error) that:

(a) quotations of interest rates for the relevant deposits referred to in the definition of "Eurodollar Rate" in Section 1.1 hereof are not being provided in the relevant amounts or for the relevant maturities for purposes of determining the rate of interest for such Eurodollar Rate Loan as provided in this Agreement; or

(b) the relevant rates of interest referred to in the definition of "Interbank Offered Rate" in Section 1.1 hereof upon the basis of which the Eurodollar Rate for such Interest Period is to be determined do not adequately reflect the cost to the Lender of making or maintaining such Eurodollar Rate Loan for such Interest Period;

24

then the Lender shall give the Authorized Representative prompt notice thereof, and so long as such condition remains in effect, the Lender shall be under no obligation to make Eurodollar Rate Loans that are subject to such condition, or to convert Loans into Eurodollar Rate Loans, and the Borrower shall on the last day(s) of the then current Interest Period(s) for outstanding Eurodollar Rate Loans, as applicable, convert such Eurodollar Rate Loans into another Eurodollar Rate Loan if such Eurodollar Rate Loan is not subject to the same or similar condition, or Base Rate Loans, if available hereunder. The Lender shall give the Authorized Representative notice describing in reasonable detail any event or condition described in this Section 3.2 promptly following the determination by the Lender that the availability of Eurodollar Rate Loans is, or is to be, suspended as a result thereof.

3.3. Illegality. Notwithstanding any other provision of this Agreement, in the event that it becomes unlawful for the Lender to honor its obligation to make or maintain Eurodollar Rate Loans hereunder, then the Lender shall promptly notify the Borrower thereof and the Lender's obligation to make or continue Eurodollar Rate Loans, or convert Base Rate Loans into Eurodollar Rate Loans, shall be suspended until such time as the Lender may again make and maintain Eurodollar Rate Loans, and the Lender's outstanding Eurodollar Rate Loans shall be converted into Base Rate Loans in accordance with Section 2.7 hereof.

3.4. Compensation. The Borrower shall promptly pay to the Lender, upon the Lender's request, such amount or amounts as shall be sufficient (in the reasonable determination of the Lender) to compensate it for any loss, cost or expense incurred by it as a result of:

(a) any payment, prepayment or conversion of a Eurodollar Rate Loan on a date other than the last day of the Interest Period for

such Eurodollar Rate Loan, including without limitation any conversion required pursuant to Section 3.3 hereof; or

(b) any failure by the Borrower to borrow or convert a Eurodollar Rate Loan on the date for such borrowing or conversion specified in the relevant Borrowing Notice or Interest Rate Selection Notice under Article II hereof;

such compensation to include, without limitation, an amount equal to the excess, if any, of (i) the amount of interest which would have accrued on the principal amount so paid, prepaid or converted or not borrowed for the period from the date of such payment, prepayment or conversion or failure to borrow or convert to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow or convert, the Interest Period for such Loan which would have commenced on the date scheduled for such borrowing or conversion) at the applicable rate of interest for such Eurodollar Rate Loan provided for herein over (ii) the Interbank Offered Rate (as reasonably determined by the Lender) for Dollar deposits of amounts comparable to such principal amount and maturities comparable to such period. A determination of the

25

Lender as to the amounts payable pursuant to this Section 3.4 shall be conclusive, provided that such determinations are made on a reasonable basis. The Lender requesting compensation under this Section 3.4 shall promptly furnish to the Authorized Representative calculations in reasonable detail setting forth the Lender's determination of the amount of such compensation.

3.5. Alternate Loan and Lender. In the event the Lender suspends the making of any Eurodollar Rate Loan pursuant to this Article III (herein a "Restricted Lender"), the Restricted Lender's Commitment Percentage of any Eurodollar Rate Loan shall bear interest at the Base Rate until the Restricted Lender once again makes available the applicable Eurodollar Rate Loan.

3.6. Taxes. (a) All payments by the Borrower of principal of, and interest on, the Loans and all other amounts payable hereunder shall be made free and clear of and without deduction for any present or future excise, stamp or other taxes, fees, duties, levies, imposts, charges, deductions, withholdings or other charges of any nature whatsoever imposed by any taxing authority, but excluding (i) franchise taxes, (ii) any taxes (other than U.S. withholding taxes) that would not be imposed but for a connection between a Lender and the jurisdiction imposing such taxes (other than a connection arising solely by virtue of the activities of the Lender pursuant to or in respect of this Agreement or any other Loan Document), (iii) any taxes imposed on or measured by the Lender's assets, net income, receipts or branch profits and (iv) any taxes arising after the Closing Date solely as a result of or attributable to Lender changing its designated lending office after the date such Lender becomes a party hereto (such non-excluded items being collectively called "Taxes"). In the event that any withholding or deduction from any payment to be made by the Borrower hereunder is required in respect of any Taxes pursuant to any applicable law, rule or regulation, then the Borrower will

(i) pay directly to the relevant authority the full amount required to be so withheld or deducted;

(ii) promptly forward to the Lender an official receipt or other documentation satisfactory to the Lender evidencing such payment to such authority; and

(iii) pay to the Lender such additional amount or amounts as is necessary to ensure that the net amount actually received by the Lender will equal the full amount the Lender would have received had no such withholding or deduction been required.

If any such Taxes shall be or become applicable after the date of this Agreement to such payments by the Borrower to the Lender, the Lender shall use reasonable efforts to make, fund, or maintain the Loan or Loans, as the case

may be, through another lending office located in another jurisdiction so as to reduce, to the fullest extent possible, Borrower's liability hereunder, if the making, funding or maintenance of such Loan or Loans through such other office does not, in the reasonable judgment of the Lender,

26

materially affect the Lender or such Loan. If Borrower is required to make any additional payment to the Lender pursuant to this Section 3.6, and the Lender receives, or is entitled to receive, a credit against, remission for, or repayment of, any tax paid or payable by it in respect of, or calculated with reference to, the Taxes giving rise to such payment, the Lender shall, within a reasonable time after it receives such credit, relief, remission or repayment, reimburse Borrower the amount of any such credit, relief, remission or repayment.

(b) Prior to the date that a Lender or a participant organized under the laws of a jurisdiction outside the United States becomes a party hereto, such Person shall deliver to the Borrower such certificates, documents or other evidence, as required by the Code or Treasury Regulations issued pursuant thereto, properly completed, currently effective and duly executed by such Lender or participant establishing that such payment is (i) not subject to United States Federal backup withholding tax and (ii) not subject to United States Federal withholding tax under the Code because such payment is either effectively connected with the conduct by such Lender or participant of a trade or business in the United States or totally exempt from United States Federal withholding tax by reason of the application of the provisions of a treaty to which the United States is a party or such Lender is otherwise exempt. The Lender that fails to provide such certificates or forms that it is required to provide under this Section 3.6(b) shall not be entitled to the benefits of this Section 3.6 and, to the extent required by law, Borrower shall be entitled to deduct from, and pay to the applicable taxing authority, taxes from the payments made by Borrower to such Lender. The Lender shall, from time to time, complete, execute and deliver such updates or extensions or renewals or replacements of those forms, certificates and documents as may be necessary to continue or maintain any such exemption.

(c) If the Borrower fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Lender the required receipts or other required documentary evidence, the Borrower shall indemnify the Lender for any incremental Taxes, interest or penalties that may become payable by the Lender as a result of any such failure.

ARTICLE IV

Conditions to Making Loans

4.1. Conditions of Initial Advance. The obligation of the Lender to make the initial Advance is subject to the conditions precedent that:

(a) the Lender shall have received on the Closing Date, in form and substance satisfactory to the Lender, the following:

27

(i) executed originals of each of this Agreement, the Notes and the other Loan Documents, together with all schedules and exhibits thereto;

(ii) favorable written opinions of internal counsel of the Borrower dated the Closing Date, addressed to the Lender and satisfactory to Smith Helms Mulliss & Moore, L.L.P., special counsel to the Lender, substantially in the

form of Exhibit H attached hereto;

(iii) resolutions of the boards of directors or other appropriate governing body (or of the appropriate committee thereof) of the Borrower certified by its secretary or assistant secretary as of the Closing Date, appointing the initial Authorized Representative and approving and adopting the Loan Documents to be executed by such Person, and authorizing the execution and delivery thereof;

(iv) specimen signatures of officers of the Borrower executing the Loan Documents on behalf of the Borrower, certified by the secretary or assistant secretary of the Borrower;

(v) the charter documents of the Borrower certified as of a recent date by the Secretary of State of its state of incorporation;

(vi) the bylaws of the Borrower certified as of the Closing Date as true and correct by its secretary or assistant secretary;

(vii) certificates issued as of a recent date by the Secretary of State of Georgia as to the due existence and good standing of the Borrower;

(viii) appropriate certificates of qualification to do business, good standing and, where appropriate, authority to conduct business under assumed name, issued in respect of the Borrower as of a recent date by the Secretary of State or comparable official of each jurisdiction in which the failure to be qualified to do business or authorized so to conduct business could have a Material Adverse Effect;

(ix) notice of appointment of the initial Authorized Representative;

(x) certificate of an Authorized Representative dated the Closing Date demonstrating compliance with the financial covenants contained in Sections 7.1 through 7.3 as of the Closing Date, substantially in the form of Exhibit I attached hereto;

(xi) an initial Borrowing Notice;

28

(xii) copies of all documents executed in connection with the Wachovia Facility;

(xiii) all fees payable by the Borrower on the Closing Date to the Lender; and

(xiv) such other documents, instruments, certificates and opinions as the Lender may reasonably request on or prior to the Closing Date in connection with the consummation of the transactions contemplated hereby.

(b) In the good faith judgment of the Lender there shall not have occurred or become known to the Lender any event, condition, situation or status since the date of the year-end financial statements for Fiscal Year 1995 delivered to the Lender that has had or could reasonably be expected to result in a Material Adverse Effect;

4.2. Conditions of All Revolving Loans. The obligations of the Lender to make any Revolving Loans hereunder subsequent to the Closing Date are subject to the satisfaction of the following conditions:

(a) the Lender shall have received a Borrowing Notice in the form of Exhibit D hereto;

(b) the representations and warranties of the Borrower and the Guarantor set forth in Article V hereof and in each of the other Loan Documents shall be true and correct in all material respects on and as of the date of such Advance, with the same effect as though such representations and warranties had been made on and as of such date, except to the extent that such representations and warranties expressly relate to an earlier date and except that the financial statements referred to in Section 5.6(a)(i) hereof shall be deemed to be those financial statements most recently delivered to the Lender pursuant to Section 6.1 hereof;

(c) at the time of (and after giving effect to) each Advance, no Default or Event of Default specified in Article VIII hereof, shall have occurred and be continuing; and

(d) immediately after giving effect to a Revolving Loan, the aggregate principal balance of all outstanding Revolving Loans for the Lender and in the aggregate shall not exceed, respectively, (i) such Lender's Revolving Credit Commitment or (ii) the Total Revolving Credit Commitment.

ARTICLE V

Representations and Warranties

The Borrower and each Guarantor represents and warrants with respect to itself and its Material Subsidiaries that:

29

5.1. Organization and Authority.

(a) The Borrower and each Material Subsidiary is a corporation duly organized and validly existing under the laws of the jurisdiction of its incorporation;

(b) The Borrower and each Material Subsidiary (x) has the requisite power and authority to own its properties and assets and to carry on its business as now being conducted and as contemplated in the Loan Documents, and (y) is qualified to do business in every jurisdiction in which failure so to qualify would have a Material Adverse Effect;

(c) The Borrower has the power and authority to execute, deliver and perform this Agreement and the Notes, and to borrow hereunder, and to execute, deliver and perform each of the other Loan Documents to which it is a party; and

(d) Each Guarantor will have the power and authority to execute, deliver and perform the Subsidiary Guaranty and to execute, deliver and perform the other Loan Documents to which it becomes a party;

(e) When executed and delivered, each of the Loan Documents to which the Borrower or any Guarantor is a party will be the legal, valid and binding obligation or agreement, as the case may be, of the Borrower or such Guarantor, enforceable against the Borrower or such Guarantor in accordance with its terms, subject to the effect of any applicable bankruptcy, moratorium, insolvency, reorganization or other similar law affecting the enforceability of creditors' rights generally and to the effect of general principles of equity which may limit the availability of equitable remedies (whether

in a proceeding at law or in equity);

5.2. Loan Documents. The execution, delivery and performance by the Borrower and each Guarantor of each of the Loan Documents to which it is a party:

(a) have been duly authorized by all requisite corporate action (including any required shareholder approval) of the Borrower and each Guarantor required for the lawful execution, delivery and performance thereof;

(b) do not violate any provisions of (i) applicable law, rule or regulation, (ii) any order of any court or other agency of government binding on the Borrower or any Subsidiary, or properties, or (iii) the charter documents or bylaws of Borrower or any Material Subsidiary;

(c) does not and will not be in conflict with, result in a breach of or constitute an event of default, or an event which, with notice or lapse of time, or both, would constitute an event of default, under any material indenture, agreement or other instrument to which Borrower or any Material

30

Subsidiary is a party, or by which the properties or assets of Borrower or any Material Subsidiary are bound;

(d) does not and will not result in the creation or imposition of any Lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of Borrower or any Material Subsidiary;

5.3. Solvency. The Borrower is Solvent after giving effect to the transactions contemplated by this Agreement and the other Loan Documents;

5.4. Subsidiaries and Stockholders. The Borrower has no Subsidiaries other than those listed on Schedule 5.4 hereto and additional Subsidiaries created or acquired after the Closing Date in compliance with Section 6.23 hereof; Schedule 5.4 states as of the date hereof the organizational form of each Subsidiary, the authorized and issued capitalization of each Subsidiary listed thereon, the number of shares or other equity interests of each class of capital stock or interest issued and outstanding of each such Subsidiary and the number and percentage of outstanding shares or other equity interest (including options, warrants and other rights to acquire any interest) of each such class of capital stock or equity interest owned by Borrower or by any such Subsidiary; the outstanding shares or other equity interests of each such Subsidiary have been duly authorized and validly issued and are fully paid and nonassessable; and Borrower and each such Subsidiary owns beneficially and of record all the shares and other interests it is listed as owning in Schedule 5.4, free and clear of any Lien;

5.5. Ownership Interests. Borrower owns no interest in any Person other than the Persons listed in Schedule 5.4 hereto;

5.6. Financial Condition.

(a) The Borrower has heretofore furnished to the Lender consolidated balance sheets of the Borrower and its Subsidiaries, and related notes thereto, and the related statements of operations, stockholders equity and cash flows, and the related notes thereto, dated April 2, 1995 with respect to Fiscal Year 1995;

(b) since April 2, 1995 there has been no material adverse change in the condition, financial or otherwise, of the Borrower or its Subsidiaries or in the businesses, properties and operations of the Borrower or the Subsidiaries, nor have such businesses or properties, taken as a whole, been materially adversely

affected as a result of any fire, explosion, earthquake, accident, strike, lockout, combination of workers, flood, embargo or act of God;

(c) except as set forth on Schedule 5.6 hereto, neither the Borrower nor any Subsidiary has incurred, other than in the ordinary course of business, any material indebtedness, obligations, commitments or other liability contingent or otherwise which remain outstanding or unsatisfied;

31

5.7. Title to Properties. The Borrower and each Material Subsidiary has good and marketable title to all its real and personal properties, subject to no transfer restrictions or Liens of any kind, except for Permitted Liens;

5.8. Taxes. The Borrower and each Material Subsidiary has filed or caused to be filed all federal, state and local tax returns which are required to be filed by it and except for taxes and assessments being contested in good faith by appropriate proceedings diligently conducted and against which reserves satisfactory to the Borrower's independent certified public accountants have been established, have paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due;

5.9. Other Agreements. Neither the Borrower nor any Subsidiary is

(a) a party to any judgment, order, decree or any agreement or instrument or subject to restrictions which could reasonably be likely to have a Material Adverse Effect; or

(b) in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which the Borrower or any Subsidiary is a party, which default has, or if not remedied within any applicable grace period could reasonably be likely to have, a Material Adverse Effect;

5.10. Litigation. There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or agency or arbitral body pending, or, to the knowledge of the Borrower, threatened by or against the Borrower or any Subsidiary or affecting the Borrower or any Subsidiary or any properties or rights of the Borrower or any Subsidiary, which could reasonably be likely to have a Material Adverse Effect;

5.11. Margin Stock. The Borrower does not own any "margin stock" as such term is defined in Regulation U, as amended (12 C.F.R. Part 221), of the Board. The proceeds of the borrowings made pursuant to Article II hereof will be used by the Borrower only for the purposes set forth in Section 2.9 and hereof. None of such proceeds will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock or for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry margin stock or for any other purpose which might constitute any of the Loans under this Agreement a "purpose credit" within the meaning of said Regulation U or Regulation X (12 C.F.R. Part 224) of the Board. Neither the Borrower nor any agent acting in its behalf has taken or will take any action which might cause this Agreement or any of the documents or instruments delivered pursuant hereto to violate any regulation of the Board or to violate the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, or any state securities laws, in each case as in effect on the date hereof;

32

5.12. Investment Company; Public Utility Holding Company. Neither the Borrower nor any Subsidiary is (a) an "investment company," or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended (15 U.S.C. Section 80a-1, et seq.) or (b) a "Holding Company" or a "Subsidiary Company" of a "Holding Company" or an "Affiliate" of a "Holding Company" or a "Subsidiary Company" of a "Holding Company," as such terms are defined under the Public Utility Holding Company Act of 1935, as amended. The application of the proceeds of the Loans and repayment thereof by the Borrower and the performance by the Borrower and the Guarantors of the transactions contemplated by this Agreement will not violate any provision of said Acts, or any rule, regulation or order issued by the Securities and Exchange Commission thereunder, in each case as in effect on the date hereof;

5.13. Patents, Etc. The Borrower and each Material Subsidiary owns or has the right to use, under valid license agreements or otherwise, all material patents, licenses, franchises, trademarks, trademark rights, trade names, trade name rights, trade secrets and copyrights necessary to the conduct of its businesses as now conducted, without known conflict with any patent, license, franchise, trademark, trade secrets and confidential commercial or proprietary information, trade name, copyright, rights to trade secrets or other proprietary rights of any other Person;

5.14. No Untrue Statement. Neither (a) this Agreement nor any other Loan Document or certificate or document executed and delivered by or on behalf of the Borrower or any Guarantor in accordance with or pursuant to any Loan Document nor (b) any statement, representation, or warranty provided to the Lender in connection with the negotiation or preparation of the Loan Documents contains any misrepresentation or untrue statement of material fact or omits to state a material fact necessary, in light of the circumstance under which it was made, in order to make any such representation or statement contained therein not misleading;

5.15. No Consents, Etc. Neither the respective businesses or properties of the Borrower or any Subsidiary, nor any relationship between the Borrower or any Subsidiary and any other Person, nor any circumstance in connection with the execution, delivery and performance of the Loan Documents and the transactions contemplated hereby, is such as to require a consent, approval or authorization of, or filing, registration or qualification with, any governmental or other authority or any other Person on the part of the Borrower or any Subsidiary as a condition to the execution, delivery and performance of, or consummation of the transactions contemplated by, this Agreement or the other Loan Documents, which, if not obtained or effected, would reasonably likely to have a Material Adverse Effect, or if so, such consent, approval, authorization, filing, registration or qualification has been obtained or effected, as the case may be;

5.16. Employee Benefit Plans.

(a) Neither the Borrower nor any ERISA Affiliate maintains or contributes to, or has any obligation under, any Employee Benefit Plans other than those identified on Schedule 5.16 hereto;

(b) The Borrower and each ERISA Affiliate is in compliance with all applicable provisions of ERISA and the regulations and published interpretations thereunder and in compliance with all Foreign Benefit Laws with respect to all Employee Benefit Plans except where failure to comply would not result in a Material Adverse Effect and except for any required amendments for which the remedial amendment period as defined in Section 401(b) of the Code has not yet expired. Each Employee Benefit Plan that is intended to be qualified under Section 401(a) of the Code has been determined by the Internal Revenue Service to be so qualified, and each trust related to such plan has been determined to be exempt under Section 501(a) of the Code. No material liability has been incurred by the Borrower or any ERISA Affiliate which remains unsatisfied for any taxes or penalties with respect to any Employee Benefit Plan or any Multiemployer Plan;

(c) Other than as described on Schedule 5.16 hereto, no Pension Plan has been terminated within the six year period prior to the execution of this Agreement, nor has any accumulated funding deficiency (as defined in Section 412 of the Code) been incurred (without regard to any waiver granted under Section 412 of the Code), nor has any funding waiver from the IRS been received or requested with respect to any Pension Plan, nor has the Borrower or any ERISA Affiliate failed to make any contributions or to pay any amounts due and owing as required by Section 412 of the Code, Section 202 of ERISA or the terms of any Pension Plan prior to the due dates of such contributions under Section 412 of the Code or Section 202 of ERISA, nor has there been any event requiring any disclosure under Section 4041(c)(3)(C), 4063(a) or 4068(f) of ERISA with respect to any Pension Plan;

(d) Neither the Borrower nor any ERISA Affiliate has:
(i) engaged in a nonexempt prohibited transaction described in Section 406 of ERISA or Section 4975 of the Code, (ii) incurred any liability to the PBGC which remains outstanding other than the payment of premiums and there are no premium payments which are due and unpaid, (iii) failed to make a required contribution or payment to a Multiemployer Plan or (iv) failed to make a required installment or other required payment under Section 412 of the Code;

(e) No Termination Event has occurred or is reasonably expected to occur with respect to any Pension Plan or Multiemployer Plan;

(f) No material proceeding, claim, lawsuit and/or investigation exists or, to the best knowledge of the Borrower

34

after due inquiry, is threatened concerning or involving any Employee Benefit Plan;

5.17. No Default. No Default or Event of Default exists hereunder;

5.18. Hazardous Materials. To the best of the Borrower's knowledge, the Borrower and each Subsidiary is in compliance with all applicable Environmental Laws in all respects except where the failure to comply does not have a Material Adverse Effect and the Borrower has not been notified of any action, suit, proceeding or investigation which calls into question compliance by the Borrower or any Material Subsidiary with any Environmental Laws or which seeks to suspend, revoke or terminate any license, permit or approval necessary for the generation, handling, storage, treatment or disposal of any Hazardous Material;

5.19. Employment Matters. (a) None of the employees of the Borrower or any Subsidiary is subject to any collective bargaining agreement and there are no strikes, work stoppages, election or decertification petitions or proceedings, unfair labor charges, equal opportunity proceedings, or other material labor/employee related controversies or proceedings pending or, to the best knowledge of the Borrower, threatened against the Borrower or any Subsidiary or between the Borrower or any Subsidiary and any of its employees, other than employee grievances arising in the ordinary course of business which would not in the aggregate have a Material Adverse Effect;

(b) The Borrower and each Material Subsidiary is in compliance in all respects with all applicable laws, rules and regulations pertaining to labor or employment matters, including without limitation those pertaining to wages, hours, occupational safety and taxation and there is neither pending or threatened any material litigation, administrative proceeding or investigation in respect of such matters.

Affirmative Covenants

Until the Obligations have been paid and satisfied in full and this Agreement has been terminated in accordance with the terms hereof, unless the Lender shall otherwise consent in writing, the Borrower will and, where applicable, will cause each Subsidiary to:

6.1. Financial Reports, Etc. (a) Annual Reporting. As soon as practical and in any event within 120 days after the end of each Fiscal Year of the Borrower, deliver or cause to be delivered to the Lender (i) consolidated balance sheets of the Borrower and its Subsidiaries, and the notes thereto, the related statements of operations, stockholders' equity and cash flows, and the respective notes thereto, for such Fiscal Year, setting forth in the case of the statements comparative financial statements for the preceding

35

Fiscal Year, all prepared in accordance with GAAP applied on a Consistent Basis and containing, with respect to the consolidated financial reports, opinions of Deloitte & Touche, L.L.P., or other such independent certified public accountants of nationally recognized standing, which are unqualified and without exception (except as may be acceptable to the Lender) and (ii) a certificate of an Authorized Representative demonstrating compliance with Sections 7.1, 7.2 and 7.3 hereof, which certificate shall be in the form attached hereto as Exhibit I hereof;

(b) Quarterly Reporting. As soon as practical and in any event within 45 days after the end of each quarterly period (except the last reporting period of the Fiscal Year), deliver to the Lender (i) consolidated balance sheets of the Borrower and its Subsidiaries as of the end of such reporting period, the related statements of operations, stockholders' equity and cash flows for such reporting period and for the period from the beginning of the Fiscal Year through the end of such reporting period, accompanied by a certificate of an Authorized Representative to the effect that such financial statements present fairly the financial position of the Borrower and its Subsidiaries as of the end of such reporting period and the results of their operations and the changes in their financial position for such reporting period, in conformity with GAAP applicable to interim financial information and the rules and regulations of the Securities and Exchange Commission with respect to interim financials, and (ii) a certificate of an Authorized Representative containing computations for such quarter comparable to that required pursuant to Section 6.1(a)(ii) hereof;

(c) Accountants' Letter. Together with each delivery of the financial statements required by Section 6.1(a)(i) hereof, deliver to the Lender a letter from the Borrower's accountants specified in Section 6.1(a)(i) hereof stating that in performing the audit necessary to render an opinion on the financial statements delivered under Section 6.1(a)(i) hereof, they obtained no knowledge of any Default or Event of Default by the Borrower or any Subsidiary in the fulfillment of the terms and provisions of this Agreement or the other Loan Documents to which it is a party insofar as they relate to financial matters (which at the date of such statement remains uncured); and if the accountants have obtained knowledge of such Default or Event of Default, a statement specifying the nature and period of existence thereof;

(d) Special Reports. Promptly upon their becoming available to the Borrower, the Borrower shall deliver to the Lender a copy of (i) all regular or special reports or effective registration statements which Borrower or any Subsidiary shall file with the Securities and Exchange Commission (or any successor thereto) or any securities exchange, and (ii) any proxy statement distributed by the Borrower or any Subsidiary to its shareholders, bondholders or the financial community in general;

(e) Acquisition Information. At least 15 days prior to the closing of any Acquisition with a Cost of Acquisition of \$10,000,000 or more, the Borrower shall deliver to the Lender (i) a copy of the term sheet, letter of intent, financial projections

showing the impact of the Acquisition, on the financial results and condition of the Borrower and its Subsidiaries and general information on the scope of and the findings relating to the Borrower's "due diligence" conducted in connection with such Acquisition, (ii) pro forma historical financial statements as of the end of the most recently completed Fiscal Year giving effect to such Acquisition, together with a certificate of an Authorized Representative demonstrating compliance with Article VII hereof after giving effect to such Acquisition, and (iii) to the extent other relevant information regarding any such Acquisition is prepared and distributed to its Board of Directors, a copy of such other information shall be delivered by the Borrower to the Lender at the time such information is made available to the Borrower's Board of Directors;

(f) Other Information. Promptly, from time to time, deliver or cause to be delivered to the Lender such other information regarding Borrower's or any Subsidiary's operations, business affairs and financial condition as the Lender may reasonably request. The Lender is hereby authorized to deliver a copy of any such financial information delivered hereunder to the Lender (or any affiliate of the Lender), to any regulatory authority having jurisdiction over the Lender pursuant to any written request therefor, or to any other Person who shall acquire or consider the assignment of or participation in any Loan permitted by this Agreement.

6.2. Maintain Properties. Maintain all properties necessary to its operations in good working order and condition and make all needed repairs, replacements and renewals as are reasonably necessary to conduct its business in accordance with customary business practices.

6.3. Existence, Qualification, Etc. Do or cause to be done all things necessary to preserve and keep in full force and effect its existence and all material rights and franchises, trade names, trademarks and permits and maintain its license or qualification to do business as a foreign corporation and good standing in each jurisdiction in which its ownership or lease of property or the nature of its business makes such license or qualification necessary except where the failure to so qualify would not have a Material Adverse Effect.

6.4. Regulations and Taxes. Comply in all material respects with or contest in good faith all statutes and governmental regulations and pay all taxes, assessments, governmental charges, claims for labor, supplies, rent and any other obligation which, if unpaid, would become a Lien against any of its properties except liabilities being contested in good faith by appropriate proceedings diligently conducted and against which adequate reserves have been established.

6.5. Insurance. (a) Keep all of its insurable properties adequately insured at all times with responsible insurance carriers against loss or damage by fire and other hazards to the extent and in the manner as are customarily insured against by similar

businesses owning such properties similarly situated, (b) maintain general public liability insurance at all times with responsible insurance carriers against liability on account of damage to persons and property having such limits, deductibles, exclusions and co-insurance and other provisions providing no less coverages than are maintained by similar businesses that are similarly situated, such insurance policies to be in form reasonably satisfactory to the Lender, and (c) maintain insurance under all applicable workers' compensation laws (or in the alternative, maintain required reserves if self-insured for workers' compensation purposes) and against loss by reason of business interruption. Each of the policies of insurance described in this Section 6.5 shall provide that the insurer shall give the Lender not less than thirty (30)

days' prior written notice before any such policy shall be terminated, lapse or be altered in any manner.

6.6. True Books. Keep true books of record and account in which full, true and correct entries will be made of all of its dealings and transactions, and set up on its books such reserves as may be required by GAAP with respect to doubtful accounts and all taxes, assessments, charges, levies and claims and with respect to its business in general, and include such reserves in interim as well as year-end financial statements.

6.7. Payment of Other Indebtedness. Pay when due (or within applicable grace periods) all Indebtedness (for which the failure to pay would constitute an Event of Default under Section 8.1(e)) due third Persons, except when the amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with reserves in form and amount reasonably acceptable to the Lender therefor being set aside on the books of the Borrower or the applicable Subsidiary.

6.8. Right of Inspection. Permit any Person designated by the Lender to visit and inspect any of the properties, corporate books and financial reports of the Borrower and to discuss its affairs, finances and accounts with its principal officers and independent certified public accountants, all at reasonable times, at reasonable intervals and with reasonable prior notice, provided, that prior to the occurrence and continuance of a Default or Event of Default, the expenses incurred in connection with such visits and inspections shall be paid by the Borrower for only one such visit or inspection each calendar year, and after the occurrence and during continuance of a Default or an Event of Default, such expenses shall be paid by the Borrower for all such visits and inspections.

6.9. Observe all Laws. Conform to and duly observe in all material respects all laws, rules and regulations and all other valid requirements of any regulatory authority with respect to the conduct of its business.

6.10. Governmental Licenses. Obtain and maintain all licenses, permits, certifications and approvals of all applicable Governmental Authorities as are required for the conduct of its business as currently conducted and herein contemplated except

38

where the failure to do so is not reasonably likely to result in a Material Adverse Effect.

6.11. Covenants Extending to Other Persons. Cause each of its Subsidiaries to do with respect to itself, its business and its assets, each of the things required of the Borrower in this Article VI.

6.12. Officer's Knowledge of Default. Within five (5) days of any officer of the Borrower obtaining knowledge of any Default or Event of Default hereunder or under any other obligation of the Borrower or any Subsidiary to the Lender, cause such officer or an Authorized Representative to notify the Lender within such five (5) day period of the nature thereof, the period of existence thereof, and what action the Borrower proposes to take with respect thereto.

6.13. Suits or Other Proceedings. Upon any officer of the Borrower or any Subsidiary obtaining knowledge of any litigation or other proceedings being instituted against the Borrower or any Subsidiary, or any attachment, levy, execution or other process being instituted against any assets of the Borrower or any Subsidiary, making a claim or claims in an aggregate amount greater than \$1,000,000 or not otherwise covered by insurance, promptly deliver to the Lender written notice thereof stating the nature and status of such litigation, dispute, proceeding, levy, execution or other process.

6.14. Notice of Discharge of Hazardous Material or Environmental Complaint. Promptly provide to the Lender true, accurate and complete copies of any and all notices, complaints, orders, directives, claims, or citations received by the Borrower or any Subsidiary relating to any (a) violation or

alleged violation by the Borrower or any Subsidiary of any applicable Environmental Laws; (b) release or threatened release by the Borrower or any Subsidiary, or at any facility or upon any property owned or operated by the Borrower or any Subsidiary, of any Hazardous Material, except where occurring legally; or (c) liability or alleged liability of the Borrower or any Subsidiary for the costs of cleaning up, removing, remediating or responding to a release of Hazardous Materials.

6.15. Environmental Compliance. If the Borrower or any Subsidiary shall receive letter, notice, complaint, order, directive, claim or citation alleging that the Borrower or and Subsidiary has violated any Environmental Law or is liable for the costs of cleaning up, removing, remediating or responding to a release of Hazardous Materials, the Borrower shall, within the time period permitted by the applicable Environmental Law or the Governmental Authority responsible for enforcing such Environmental Law, remove or remedy, or cause the applicable Subsidiary to remove or remedy, such violation or release or satisfy such liability, except where the applicability of the Environmental Law, the fact of such violation or liability or what is required to remove or remedy such violation is being contested by the Borrower or the applicable Subsidiary by appropriate proceedings diligently

39

conducted and all reserves with respect thereto as may be required under Generally Accepted Accounting Principles, if any, have been made.

6.16. Indemnification. The Borrower hereby agrees to defend, indemnify and hold the Lender, its affiliates and its officers, directors, employees and agents, harmless from and against any and all claims, losses, penalties, liabilities, damages and expenses (including, without limitation, assessment and cleanup costs and reasonable attorneys' fees and disbursements) arising directly or indirectly from, out of or by reason of (a) the violation of any Environmental Law by the Borrower or any Subsidiary or with respect to any property owned, operated or leased by the Borrower or any Subsidiary or (b) the handling, storage, treatment, emission or disposal of any Hazardous Material by or on behalf of the Borrower or any Subsidiary on or with respect to property owned or leased or operated by the Borrower or any Subsidiary. The Borrower shall not be liable under this Section 6.16 for any such amounts arising solely as a result of the gross negligence or willful misconduct of any indemnified party. The provisions of this Section 6.16 shall survive repayment of the Obligations, occurrence of the Revolving Credit Termination Date and expiration or termination of this Agreement.

6.17. Further Assurances. At the Borrower's cost and expense, upon request of the Lender, duly execute and deliver or cause to be duly executed and delivered, to the Lender such further instruments, documents, certificates, financing and continuation statements, and do and cause to be done such further acts that may be reasonably necessary or advisable in the reasonable opinion of the Lender to carry out more effectively the provisions and purposes of this Agreement and the other Loan Documents.

6.18. Employee Benefit Plans. With reasonable promptness, and in any event within thirty (30) days thereof, give notice of and/or deliver to Lender copies of (a) the establishment of any new Employee Benefit Plan, (b) the commencement of contributions to any plan to which the Borrower or any of its ERISA Affiliates was not previously contributing, (c) any material increase in the benefits of any existing Employee Benefit Plan, (d) each funding waiver request filed with respect to any Employee Benefit Plan and all communications received or sent by the Borrower or any ERISA Affiliate with respect to such request and (e) the failure of the Borrower or any ERISA Affiliate to make a required installment or payment under Section 202 of ERISA or Section 412 of the Code by the due date.

6.19. Termination Events. Promptly and in any event within fifteen (15) days of becoming aware of the occurrence of or forthcoming occurrence of any (a) Termination Event or (b) "prohibited transaction," as such term is defined in Section 406 of ERISA or Section 4975 of the Code, in connection with any Pension Plan or any trust created thereunder, deliver to the Lender a notice specifying the nature thereof, what action the Borrower has taken, is

taking or proposes to take with respect thereto and,

40

when known, any action taken or threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto.

6.20. ERISA Notices. With reasonable promptness but in any event within fifteen (15) days for purposes of clauses (a), (b) and (c), deliver to the Lender copies of (a) any unfavorable determination letter from the Internal Revenue Service regarding the qualification of an Employee Benefit Plan under Section 401(a) of the Code, (b) all notices received by the Borrower or any ERISA Affiliate of the PBGC's intent to terminate any Pension Plan or to have a trustee appointed to administer any Pension Plan, (c) each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) filed by the Borrower or any ERISA Affiliate with the Internal Revenue Service with respect to each Pension Plan and (d) all notices received by the Borrower or any ERISA Affiliate from a Multiemployer Plan sponsor concerning the imposition or amount of withdrawal liability pursuant to Section 4202 of ERISA. The Borrower will notify the Lender in writing within five (5) Business Days of any Borrower obtaining knowledge or reason to know that the Borrower or any ERISA Affiliate has filed or intends to file a notice of intent to terminate any Pension Plan under a distress termination within the meaning of Section 4041(c) of ERISA.

6.21. Continued Operations. Continue at all times (i) to conduct its business and engage principally in the same line or lines of business substantially as heretofore conducted and (ii) preserve, protect and maintain free from Liens, other than Permitted Liens, its material patents, copyrights, licenses, trademarks, trademark rights, trade names, trade name rights, trade secrets and know-how necessary or useful in the conduct of its operations.

6.22. Use of Proceeds. Use the proceeds of the Loans solely for the purposes specified in Section 2.9 hereof.

6.23. New Subsidiaries. Simultaneously with the acquisition or creation of any Material Subsidiary, cause to be delivered to the Lender each of the following:

(i) a Subsidiary Guaranty substantially in the form attached hereto as Exhibit G;

(ii) an opinion of counsel to the Subsidiary dated as of the date of delivery of the Subsidiary Guaranty provided in the foregoing clause (i) and addressed to the Lender in form and substance reasonably acceptable to the Lender (which opinion may include assumptions and qualifications of similar effect to those contained in the opinions of counsel delivered pursuant to Section 4.1(a)(iii) hereof), to the effect that:

(A) such Subsidiary is duly organized, validly existing and in good standing in the jurisdiction of its organization, has the requisite power and authority to own its properties and conduct its business as then owned and then proposed to be conducted and is duly qualified

41

to transact business and is in good standing as a foreign corporation or partnership in the jurisdictions set forth in such opinion; and

(B) the execution, delivery and performance of the Subsidiary Guaranty described in clause (i) of this Section 6.23 to which such Subsidiary is a signatory have been duly authorized by all requisite corporate or partnership

action (including any required shareholder or partner approval), such agreement has been duly executed and delivered, constitutes the valid and binding obligation of such Subsidiary, enforceable against such Subsidiary in accordance with its terms, subject to the effect of any applicable bankruptcy, moratorium, insolvency, reorganization or other similar law affecting the enforceability of creditors' rights generally and to the effect of general principles of equity which may limit the availability of equitable remedies (whether in a proceeding at law or in equity) and to the actual knowledge of such counsel does not and will not violate any laws, rules or regulations applicable to the Subsidiary or violate or constitute a breach of any contract, agreement, indenture, lease, instrument or other document, judgment, writ, determination, order or decree to which the Subsidiary is a party or by which the Subsidiary or any of its properties are bound and which is set forth on a schedule to such opinion; and

(iv) current copies of the charter documents, including partnership agreements and certificate of limited partnership, if applicable, and bylaws of such Subsidiary, minutes of duly called and conducted meetings (or duly effected consent actions) of the Board of Directors, partners, or appropriate committees thereof (and, if required by such charter documents, bylaws or by applicable laws, of the shareholders or partners) of such Subsidiary authorizing the actions and the execution and delivery of documents described in clause (i) of this Section 6.23 and evidence satisfactory to the Lender (confirmation of the receipt of which will be provided by the Lender) that such Subsidiary is Solvent as of such date and after giving effect to the Subsidiary Guaranty.

ARTICLE VII

Negative Covenants

Until the Obligations have been paid and satisfied in full and this Agreement has been terminated in accordance with the terms hereof, unless the Lender shall otherwise consent in writing, the Borrower will not nor permit any Subsidiary to:

7.1. Consolidated Leverage Ratio. Permit at any time the Consolidated Leverage Ratio to be greater than .60 to 1.00.

42

7.2. Consolidated Fixed Charge Coverage Ratio. Permit at any time the Consolidated Fixed Charge Ratio of the Borrower to be less than 2.00 to 1.00.

7.3. Consolidated Shareholders' Equity. Permit Consolidated Shareholders' Equity to be less than (i) the difference of \$80,000,000 less the effect of Permitted Stock Repurchases made subsequent to April 2, 1995 through the end of the Fiscal Year ended March 31, 1996 and (ii) thereafter at all times, the sum of (A) the amount of Consolidated Shareholders' Equity required to be maintained pursuant to this Section 7.3 as at the end of the immediately preceding Fiscal Year, plus (B) 50% of Net Income (with no reduction for net losses during any period) for the Fiscal Year of the Borrower ending on such day, plus (C) 100% of the aggregate amount of all increases in the stated capital and additional paid-in capital accounts of the Borrower resulting from the issuance of equity securities, conversion of any debt instruments into equity or other capital investments.

7.4. Consolidated Cash Flow Ratio. Permit at the end of each fiscal quarter of the Borrower the ratio of Consolidated Funded Indebtedness to Consolidated Cash Flow for the Four-Quarter Period then ended to be greater 6.00 to 1.00.

7.5. Liens. Incur, create or permit to exist any pledge, Lien, charge or other encumbrance of any nature whatsoever with respect to any property or assets now owned or hereafter acquired by the Borrower or any Subsidiary, other than the following (collectively, "Permitted Liens"):

- (a) Liens existing as of the date hereof and as set forth in Schedule 7.5 attached hereto;
- (b) Liens imposed by law for taxes, assessments or charges of any Governmental Authority for claims not yet due or which are being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP;
- (c) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and other Liens imposed by law or created in the ordinary course of business and in existence less than 90 days from the date of creation thereof for amounts not yet due or which are being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP;
- (d) Liens incurred or deposits made in the ordinary course of business (including, without limitation, surety bonds and appeal bonds) in connection with workers' compensation, unemployment insurance and other types of social security benefits or to secure the performance of tenders, bids, leases, contracts (other than for the repayment of Indebtedness), statutory obligations and other similar

43

obligations or arising as a result of progress payments under government contracts;

- (e) purchase money Liens to secure Indebtedness incurred to purchase fixed assets, provided the Indebtedness represents not less than 75% of the purchase price of such assets as of the date of purchase thereof and no property other than the assets so purchased secures such Indebtedness; and
- (f) Liens granted to the issuer of any documentary letters of credit upon property shipped under or in connection with such documentary letters of credit.

7.6. Transfer of Assets. Sell, lease, transfer or otherwise dispose of all or substantially all of the assets of Borrower or any Material Subsidiary in a single or series of related transactions.

7.7. Investments; Acquisitions. Make any acquisition or otherwise purchase, own, invest in or otherwise acquire, directly or indirectly, any stock or other securities, or make or permit to exist any interest whatsoever in any other Person or permit to exist any loans or advances to any Person, except that Borrower or any Subsidiary may maintain investments or invest in:

- (a) Eligible Securities;
- (b) investments in Subsidiaries existing as of the date hereof and as set forth in Schedule 5.4 attached hereto;
- (c) accounts receivable arising and trade credit granted in the ordinary course of business and any securities received in satisfaction or partial satisfaction thereof in connection with accounts of financially troubled Persons to the extent reasonably necessary in order to prevent or limit loss;
- (d) other loans, advances and investments in an aggregate

principal amount at any time outstanding not to exceed \$250,000; and

(e) loans in the ordinary course of business to employees, affiliates and Subsidiaries who are not Guarantors in an aggregate principal amount outstanding at any time of \$5,000,000; and

(f) loans and advances to and investments in Subsidiaries who are Guarantors.

Notwithstanding the foregoing, the Borrower and its Subsidiaries may make Acquisitions so long as: (i) immediately prior to and immediately after the consummation of such Acquisition, no Default or Event of Default has occurred and is continuing, (ii) substantially all of the sales and operating profits generated by such Person (or assets) so acquired or invested are derived from the same or related line or lines of business as then conducted by the Borrower and its Subsidiaries, (iii) a certificate of an

44

Authorized Representative demonstrating compliance with Article VII hereof after giving effect to such Acquisition, (iv) the Cost of Acquisition with respect to any Acquisition entered into during the term of this Agreement shall not exceed \$25,000,000, (v) the aggregate amount of all Cost of Acquisitions shall not exceed \$40,000,000 during the term of this Agreement, and (v) in the event the Person so acquired is not a Subsidiary, the Borrower's written strategic plan (as reviewed by the Lender) includes additional investment in such Person sufficient for it to become a Subsidiary.

7.8. Merger or Consolidation. (a) Consolidate with or merge into any other Person, or (b) permit any other Person to merge into it, or (c) liquidate, wind-up or dissolve or sell, transfer or lease or otherwise dispose of all or a substantial part of its assets (other than sales in the ordinary course of business); provided, however, any Subsidiary of the Borrower may merge or transfer all or substantially all of its assets into or consolidate with the Borrower or any wholly owned Subsidiary of the Borrower, and any Person may merge with the Borrower if the Borrower shall be the survivor thereof and such merger shall not cause, create or result in the occurrence of any Default or Event of Default hereunder.

7.9. Restricted Payments. Make any Restricted Payments or apply or set apart any of their assets therefor or agree to do any of the foregoing, other than the negotiated or open market repurchase by the Borrower of up to 1,500,000 shares of its common capital stock for an aggregate purchase price not to exceed \$20,000,000 ("Permitted Stock Repurchases"), providing that at the time of each repurchase and immediately after giving effect thereto no Default or Event of Default shall exist or occur and be continuing.

7.10. Transactions with Affiliates. Other than transactions permitted under Sections 7.7 hereof and transactions among the Borrower and wholly owned Subsidiaries or among wholly owned Subsidiaries, enter into any transaction after the Closing Date, including, without limitation, the purchase, sale, lease or exchange of property, real or personal, or the rendering of any service, with any Affiliate of the Borrower, except (a) that such Persons may render services to the Borrower or its Subsidiaries for compensation at the same rates generally paid by Persons engaged in the same or similar businesses for the same or similar services, (b) that the Borrower or any Subsidiary may render services to such Persons for compensation at the same rates generally charged by the Borrower or such Subsidiary and (c) upon terms no less favorable to the Borrower (or any Subsidiary) than would be obtained in a comparable arm's-length transaction with a Person not an Affiliate.

7.11. Compliance with ERISA. With respect to any Pension Plan, Employee Benefit Plan or Multiemployer Plan:

(a) permit the occurrence of any Termination Event which would result in a liability to the Borrower or any ERISA Affiliate in excess of \$500,000;

(b) permit the present value of all benefit liabilities under all Pension Plans to exceed the current value of the assets of such Pension Plans allocable to such benefit liabilities by more than \$500,000;

(c) permit any accumulated funding deficiency in excess of \$500,000 (as defined in Section 202 of ERISA and Section 412 of the Code) with respect to any Pension Plan, whether or not waived;

(d) fail to make any contribution or payment to any Multiemployer Plan which the Borrower or any ERISA Affiliate may be required to make under any agreement relating to such Multiemployer Plan, or any law pertaining thereto which results in or is likely to result in a liability in excess of \$500,000; or

(e) engage, or permit any Borrower or any ERISA Affiliate to engage, in any prohibited transaction under Section 406 of ERISA or Sections 4975 of the Code for which a civil penalty pursuant to Section 502(i) of ERISA or a tax pursuant to Section 4975 of the Code in excess of \$500,000 may be imposed; or

(f) permit the establishment of any Employee Benefit Plan providing post-retirement welfare benefits or establish or amend any Employee Benefit Plan which establishment or amendment could result in liability to the Borrower or any ERISA Affiliate or increase the obligation of the Borrower or any ERISA Affiliate to a Multiemployer Plan which liability or increase, individually or together with all similar liabilities and increases, is in excess of \$500,000; or

(g) fail, or permit the Borrower or any ERISA Affiliate to fail, to establish, maintain and operate each Employee Benefit Plan in compliance in all material respects with the provisions of ERISA, the Code, all applicable Foreign Benefit Loans and all other applicable laws and the regulations and official published interpretations thereof.

7.12. Fiscal Year. Change its Fiscal Year.

7.13. Limitations on Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by the Borrower of real or personal property which has been or is to be sold or transferred by the Borrower to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of the Borrower ("Sale and Leaseback Transactions").

7.14. Dissolution, etc. Wind up, liquidate or dissolve (voluntarily or involuntarily) or commence or suffer any proceedings seeking any such winding up, liquidation or dissolution.

ARTICLE VIII

Events of Default and Acceleration

8.1. Events of Default. If any one or more of the following events ("Events of Default") shall occur for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) if default shall be made in the due and punctual payment of the principal of any Loan or other Obligation, when and as

the same shall be due and payable whether pursuant to any provision of Article II hereof, at maturity, by acceleration or otherwise; or

(b) if default shall be made in the due and punctual payment of any amount of interest on any Loan or of any fees or other amounts payable to the Lender under the Loan Documents on the date on which the same shall be due and payable; or

(c) if default shall be made in the performance or observance of any covenant set forth in Sections 6.8, 6.12, 6.22, 6.23 or Article VII hereof;

(d) if a default shall be made in the performance or observance of, or shall occur under, any covenant, agreement or provision contained in this Agreement, the Notes or the other Loan Documents (other than as described in clauses (a), (b) or (c) above) or any other agreement between the Borrower and the Lender creating or relating to any Indebtedness between the Borrower and the Lender and such default shall continue for 30 or more days after the earlier of receipt of notice of such default by the Authorized Representative from the Lender or an officer of the Borrower becomes aware of such default, or if a default shall be made in the performance or observance of, or shall occur under, any covenant, agreement or provision contained in any of the other Loan Documents (beyond any applicable grace period, if any, contained therein) or in any instrument or document evidencing or creating any obligation, guaranty, or Lien in favor of the Lender or delivered to the Lender in connection with or pursuant to this Agreement or any of the Obligations, or if any Loan Document ceases to be in full force and effect (other than by reason of any action by the Lender), or if without the written consent of the Lender this Agreement or any other Loan Document shall be disaffirmed or shall terminate, be terminable or be terminated or become void or unenforceable for any reason whatsoever (other than in accordance with its terms in the absence of default or by reason of any action by the Lender); or

47

(e) the Borrower or any Subsidiary shall fail to make any payment in respect of Indebtedness outstanding (other than the Notes) when due or within any applicable grace period; or

(f) any event or condition shall occur which results in the acceleration of the maturity of Indebtedness outstanding of the Borrower or any Subsidiary or the mandatory prepayment or purchase of such Indebtedness by the Borrower (or its designee) or such Subsidiary (or its designee) prior to the scheduled maturity thereof, or enables (or, with the giving of notice or lapse of time or both, would enable) the holders of such Indebtedness or any Person acting on such holders' behalf to accelerate the maturity thereof or require the mandatory prepayment or purchase thereof prior to the scheduled maturity thereof, without regard to whether such holders or other Person shall have exercised or waived their right to do so; or

(g) if any material representation, warranty or other statement of fact contained herein or any other Loan Document or in any writing, certificate, report or statement at any time furnished to the Lender by or on behalf of the Borrower or any Guarantor pursuant to or in connection with this Agreement or the other Loan Documents, or otherwise, shall be false or misleading in any material respect when given; or

(h) if the Borrower or any Guarantor shall be unable to pay its debts generally as they become due; file a petition to take advantage of any insolvency statute; make an assignment for the benefit of its creditors; commence a proceeding for the appointment of a receiver, trustee, liquidator or conservator of itself or of the whole or any substantial part of its property; file a petition or answer seeking reorganization or arrangement or similar relief under

the federal bankruptcy laws or any other applicable law or statute; or

(i) if a court of competent jurisdiction shall enter an order, judgment or decree appointing a custodian, receiver, trustee, liquidator or conservator of the Borrower or any Guarantor or of the whole or any substantial part of its properties and such order, judgment or decree continues unstayed and in effect for a period of thirty (30) days, or approve a petition filed against the Borrower or any Guarantor seeking reorganization or arrangement or similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state, which petition is not dismissed within thirty (30) days; or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of the Borrower or any Guarantor or of the whole or any substantial part of its properties, which control is not relinquished within thirty (30) days; or if there is commenced against the Borrower any proceeding or petition seeking reorganization, arrangement or similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state which

48

proceeding or petition remains undismissed for a period of thirty (30) days; or if the Borrower or any Guarantor takes any action to indicate its consent to or approval of any such proceeding or petition; or

(j) if (i) any judgment where the amount not covered by insurance (or the amount as to which the insurer denies liability) is in excess of \$500,000 is rendered against the Borrower or any Guarantor, or (ii) there is any attachment, injunction or execution against any of the properties of the Borrower or any Guarantor for any amount in excess of \$500,000; and such judgment, attachment, injunction or execution remains unpaid, unstayed, undischarged, unbonded or undismissed for a period of thirty (30) days; or

(k) if the Borrower or any Guarantor shall suspend all or any part of its operations material to the conduct of the business of the Borrower for a period of more than 120 days; or

(l) if the Borrower shall breach any of the material terms or conditions of any Swap Agreement with the Lender and such breach shall continue beyond any grace period, if any, relating thereto pursuant to its terms; or

(m) if the Borrower shall cause, suffer or permit (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Bernstein Family or the Crown ESOP to own or control, directly or indirectly, more than thirty percent (30%) of the capital stock of the Borrower having voting rights in the election of directors, or any other equity security or a security convertible into or exchangeable or redeemable for any equity security or (ii) individuals who at the Closing Date constituted the Board of Directors (together with any new directors whose election by the Board of Directors or whose nomination for election by the stockholders of the Borrower was approved by a vote of a majority of the directors of the Borrower then still in office who were either directors at the Closing Date or whose election or nomination for election was previously so approved) to cease for any reason to constitute at least a majority of the Board of Directors then in office;

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) either or both of the following actions may be taken: (i) the Lender may declare any obligation of the Lender to make further Revolving Loans terminated, whereupon the obligation of the Lender to make further Revolving Loans

hereunder shall terminate immediately, and (ii) 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

49

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; provided, however, that notwithstanding the above, if there shall occur an Event of Default under clause (h) or (i) above, then the obligation of the Lender to make Revolving Loans hereunder shall automatically terminate and any and all of the Obligations shall be immediately due and payable without the necessity of any action by the Lender; and

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

8.2. Lender to Act. In case any one or more Events of Default shall occur and not have been waived, the Lender may proceed to protect and enforce its rights or remedies either by suit in equity or by action at law, or both, whether for the specific performance of any covenant, agreement or other provision contained herein or in any other Loan Document, or to enforce the payment of the Obligations or any other legal or equitable right or remedy.

8.3. Cumulative Rights. No right or remedy herein conferred upon the Lender is intended to be exclusive of any other rights or remedies contained herein or in any other Loan Document, and every such right or remedy shall be cumulative and shall be in addition to every other such right or remedy contained herein and therein or now or hereafter existing at law or in equity or by statute, or otherwise.

8.4. No Waiver. No course of dealing between the Borrower and the Lender or any failure or delay on the part of the Lender in exercising any rights or remedies under any Loan Document or otherwise available to it shall operate as a waiver of any rights or remedies and no single or partial exercise of any rights or remedies shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder or of the same right or remedy on a future occasion.

8.5. Allocation of Proceeds. If an Event of Default has occurred and not been waived, and the maturity of the Notes has been accelerated pursuant to Article VIII hereof, all payments received by the Lender hereunder, in respect of any principal of or interest on the Obligations or any other amounts payable by the Borrower hereunder shall be applied by the Lender in the following order:

- (a) amounts due to the Lender pursuant to Sections 2.8 and 9.5 hereof;
- (b) payments of interest on Loans;
- (c) payments of principal of Loans;

50

- (d) amounts due to the Lender pursuant to Sections 6.16 and 9.9 hereof;

(e) payments of all other amounts due under this Agreement;

(f) amounts due to the Lender in respect of Obligations consisting of liabilities under any Swap Agreement with the Lender; and

(g) any surplus remaining after application as provided for herein, to the Borrower or otherwise as may be required by applicable law.

ARTICLE IX

Miscellaneous

9.1. Assignments and Participations. (a) At any time after the Closing Date the Lender may, with the prior written consent of the Borrower provided no Event of Default has occurred and is continuing, assign to one or more banks or financial institutions all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of the Note payable to its order); provided, that (i) each such assignment shall be of a constant and not a varying percentage of all of the assigning Lender's rights and obligations under the Revolving Credit Facility of this Agreement, (ii) for each assignment involving the issuance and transfer of a Note, the assigning Lender shall execute an Assignment and Acceptance and the Borrower hereby consents to execute a replacement Note to give effect to the assignment, (iii) the minimum Revolving Credit Commitment which shall be assigned is \$5,000,000 or, if less, its total Revolving Credit Commitment, (iv) such assignee shall have an office located in the United States, and (v) no consent of the Borrower shall be required in connection with any assignment by the Lender to an affiliate of the Lender. Upon such execution, delivery, approval and acceptance, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder or under such Note have been assigned or negotiated to it pursuant to such Assignment and Acceptance have the rights and obligations of a Lender hereunder and a holder of such Note and (y) the assignor thereunder shall, to the extent that rights and obligations hereunder or under such Note have been assigned or negotiated by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement.

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) the assignment made under such Assignment and Acceptance is made under such Assignment and

Acceptance without recourse; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under any Loan Document or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements delivered pursuant to Section 5.6 or Section 6.1, as the case may be, and such other Loan Documents and other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; and (v) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender and a holder of such Notes.

(c) Nothing herein shall prohibit the Lender from pledging or assigning, without notice or consent, any Note to any Federal Reserve Bank in accordance with applicable law.

(d) The Lender may sell participations at its expense to one or more banks or other financial institutions as to all or a portion of its rights and obligations under this Agreement; provided, that (i) the Lender's obligations under this Agreement shall remain unchanged, (ii) the Lender shall remain solely responsible to the Borrower for the performance of such obligations, (iii) the Lender shall remain the holder of any Note issued to it for the purpose of this Agreement, (iv) such participations shall be in a minimum amount of \$5,000,000 or, if less, its total Revolving Credit Commitment, and (v) the Borrower shall continue to deal solely and directly with the Lender in connection with the Lender's rights and obligations under this Agreement and with regard to any and all payments to be made under this Agreement; provided, that the participation agreement between the Lender and its participants may provide that the Lender will obtain the approval of such participant prior to the Lender's agreeing to any amendment or waiver of any provisions of this Agreement which would (A) extend the maturity of any Note, (B) reduce the interest rates hereunder or (C) increase the Revolving Credit Commitment of the Lender granting the participation, and (vi) the sale of any such participations which require Borrower to file a registration statement with the United States Securities and Exchange Commission or under the securities regulations or laws of any state shall not be permitted.

(e) The Borrower may not assign any rights, powers, duties or obligations under this Agreement or the other Loan Documents without the prior written consent of the Lender.

9.2. Notices. Any notice shall be conclusively deemed to have been received by any party hereto and be effective on the day on which delivered to such party (against receipt therefor) at the

52

address set forth below or such other address as such party shall specify to the other parties in writing (or, in the case of notice by telecopy, telegram or telex (where the receipt of such message is verified by return) expressly provided for hereunder, when received at such telecopy or telex number as may from time to time be specified in written notice to the other parties hereto or otherwise received), or if sent prepaid by certified or registered mail return receipt requested on the fifth Business Day after the day on which mailed, addressed to such party at said address:

(a) if to the Borrower:

Crown Crafts, Inc.
1600 Riveredge Parkway
Suite 200
Atlanta, Georgia 30328
Attn: Treasurer
Telephone: (404) 644-6235
Telefacsimile: (404) 644-6233

(b) if to the Lender:

NationsBank, National Association (Carolinas)
Independence Center, 15th Floor, NC1 001-15-04
Charlotte, North Carolina 28255
Attention: Ms. Laura Thompson
Telephone: (704) 386-4197
Telefacsimile: (704) 386-8694

with a copy to:

NationsBank, National Association (Carolinas)
Corporate Textile & Apparel Group
100 North Tryon Street, NC1 007-08-11
Charlotte, North Carolina 28255

Attention: Mr. J. Lance Walton
Telephone: (704) 386-6744
Telefacsimile: (704) 386-1270

9.3. Survival. All covenants, agreements, representations and warranties made herein shall survive the making by the Lender of the Loans and the execution and delivery to the Lenders of this Agreement and the Notes and shall continue in full force and effect so long as any of the Obligations remain outstanding or the Lender has any commitment hereunder or the Borrower has continuing obligations hereunder unless otherwise provided herein. Whenever in this Agreement, any of the parties hereto is referred to, such reference shall be deemed to include the successors and permitted assigns of such party and all covenants, provisions and agreements by or on behalf of the Borrower which are contained in this Agreement, the Notes and the other Loan Documents shall inure to the benefit of the successors and permitted assigns of the Lender or any of them.

9.4. Expenses. The Borrower agrees prior to and after the occurrence of an Event of Default (a) to pay or reimburse the

53

Lender for all its reasonable out-of-pocket costs and expenses incurred in connection with the preparation, negotiation and execution of, and any amendment, supplement or modification to, this Agreement or any of the other Loan Documents (including travel expenses relating to closing), and the consummation of the transactions contemplated hereby and thereby, including, without limitation, the reasonable fees and disbursements of counsel to the Lender, (b) to pay or reimburse the Lender for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement and the other Loan Documents, including without limitation, the reasonable fees and disbursements of its counsel and (c) to pay, indemnify and hold the Lender harmless from any and all recording and filing fees and any and all liabilities with respect to, or resulting from any failure to pay or delay in paying, documentary, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of this Agreement or any other Loan Documents, or consummation of any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement or any other Loan Documents.

9.5. Amendments. No amendment, modification or waiver of any provision of this Agreement or any of the Loan Documents and no consent by the Lender to any departure therefrom by the Borrower shall be effective unless such amendment, modification or waiver shall be in writing and signed by the Lender and the same shall then be effective only for the period and on the conditions and for the specific instances and purposes specified in such writing.

9.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such fully-executed counterpart.

9.7. Termination. The termination of this Agreement shall not affect any rights of the Borrower or the Lender or any obligation of the Borrower or the Lender arising prior to the effective date of such termination, and the provisions hereof shall continue to be fully operative until all transactions entered into or rights created or obligations incurred prior to such termination have been fully disposed of, concluded or liquidated and the Obligations arising prior to or after such termination have been irrevocably paid in full. The rights granted to the Lender hereunder and under the other Loan Documents shall continue in full force and effect, notwithstanding the termination of this Agreement, until all of the Obligations have been paid in full after the termination hereof (other than Obligations in the nature of continuing indemnities or expense reimbursement obligations not yet due and payable) or the Borrower has furnished the Lender with an indemnification satisfactory to the Lender with respect thereto. All representations, warranties, covenants, waivers and agreements contained herein shall survive termination hereof until payment in full of the Obligations unless otherwise

provided herein. Notwithstanding the foregoing, if after receipt of any payment of all or any part of the Obligations the Lender is for any reason

54

compelled to surrender such payment to any Person because such payment is determined to be void or voidable as a preference, impermissible setoff, a diversion of trust funds or for any other reason, this Agreement shall continue in full force and the Borrower shall be liable to, and shall indemnify and hold the Lender harmless for, the amount of such payment surrendered until the Lender shall have been finally and irrevocably paid in full. The provisions of the foregoing sentence shall be and remain effective notwithstanding any contrary action which may have been taken by the Lender in reliance upon such payment, and any such contrary action so taken shall be without prejudice to the Lender's rights under this Agreement and shall be deemed to have been conditioned upon such payment having become final and irrevocable.

9.8. Indemnification. In consideration of the execution and delivery of this Agreement by the Lender and the extension of the Revolving Credit Commitments, the Borrower hereby indemnifies, exonerates and holds the Lender and its officers, directors, employees and agents (collectively, the "Indemnified Parties") free and harmless from and against any and all actions, causes of action, suits, losses, costs, liabilities and damages, and expenses incurred in connection therewith (irrespective of whether any such Indemnified Party is a party to the action for which indemnification hereunder is sought), including reasonable attorneys' fees and disbursements (collectively, the "Indemnified Liabilities"), incurred by the Indemnified Parties or any of them as a result of, or arising out of, or relating to the execution, delivery, enforcement performance or administration of this Agreement and the other Loan Documents, or any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of any Loan, except for any such Indemnified Liabilities arising for the account of a particular Indemnified Party by reason of the bad faith, gross negligence or willful misconduct of, or breach of the Loan Documents by, such Indemnified Party or an officer, co-officer, director, co-director, employee, co-employee, agent or co-agent of such Indemnified Party, and if and to the extent that the foregoing undertaking may be unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. The indemnification and hold harmless provisions of this Section 9.9 shall survive repayment of the Obligations, occurrence of the Revolving Credit Termination Date and expiration or termination of this Agreement.

9.9. Headings and References. The headings of the Articles and Sections of this Agreement are inserted for convenience of reference only and are not intended to be a part of, or to affect the meaning or interpretation of this Agreement. Words such as "hereof", "hereunder", "herein" and words of similar import shall refer to this Agreement in its entirety and not to any particular Section or provisions hereof, unless so expressly specified. As used herein, the singular shall include the plural, and the masculine shall include the feminine or a neutral gender, and vice versa, whenever the context requires.

55

9.10. Severability. If any provision of this Agreement or the other Loan Documents shall be determined to be illegal or invalid as to one or more of the parties hereto, then such provision shall remain in effect with respect to all parties, if any, as to whom such provision is neither illegal nor invalid, and in any event all other provisions hereof shall remain effective and binding on the parties hereto.

9.11. Entire Agreement. This Agreement, together with the other Loan Documents, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals,

negotiations, representations, commitments and other communications between or among the parties, both oral and written, with respect thereto.

9.12. Agreement Controls. In the event that any term of any of the Loan Documents other than this Agreement conflicts with any term of this Agreement, the terms and provisions of this Agreement shall control.

9.13. Usury Savings Clause. Notwithstanding any other provision herein, the aggregate interest rate charged under any of the Notes, including all charges or fees in connection therewith deemed in the nature of interest under North Carolina or Georgia law, shall not exceed the Highest Lawful Rate (as such term is defined below). If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate (as defined below), the outstanding amount of the Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, the Borrower shall pay to the Lender an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of the Lender and the Borrower to conform strictly to any applicable usury laws. Accordingly, if any lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful rate, then any such excess shall be cancelled automatically and, if previously paid, shall at the Lender's option be applied to the outstanding amount of the Loans made hereunder or be refunded to the Borrower. As used in this paragraph, the term "Highest Lawful Rate" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to such Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow.

56

9.14. GOVERNING LAW; ETC..

(a) THIS AGREEMENT AND EACH OF THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

(b) THE BORROWER HEREBY EXPRESSLY AND IRREVOCABLY AGREES AND CONSENTS THAT ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREIN MAY BE INSTITUTED IN ANY STATE OR FEDERAL COURT SITTING IN THE COUNTY OF FULTON, UNITED STATES OF AMERICA AND, BY THE EXECUTION AND DELIVERY OF THIS AGREEMENT, THE BORROWER EXPRESSLY WAIVES ANY OBJECTION THAT IT MAY HAVE NOW OR HEREAFTER TO THE LAYING OF THE VENUE OR TO THE JURISDICTION OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND IRREVOCABLY SUBMITS GENERALLY AND UNCONDITIONALLY TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(c) THE BORROWER AGREES THAT SERVICE OF PROCESS MAY BE MADE BY PERSONAL SERVICE OF A COPY OF THE SUMMONS AND COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING, OR BY REGISTERED OR CERTIFIED MAIL (POSTAGE PREPAID) TO THE ADDRESS OF THE BORROWER PROVIDED IN Section 9.2 HEREOF, OR BY ANY OTHER METHOD OF SERVICE PROVIDED FOR UNDER THE APPLICABLE LAWS IN EFFECT IN THE STATE OF GEORGIA.

(d) NOTHING CONTAINED IN SUBSECTIONS (B) OR (C) HEREOF SHALL PRECLUDE THE SECURED PARTY FROM BRINGING ANY SUIT, ACTION OR

PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS IN THE COURTS OF ANY PLACE WHERE THE BORROWER OR ANY OF THE BORROWER'S PROPERTY OR ASSETS MAY BE FOUND OR LOCATED. TO THE EXTENT PERMITTED BY THE APPLICABLE LAWS OF ANY SUCH JURISDICTION, THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND EXPRESSLY WAIVES, IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING, THE JURISDICTION OF ANY OTHER COURT OR COURTS WHICH NOW OR HEREAFTER, BY REASON OF ITS PRESENT OR FUTURE DOMICILE, OR OTHERWISE, MAY BE AVAILABLE TO IT.

(e) IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER OR RELATED TO THIS AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THE FOREGOING, THE BORROWER HEREBY AGREES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY AND THE BORROWER HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY HAVE THAT EACH ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be made, executed and delivered by their duly authorized officers as of the day and year first above written.

<TABLE>

<S>

<C>

CROWN CRAFTS, INC.

By: /s/ Robert E. Schnelle

ATTEST:

Name: Robert E. Schnelle

/s/ Roger D. Chittum

Title: Treasurer

Secretary

[CORPORATE SEAL]

NATIONSBANK, NATIONAL ASSOCIATION
(CAROLINAS), as Lender

By: /s/ J. Lance Walton

Name: J. Lance Walton

Title: Senior Vice President

Lending Office:

NationsBank, NAtional Association
(Carolinas)
Independence Center, 15th Floor
NC1 001-15-04
Charlotte, North Carolina 28255

</TABLE>

<TABLE>
<CAPTION>

Lender	Loan Commitment
NationsBank, National Association (Carolinas)	\$15,000,000

59

EXHIBIT B

Form of Assignment and Acceptance

DATED _____, ____

Reference is made to the Revolving Credit Agreement dated as of August 25, 1995 (the "Agreement") between Crown Crafts, Inc., a Georgia corporation (the "Borrower") and NationsBank, National Association (Carolinas), as Lender ("Lender"). Unless otherwise defined herein, terms defined in the Agreement are used herein with the same meanings.

_____ (the "Assignor") and _____
_____ (the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, WITHOUT RECOURSE, a _____% (1) interest in and to all of the Assignor's rights and obligations under the Agreement as of the Effective Date (as defined below), including, without limitation, such percentage interest in the Loans owing to the Assignor on the Effective Date and evidenced by the Revolving Note held by the Assignor.

2. The Assignor (i) represents and warrants that, as of the date hereof, the aggregate principal amount of Revolving Loans owing to it (without giving effect to the assignments thereof which have not yet become effective) is \$ _____ under a Revolving Note dated _____, 19__ in the aggregate principal amount of \$ _____; (ii) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (iii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Agreement or any of the Loan Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Agreement or any of the Loan Documents or any other instrument or document furnished pursuant thereto; (iv) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Agreement or any of the Loan Documents or any other instrument or document furnished pursuant thereto and (v) attaches hereto the Revolving Note referred to in paragraph 1 above and requests that the Lender exchange such Note for Notes as follows: a Revolving Note dated _____, 19__ in the principal amount of \$ _____, payable to the order of the Assignor, and a Revolving Note, dated _____, 19__, in the principal amount of \$ _____ payable to the order of the Assignee.

(1) Specify percentage in no more than 4 decimal points.

3. The Assignee (i) confirms that it has received a copy of the Agreement, together with copies of the most recent financial statements referred to in Section 7.1 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Lender, the Assignor, or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Agreement; (iii) will perform all of the obligations which by the terms of the Agreement are required to be performed by the Lender; and (v) specifies as its address for notices the office set forth beneath its name on the signature pages hereof.

4. The effective date for this Assignment and Acceptance shall be _____ (the "Effective Date").

5. Upon such acceptance and recording, as of the Effective Date, (i) the Assignee shall be a party to the Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and under the Loan Documents and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Agreement.

7. This Assignment and Acceptance shall be governed by and construed in accordance with, the laws of the State of Georgia.

<TABLE>

<S>

<C>

[NAME OF ASSIGNOR]

By:

Name:

Title:

Notice Address:

After the Effective Date

Outstanding Revolving Loans:\$

[NAME OF ASSIGNEE]

By:

Name:

Title:

Notice Address/Lending Office

Wire transfer Instructions:

After the Effective Date

Outstanding Revolving Loans:\$

</TABLE>

Consented to:

CROWN CRAFTS, INC.

By: _____

Name: _____
Title: _____

62

EXHIBIT C

Notice of Appointment (or Revocation) of Authorized Representative

Reference is hereby made to the Revolving Credit Agreement dated as of August 25, 1995 (the "Agreement") among Crown Crafts, Inc., a Georgia corporation (the "Borrower"), and NationsBank, National Association (Carolinas), as Lender ("Lender"). Capitalized terms used but not defined herein shall have the respective meanings therefor set forth in the Agreement.

The Borrower hereby appoints each individual named below as an Authorized Representative under the Loan Documents, and hereby represents and warrants that (i) set forth opposite each such individual's name is a true and correct statement of such individual's office (to which such individual has been duly elected or appointed), a genuine specimen signature of such individual and an address for the giving of notice, and (ii) each such individual has been duly authorized by the Borrower to act as Authorized Representative under the Loan Documents:

<TABLE>
<CAPTION>
Name and Address Office Specimen Signature
<S> <C> <C>

----- ----- -----

</TABLE>

Borrower hereby revokes (effective upon receipt hereof by the Lender) the prior appointment of _____ as an Authorized Representative.

This the ___ day of _____, 19__.

CROWN CRAFTS, INC.

By: _____
Name: _____
Title: _____

63

EXHIBIT D

Form of Borrowing Notice

To: NationsBank, National Association (Carolinas)
Independence Center, 15th Floor, NC1 001-15-04
Charlotte, North Carolina 28255
Attention: Ms. Laura Thompson
Telephone: (704) 386-4197
Telefacsimile: (704) 386-8694

Reference is hereby made to the Revolving Credit Agreement dated as of August 25, 1995 (the "Agreement") among Crown Crafts, Inc., a Georgia corporation (the "Borrower"), and NationsBank, National Association (Carolinas), as Lender ("Lender"). Capitalized terms used but not defined herein shall have the respective meanings therefor set forth in the Agreement.

The Borrower through its Authorized Representative hereby gives notice to the Lender that Loans of the type and amount set forth below be made on the date indicated:

<TABLE>
<CAPTION>

Type of Loan (check one)	Interest Period (1)	Aggregate Amount (2)	Date of Loan (3)
<S> Base Rate Loan	<C>	<C>	<C>
Eurodollar Rate Loan			

</TABLE>

-
- (1) For any Eurodollar Rate Loan, one, two, three or six months.
 - (2) Must be \$2,000,000 or, if greater, an integral multiple of \$1,000,000 if a Eurodollar Rate Loan, and \$250,000 or, if greater, an integral multiple of \$100,000 if a Base Rate Loan.
 - (3) At least three (3) Business Days later if a Eurodollar Rate Loan;

The Borrower hereby requests that the proceeds of Loans described in this Borrowing Notice be made available to the Borrower as follows: [insert transmittal instructions]

The undersigned hereby certifies, solely in his/her corporate and not in his/her individual capacity, that:

- 1. No Default or Event of Default exists either now or after giving effect to the borrowing described herein; and
- 2. All the representations and warranties set forth in Article V of the Agreement and in the Loan Documents (other than those expressly stated to refer to a particular date) are true and correct as of the date hereof except that the reference to the financial statements in Section 5.6(a) of the Agreement are to those financial statements most recently delivered to you pursuant to Section 6.1 of the Agreement (it being understood that any

financial statements delivered pursuant to Section 6.1(b) have not been certified by independent public accountants) and attached hereto are any changes to the Schedules referred to in connection with such representations and warranties.

- 3. After giving effect to Loans requested hereby, the principal amount of outstanding Loans will not exceed the Total Revolving Credit Commitment.

CROWN CRAFTS, INC.

BY: _____
Authorized Representative

DATE: _____

EXHIBIT E

Form of Interest Rate Selection Notice

To: NationsBank, National Association (Carolinas)
 Independence Center, 15th Floor, NC1 001-15-04
 Charlotte, North Carolina 28255
 Attention: Ms. Laura Thompson
 Telephone: (704) 386-4197
 Telefacsimile: (704) 386-8694

Reference is hereby made to the Revolving Credit Agreement dated as of August 25, 1995 (the "Agreement") among Crown Crafts, Inc., a Georgia corporation (the "Borrower"), and NationsBank, National Association (Carolinas), as Lender ("Lender"). Capitalized terms used but not defined herein shall have the respective meanings therefor set forth in the Agreement.

The Borrower through its Authorized Representative hereby gives notice to the Lender of the following selection of a type of Loan and Interest Period:

Type of Loan (check one)	Interest Period (1)	Aggregate Amount (2)	Date of Loan (3)
<S> Base Rate Loan	<C>	<C>	<C>
Eurodollar Rate Loan			

- (1) For any Eurodollar Rate Loan, one, two, three or six months.
 (2) Must be \$2,000,000 or, if greater, an integral multiple of \$1,000,000 if a Eurodollar Rate Loan, and \$250,000 or, if greater, an integral multiple of \$100,000 if a Base Rate Loan.
 (3) At least three (3) Business Days later if a Eurodollar Rate Loan;

CROWN CRAFTS, INC.

BY: _____
 Authorized Representative

EXHIBIT F

Form of Revolving Note

PROMISSORY NOTE

\$15,000,000

Atlanta, Georgia
 August 25, 1995

FOR VALUE RECEIVED, CROWN CRAFTS, INC., a Georgia corporation having its principal place of business located in Atlanta, Georgia (the "Borrower"), hereby promises to pay to the order of NATIONSBANK, NATIONAL ASSOCIATION (CAROLINAS) (the "Lender"), in its individual capacity, at the office of the Lender located at Independence Center, 15th Floor, NC1-007-15-04, Charlotte, North Carolina 28255, (or at such other place or places as the Lender may

designate in writing) at the times set forth in the Revolving Credit Agreement dated as of August 25, 1995 among the Borrower and the Lender (the "Agreement" -- all capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement), in lawful money of the United States of America, in immediately available funds, the principal amount of FIFTEEN MILLION DOLLARS (\$15,000,000) or, if less than such principal amount, the aggregate unpaid principal amount of all Revolving Loans made by the Lender to the Borrower pursuant to the Agreement on the Revolving Credit Termination Date or such earlier date as may be required pursuant to the terms of the Agreement, and to pay interest from the date hereof on the unpaid principal amount hereof, in like money, at said office, on the dates and at the rates provided in Article II of the Agreement. All or any portion of the principal amount of Loans may be prepaid as provided in the Agreement.

If payment of all sums due hereunder is accelerated under the terms of the Agreement or under the terms of the other Loan Documents executed in connection with the Agreement, the then remaining principal amount and accrued but unpaid interest shall bear interest which shall be payable on demand at the rates per annum set forth in the proviso to Section 2.2 of the Agreement. Further, in the event of such acceleration, this Revolving Note shall become immediately due and payable, without presentation, demand, protest or notice of any kind, all of which are hereby waived by the Borrower.

In the event this Revolving Note is not paid when due at any stated or accelerated maturity, the Borrower agrees to pay, in addition to the principal and interest due hereunder, all costs of collection, including reasonable attorneys' fees, and interest thereon at the rates set forth above.

Interest hereunder shall be computed as provided in the Credit Agreement.

67

This Revolving Note is one of the Revolving Notes referred to in the Agreement and is issued pursuant to and entitled to the benefits and security of the Agreement to which reference is hereby made for a more complete statement of the terms and conditions upon which the Revolving Loans evidenced hereby were or are made and are to be repaid. This Revolving Note is subject to certain restrictions on transfer or assignment as provided in the Agreement.

Protest, notice of protest, notice of dishonor, diligence or any other formality are hereby waived by all parties bound hereon.

IN WITNESS WHEREOF, the Borrower has caused this Revolving Note to be made, executed and delivered by its duly authorized representative as of the date and year first above written, all pursuant to authority duly granted.

<TABLE>

<S>

<C>

CROWN CRAFTS, INC.

WITNESS:

By: _____

Name: _____

Title: _____

[CORPORATE SEAL]

</TABLE>

68

EXHIBIT G

Form of Subsidiary Guaranty Agreement

THIS SUBSIDIARY GUARANTY AGREEMENT (the "Guaranty Agreement" or the "Guaranty"), dated as of _____, _____, is made by each of the undersigned (each a "Guarantor" and collectively the "Guarantors") to NATIONSBANK, NATIONAL ASSOCIATION (CAROLINAS), a national banking association, as Lender (the "Lender").

W I T N E S S E T H:

WHEREAS, the Lender has agreed to provide to CROWN CRAFTS, INC., a Georgia corporation (the "Borrower"), a revolving credit facility pursuant to the terms of that certain Revolving Credit Agreement dated as of August 25, 1995 between the Borrower and the Lender (as from time to time amended, modified or supplemented, the "Credit Agreement"); and

WHEREAS, each Guarantor is a Material Subsidiary of the Borrower and is required pursuant to Section 6.23 of the Credit Agreement to guarantee to the Lender payment of the Borrower's Liabilities (as hereinafter defined) in accordance with the terms of this Agreement; and

WHEREAS, each Guarantor will materially benefit from the loans and advances made and to be made, under the Credit Agreement, and each Guarantor is willing to enter into this Guaranty to provide an inducement for the Lender to make loans and advances thereunder.

NOW, THEREFORE, as required under the Credit Agreement and in order to induce the Lender to make and continue loans and advances to the Borrower, thereunder, each Guarantor agrees as follows:

1. DEFINITIONS. All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

2. GUARANTY. Each Guarantor hereby jointly and severally, unconditionally, absolutely, continually and irrevocably guarantees to the Lender the payment and performance in full of the Borrower's Liabilities (as defined below). For all purposes of this Guaranty Agreement, "Borrower's Liabilities" means (a) the Borrower's obligation to promptly pay in full, when due or declared due, all Obligations and all other amounts pursuant to the terms of the Credit Agreement, the Notes, and all other Loan Documents executed in connection with the Credit Agreement heretofore, now or at any time hereafter owing, arising, due or payable from the Borrower to the Lender, including without limitation principal, interest, premium or fee (including, but not limited to, loan fees and attorneys' fees and expenses), and (b) the Borrower's prompt, full and faithful performance, observance and discharge of each and every agreement, undertaking, covenant and provision to be performed, observed or discharged by the Borrower under the Credit Agreement and all other Loan Documents executed in connection

69

therewith. Each Guarantor's obligations to the Lender under this Guaranty Agreement are hereinafter collectively referred to as the "Guarantors' Obligations"; provided, however, that the liability of each Guarantor with respect to the Guarantors' Obligations shall not exceed at any time the Maximum Amount (as hereinafter defined). The "Maximum Amount" means 95% of (i) the fair salable value of the assets of a Guarantor as of the date hereof minus (ii) the total liabilities of such Guarantor (including contingent liabilities, but excluding liabilities of such Guarantor under this Guaranty and any other Loan Documents executed by such Guarantor) as of the date hereof; provided further, however, that if the calculation of the Maximum Amount in the manner provided above as of the date payment is required of such Guarantor pursuant to this Guaranty would result in a greater positive number, then the Maximum Amount shall be deemed to be such greater positive number.

Each Guarantor agrees that it is jointly and severally, directly and primarily liable for the Borrower's Liabilities.

3. PAYMENT. If the Borrower shall default in payment or

performance of any Borrower's Liabilities, whether principal, interest, premium, fee (including, but not limited to, loan fees and attorneys' fees and expenses), or otherwise, when and as the same shall become due, whether according to the terms of the Credit Agreement, by acceleration, or otherwise, or upon the occurrence of any other Event of Default under the Credit Agreement that has not been cured or waived, then each Guarantor, upon demand thereof by the Lender or its successors or assigns, will AS OF THE DATE OF THE LENDER'S DEMAND fully pay to the Lender, subject to any restriction set forth in Section 2 hereof, an amount equal to all Guarantor's Obligations then due and owing.

4. UNCONDITIONAL OBLIGATIONS. This is a guaranty of payment and not of collection. The Guarantors' Obligations under this Guaranty Agreement shall be joint and several, absolute and unconditional irrespective of the validity, legality or enforceability of the Credit Agreement, the Notes or any other Loan Document or any other guaranty of the Borrower's Liabilities, and shall not be affected by any action taken under the Credit Agreement, the Notes or any other Loan Document, any other guaranty of the Borrower's Liabilities, or any other agreement between the Lender and the Borrower or any other person, in the exercise of any right or power therein conferred, or by any failure or omission to enforce any right conferred thereby, or by any waiver of any covenant or condition therein provided, or by any acceleration of the maturity of any of the Borrower's Liabilities, or by the release or other disposal of any security for any of the Borrower's Liabilities, or by the dissolution of the Borrower or the combination or consolidation of the Borrower into or with another entity or any transfer or disposition of any assets of the Borrower, or by any extension or renewal of, or increase of the amounts available or advanced under, the Credit Agreement, any of the Notes or any other Loan Document, in whole or in part, or by any modification, alteration, amendment or addition of or to the Credit Agreement, any of the Notes or any other Loan Document, any other guaranty of the Borrower's Liabilities, or any other

70

agreement between the Lender and the Borrower or any other Person, or by any other circumstance whatsoever (with or without notice to or knowledge of any Guarantor) which may or might in any manner or to any extent vary the obligations of any Guarantor, or might otherwise constitute a legal or equitable discharge of a surety or guarantor; it being the purpose and intent of the parties hereto that this Guaranty Agreement and the Guarantors' Obligations hereunder shall be absolute and unconditional under any and all circumstances and shall not be discharged except by payment as herein provided.

5. CURRENCY AND FUNDS OF PAYMENT. Each Guarantor hereby covenants and agrees that the Guarantors' Obligations will be paid in full as herein provided in lawful currency of the United States of America and in immediately available funds, regardless of any law, regulation or decree now or hereafter in effect that might in any manner affect the Borrower's Liabilities or the Guarantors' Obligations, or the rights of the Lender with respect thereto as against the Borrower or any Guarantor, or cause or permit to be invoked any alteration in the time, amount or manner of payment by the Guarantor of any or all of the Borrower of any or all of the Borrower's Liabilities or the Guarantors' Obligations.

6. EVENTS OF DEFAULT. In the event that (a) any Guarantor shall file a petition to take advantage of any insolvency statute; (b) any Guarantor shall commence or suffer to exist a proceeding for the appointment of a receiver, trustee, liquidator or conservator of itself or of the whole or substantially all of its property; (c) any Guarantor shall file a petition or answer seeking reorganization or arrangement or similar relief under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state or similar law of any other country; (d) a court of competent jurisdiction shall enter an order, judgment or decree appointing a custodian, receiver, trustee, liquidator or conservator of any Guarantor or of the whole or substantially all of its properties, or approve a petition filed against any Guarantor seeking reorganization or arrangement or similar relief under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state or similar law of any other country, or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of any

Guarantor or of the whole or substantially all of its properties and such order, judgment, decree, approval or assumption remains unstayed or undismissed for a period of thirty (30) days; (e) there is commenced against any Guarantor any proceeding or petition seeking reorganization, arrangement or similar relief under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state, which proceeding or petition remains unstayed or undismissed for a period of thirty (30) days; (f) there shall occur an Event of Default under the Credit Agreement; (g) any default shall occur in the payment of amounts due hereunder; or (h) any other default shall occur hereunder which remains uncured or unwaived for a period of thirty (30) days (each of the foregoing being an "Event of Default" hereunder); then notwithstanding any collateral that the Lender may

71

possess from Borrower or any Guarantor or any other guarantor of the Borrower's Liabilities, or any other party, at the Lender's election and without notice thereof or demand therefor, the Guarantors' Obligations shall immediately become due and payable.

7. SUITS. Each Guarantor from time to time shall pay to the Lender, on demand, at the Lender's place of business set forth in the Credit Agreement, the Guarantors' Obligations as they become or are declared due, and in the event such payment is not made when due, the Lender may proceed to suit against any one or more or all of the Guarantors. At the lender's election, one or more and successive or concurrent suits may be brought hereon by the Lender against any one or more or all of the Guarantors, whether or not suit has been commenced against the Borrower, any other guarantor of the Borrower's Liabilities, or any other Person and whether or not the Lender has taken or failed to take any other action to collect all or any portion of the Borrower's Liabilities.

8. SET-OFF AND WAIVER. Each Guarantor waives any right to assert against the Lender as a defense, counterclaim, set-off or cross claim, any defense (legal or equitable) or other claim which such Guarantor may now or at any time hereafter have against the Borrower, the Lender, without waiving any additional defenses, set-offs, counterclaims or other claims otherwise available to such Guarantor. If at any time hereafter the Lender employs counsel for advice or other representation to enforce the Guarantors' Obligations that arise out of an Event of Default, then, in any of the foregoing events, all of the attorneys' fees arising from such services and all expenses, costs and charges in any way or respect arising in connection therewith or relating thereto shall be paid by the Guarantors to the Lender on demand and shall constitute part of the Guarantors' Obligations hereunder.

72

9. WAIVER; SUBROGATION.

(a) Each Guarantor hereby waives notice of the following events or occurrences: (i) the Lender's acceptance of this Guaranty Agreement; (ii) the Lender's heretofore, now or from time to time hereafter loaning monies or giving or extending credit to or for the benefit of the Borrower, whether pursuant to the Credit Agreement or the Notes or any amendments, modifications, or supplements thereto, or replacements or extensions thereof; (iii) the Lender or the Borrower heretofore, now or at any time hereafter, obtaining, amending, substituting for, releasing, waiving or modifying the Credit Agreement, the Notes or any other Loan Documents; (iv) presentment, demand, notices of default, non-payment, partial payment and protest; (v) the Lender heretofore, now or at any time hereafter granting to the Borrower (or any other party liable to the Lender on account of the Borrower's Liabilities) any indulgence or extensions of time of payment of the Borrower's Liabilities; and (vi) the Lender heretofore, now or at any time hereafter accepting from the Borrower or any other person, any partial payment or payments on account of the Borrower's Liabilities or any collateral securing the payment thereof or the Agent

settling, subordinating, compromising, discharging or releasing the same. Each Guarantor agrees that the Lender may heretofore, now or at any time hereafter do any or all of the foregoing in such manner, upon such terms and at such times as the Lender, in its sole and absolute discretion, deems advisable, without in any way or respect impairing, affecting, reducing or releasing such Guarantor from the Guarantors' Obligations, and each Guarantor hereby consents to each and all of the foregoing events or occurrences.

(b) Each Guarantor hereby agrees that payment or performance by such Guarantor of the Guarantors' Obligations under this Guaranty Agreement may be enforced by the Lender upon demand by the Lender to such Guarantor without the Lender being required, each Guarantor expressly waiving any right it may have to require the Lender, to (i) prosecute collection or seek to enforce or resort to any remedies against the Borrower or any other Guarantor or any other guarantor of the Borrower's Liabilities, IT BEING EXPRESSLY UNDERSTOOD, ACKNOWLEDGED AND AGREED TO BY EACH GUARANTOR THAT DEMAND UNDER THIS GUARANTY AGREEMENT MAY BE MADE BY THE LENDER, AND THE PROVISIONS HEREOF ENFORCED BY THE LENDER, EFFECTIVE AS OF THE FIRST DATE ANY EVENT OF DEFAULT OCCURS AND IS CONTINUING UNDER THE CREDIT AGREEMENT, or (ii) seek to enforce or resort to any remedies with respect to any security interests, Liens or encumbrances granted to the Lender by the Borrower or any other Person on account of the Borrower's Liabilities or any guaranty thereof. The Lender shall not have any obligation to protect, secure or insure any of the foregoing security interests, Liens or encumbrances on the properties or interests in properties subject thereto. The Guarantors' Obligations shall in no way be impaired, affected, reduced, or released by reason of the Lender's failure or delay to do or take any of the acts, actions or things described in this Guaranty Agreement including, without limiting the generality of the foregoing, those acts, actions and things described in this Section 9.

73

(c) Each Guarantor further agrees that to the extent the ruling in *Levit v. Ingersoll Rand Financial Corp.* (In re V.N. Deprizio Construction Co.), 874 F.2d 1186 (7th Cir. 1989), is found applicable by a court of competent jurisdiction to the transactions contemplated by the Loan Documents or any payments thereunder, no Guarantor shall have any right of subrogation, reimbursement or indemnity, nor any right of recourse to security for the Borrower's Liabilities. This waiver is expressly intended to prevent the existence of any claim in respect to such reimbursement by the Guarantor against the estate of Borrower within the meaning of Section 101 of the Bankruptcy Code, and to prevent the Guarantor from constituting a creditor of Borrower in respect of such reimbursement within the meaning of Section 547(b) of the Bankruptcy Code in the event of a subsequent case involving the Borrower.

10. EFFECTIVENESS; ENFORCEABILITY. This Guaranty Agreement shall be effective as of the date of the initial Advance under the Credit Agreement and shall continue in full force and effect until the Borrower's Obligations are fully paid and the Credit Agreement has terminated. The Lender shall give each Guarantor written notice of such termination at each Guarantor's address set forth in the Credit Agreement. This Guaranty Agreement shall be binding upon and inure to the benefit of each Guarantor, the Lender and their respective successors and assigns. Notwithstanding the foregoing, no Guarantor may, without the prior written consent of the Lender, assign any rights, powers, duties or obligations hereunder. Any claim or claims that the Lender may at any time hereafter have against any Guarantor under this Guaranty Agreement may be asserted by the Lender by written notice directed to any one or more or all of the Guarantors at the address specified in the Credit Agreement.

11. REPRESENTATIONS AND WARRANTIES. Each Guarantor represents and warrants to the Lender that it is duly authorized to execute, deliver and perform this Guaranty Agreement, that this Guaranty Agreement is legal, valid, binding and enforceable against such Guarantor in accordance with its terms except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles; and that such

Guarantor's execution, delivery and performance of this Guaranty Agreement do not violate or constitute a breach of its certificate of incorporation or other documents of corporate governance or any agreement to which such Guarantor is a party, or any applicable laws.

12. EXPENSES. Each Guarantor agrees to be liable for the payment of all reasonable fees and expenses, including attorney's fees, incurred by the Lender in connection with the enforcement of this Guaranty Agreement.

13. REINSTATEMENT. Each Guarantor agrees that this Guaranty Agreement shall continue to be effective or be reinstated, as the case may be, at any time payment received by the Lender under the

74

Credit Agreement or this Guaranty Agreement is rescinded or must be restored for any reason.

14. COUNTERPARTS. This Guaranty Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall constitute one and the same instrument.

15. RELIANCE. Each Guarantor represents and warrants to the Lender that (a) such Guarantor has adequate means to obtain from Borrower, on a continuing basis, information concerning Borrower and Borrower's financial condition and affairs and has full and complete access to Borrower's books and records, (b) such Guarantor is not, nor in the future will it be, relying on the Lender, or its employees, agents or other representatives, to provide such information, (c) such Guarantor is executing this Guaranty Agreement freely and deliberately, and understands the obligations and financial risk undertaken by providing this Guaranty, (d) such Guarantor has relied solely on the Guarantor's own independent investigation, appraisal and analysis of Borrower and Borrower's financial condition and affairs in deciding to provide this Guaranty and is fully aware of the same, and (e) such Guarantor has not depended or relied on the Lender, its employees, agents or representatives, for any information whatsoever concerning Borrower or Borrower's financial condition and affairs or other matters material to such Guarantor's decision to provide this Guaranty or for any counselling, guidance, or special consideration or any promise therefor with respect to such decision. Each Guarantor agrees that the Lender has no duty or responsibility whatsoever, now or in the future, to provide to any Guarantor any information concerning Borrower or Borrower's financial condition and affairs, and that, if such Guarantor receives any such information from the Lender or its employees, agents or other representatives, such Guarantor will independently verify the information and will not rely on the Lender or its employees, agents or other representatives, with respect to such information.

16. TERMINATION. This Guaranty Agreement and all obligations of the Guarantors hereunder shall terminate without delivery of any instrument or performance of any act by any party on the date when all of the Obligations have been fully paid and the Credit Agreement has terminated.

17. GOVERNING LAW; WAIVERS OF TRIAL BY JURY, ETC.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

(b) EACH PARTY HEREBY EXPRESSLY AND IRREVOCABLY AGREES AND CONSENTS THAT ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREIN MAY BE INSTITUTED IN ANY STATE OR FEDERAL COURT SITTING IN THE STATE OF GEORGIA, UNITED STATES OF AMERICA AND, BY THE EXECUTION AND DELIVERY OF THIS AGREEMENT,

EXPRESSLY WAIVES ANY OBJECTION THAT IT MAY HAVE NOW OR HEREAFTER TO THE LAYING OF THE VENUE OR TO THE JURISDICTION OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND IRREVOCABLY SUBMITS GENERALLY AND UNCONDITIONALLY TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(c) EACH PARTY AGREES THAT SERVICE OF PROCESS MAY BE MADE BY PERSONAL SERVICE OF A COPY OF THE SUMMONS AND COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING, OR BY REGISTERED OR CERTIFIED MAIL (POSTAGE PREPAID) TO THE ADDRESS OF SUCH PARTY PROVIDED IN SECTION 10.2 OF THE CREDIT AGREEMENT OR BY ANY OTHER METHOD OF SERVICE PROVIDED FOR UNDER THE APPLICABLE LAWS IN EFFECT IN THE STATE OF GEORGIA.

(d) NOTHING CONTAINED IN SUBSECTIONS (B) OR (C) HEREOF SHALL PRECLUDE ANY PARTY FROM BRINGING ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS IN THE COURTS OF ANY PLACE WHERE ANY OTHER PARTY OR ANY OF SUCH PARTY'S PROPERTY OR ASSETS MAY BE FOUND OR LOCATED. TO THE EXTENT PERMITTED BY THE APPLICABLE LAWS OF ANY SUCH JURISDICTION, EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND EXPRESSLY WAIVES, IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING, THE JURISDICTION OF ANY OTHER COURT OR COURTS WHICH NOW OR HEREAFTER, BY REASON OF ITS PRESENT OR FUTURE DOMICILE, OR OTHERWISE, MAY BE AVAILABLE TO IT.

(e) IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER OR RELATED TO THIS AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THE FOREGOING, EACH PARTY HEREBY AGREES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY AND EACH PARTY HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY HAVE THAT EACH ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the day and year first written above.

GUARANTORS:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

LENDER:

NATIONSBANK, NATIONAL ASSOCIATION (CAROLINAS)

By: _____
Name: _____
Title: _____

77

EXHIBIT H

Form of Opinion of Borrower's Counsel

[Date]

NationsBank, National Association (Carolinas)
Corporate Textile & Apparel Group
100 North Tryon Street, NC1-007-08-11
Charlotte, North Carolina 28255

Re: \$15,000,000 Revolving Credit Agreement between NationsBank, National Association (Carolinas), as Lender, and Crown Crafts, Inc., as Borrower

Ladies and Gentlemen:

I have acted as internal counsel to Crown Crafts, Inc., a Georgia corporation (the "Company"), in connection with the Revolving Loan in the amount of \$15,000,000 (the "Loan") being made available to the Company by you on this date pursuant to the Revolving Credit Agreement of even date herewith among you and the Company (the "Credit Agreement").

This opinion is being delivered in accordance with the condition set forth in section 4.1(a)(ii) of the Credit Agreement. All capitalized terms not otherwise defined herein shall have the meanings provided therefor in the Credit Agreement.

As such counsel, I have reviewed the Credit Agreement and the revolving Note. The foregoing documents are collectively referred to hereinafter as the "Loan Documents."

For purposes of the opinions expressed below, I have assumed that all natural persons executing the Loan Documents have legal capacity to do so, all signatures (other than those of the Company) on all documents submitted to us are genuine, all documents submitted to us as originals are authentic, and all documents submitted to us as certified copies or photocopies conform to the original documents, which themselves are authentic.

In addition, for purposes of giving this opinion, I have examined corporate records of the Company, certificates of public officials, certificates of appropriate officials of the Company and such other documents or made such inquiries as I have deemed appropriate. However, as used herein, the phrase "to the best of my knowledge" means my actual knowledge, without further investigation.

Based upon and subject to the foregoing, it is my opinion that:

NationsBank, National Association (Carolinas)

[Date]

Page 2

1. The Company is a corporation duly organized, validly existing and in good standing under the laws of its state of Georgia and is duly qualified to transact business as a foreign corporation and is in good standing in all other jurisdictions in which the nature of its business requires such qualification and the failure to be so qualified would reasonably be likely to

result in a Material Adverse Effect. The Company has full corporate power and authority to own its assets and conduct the businesses in which it is now engaged and has full corporate power and authority to enter into each of the Loan Documents to which it is a party and to perform its obligations thereunder.

2. Each of the Loan Documents to which the Company is a party has been duly authorized by the Board of Directors of the Company, duly executed and delivered by the Company, and constitutes the legal, valid and binding obligation, agreement, instrument or conveyance, as the case may be, of the Company, enforceable against the Company in accordance with its respective terms, except (i) as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization and other similar laws relating to or affecting creditors' rights generally and (ii) as the enforceability of the remedial provisions thereof may be limited by general equitable principles: provided, however, the application of such equitable principles or limitations of law does not materially interfere with the practical realization of the benefits and security, if any, intended to be conferred under the Loan Documents.

3. Neither the execution or delivery of, nor performance by the Company of its obligations under, the Loan Documents (a) does or will conflict with, violate or constitute a breach of (i) the charter or bylaws of the Company, (ii) any laws, rules or regulations applicable to the Company ("Applicable Law"), or (iii) any contract, agreement, indenture, lease, instrument, other document, judgment, writ, determination, order or decree to which the Company is a party or by which the Company or any of its properties is bound, (b) requires the prior consent of, notice to or filing with any court or governmental authority, or (c) to the best of my knowledge, does or will result in the creation or imposition of any lien, pledge, charge or encumbrance of any nature upon or with respect to any of the properties of the Company, where such breach would reasonably be likely to result in a Material Adverse Effect.

4. There is no pending or, to the best of my knowledge, threatened, action, suit, investigation or proceeding, nor is there any basis therefor, before or by any court, or governmental department, commission board, bureau, instrumentality, agency or arbitral authority, (i) which calls into question the validity or enforceability of any of the Loan Documents, or the titles to their

NationsBank, National Association (Carolinas)

[Date]

Page 3

respective officers or authority of any officers of the Company or (ii) an adverse result in which would reasonably be likely to have a Material Adverse Effect, including, without limitation, any action, suit, investigation, or proceeding under the environmental or labor law.

I am not expressing any opinion as to any matter relating to any jurisdiction other than the laws of the State of Georgia and the laws of the United States of America and I assume no responsibility as to the applicability of the laws of any other jurisdiction as to the subject transaction or the effect of such laws thereon.

The opinions contained herein are rendered only as of the date hereof and I undertake no obligation to update such opinions after the date hereof.

The opinions contained herein are rendered solely for your information in connection with the transactions contemplated under the Loan Documents and may not be relied upon in any manner by any other person, entity or agency, or by you for any other purpose. The opinions herein shall not be quoted or otherwise included, summarized or referred to in any publication or document, in whole or in part, for any purposes whatsoever, or furnished to any person, entity or agency, except as may be required by you by applicable law or regulation or request of regulatory agencies to which you are subject.

Very truly yours,

EXHIBIT I

Form of Compliance Certificate

To: NationsBank, National Association (Carolinas)
 Independence Center, 15th Floor, NC1 001-15-04
 Charlotte, North Carolina 28255
 Attention: Ms. Laura Thompson
 Telephone: (704) 386-4197
 Telefacsimile: (704) 386-8694

Reference is hereby made to the Revolving Credit Agreement dated as of August 25, 1995 (the "Agreement") among Crown Crafts, Inc., a Georgia corporation (the "Borrower"), and NationsBank, National Association (Carolinas), as Lender ("Lender"). Capitalized terms used but not otherwise defined herein shall have the respective meanings therefor set forth in the Agreement. The undersigned, a duly authorized and acting Authorized Representative, hereby certifies to you as of _____ (the "Determination Date") as follows:

1. Applicable Interest Addition/Applicable Unused Fee.

A. Based on the calculation set forth below, the Applicable Interest Addition as of the latest Determination Date is ____%.

B. Based on the calculation set forth below, the Applicable Unused Fee as of the latest Determination Date is ____%.

2. Covenant Calculations:

A. Compliance with Section 7.1: Consolidated Leverage Ratio
 <TABLE>

<S>	<C>	<C>	<C>	<C>
1. Consolidated Funded Indebtedness				
a. Indebtedness for Borrowed Money			\$ _____	
b. Capital Leases			\$ _____	
c. Guaranties			\$ _____	
d. a. + b. + c.			\$ _____	
2. Consolidated Tangible Net Worth			\$ _____	
3. A.1. + A.2.			\$ _____	
4. Ratio of A.1. to A.3.			_____	

</TABLE>
 REQUIRED: Line A.4. must not be greater than .60 to 1.00.

B. Compliance with Section 7.2: Consolidated Fixed Charge Coverage Ratio

1. Consolidated EBIT

79

<TABLE> <S>	<C>	<C>	<C>	<C>
a. Consolidated Net Income			\$ _____	
b. Consolidated Interest Expense			\$ _____	
c. taxes			\$ _____	
d. Consolidated Lease Expense			\$ _____	
e. a. + b. + c. + d.			\$ _____	

2. Consolidated Fixed Charges

- a. Consolidated Interest Expense \$ _____
- b. Consolidated Lease Expense \$ _____
- d. a. + b. \$ _____

6. Ratio of B.1. to B.2. _____

REQUIRED: Line B.6. must not be less than 2.00 to 1.00.

C. Compliance with Section 10.3: Consolidated Shareholders' Equity

1. Consolidated Shareholders' Equity \$ _____

REQUIRED: Line C.1. must not be less than (1) \$80,000,000, less Permitted Stock Repurchases, at the Closing Date and (2) thereafter, line d. below

- a. Consolidated Net Worth for immediately preceding Fiscal Year \$ _____
- b. Consolidated Net Income for then ending fiscal quarter (no deduction for net loss) \$ _____
- c. Multiply Line b. by 50% \$ _____
- d. Increases in stated capital and additional paid-in capital accounts from equity issuances, etc. \$ _____
- e. a. + c. + d. \$ _____

D. Compliance with Section 7.4: Cash Flow Ratio:

- 1. Consolidated Funded Indebtedness \$ _____
- 2. Consolidated Cash Flow
 - a. Consolidated Net Income \$ _____

</TABLE>

80

- b. amortization \$ _____
- c. depreciation \$ _____
- d. non-cash charges and expenses \$ _____
- e. cash distributions on capital stock \$ _____
- f. other non-cash gains \$ _____
- g. a. + b. + c. + d. - e. - f. \$ _____

3. Ratio of D.1. to D.2. _____

REQUIRED: Line D.3. must not be greater than 6.00 to 1.00.

3. No Default

A. Since _____ (the date of the last similar certification), (a) the Borrower has not defaulted in the keeping, observance, performance or fulfillment of its obligations pursuant to any of the Loan Documents; and (b) no Default or Event of Default specified in Article VIII of the

Agreement has occurred and is continuing.

B. If a Default or Event of Default has occurred since _____ (the date of the last similar certification), the Borrowers propose to take the following action with respect to such Default or Event of Default:

_____.

(Note, if no Default or Event of Default has occurred, insert "Not Applicable").

The Determination Date is the date of the last required financial statements submitted to the Lender in accordance with Section 6.1 of the Agreement.

IN WITNESS WHEREOF, I have executed this Certificate this ____ day of _____, 19__.

By: _____
Authorized Representative
Name: _____
Title: _____

SCHEDULE 5.4

SUBSIDIARIES AND OWNERSHIP INTERESTS

<TABLE>
<CAPTION>

	PERCENT OF OWNERSHIP ----- <C>
<S> Benn Corp, a North Carolina corporation	100%
Crown Crafts Home Furnishings, Inc., a New York corporation	100%
Crown Crafts Home Furnishings of Illinois, Inc., a Delaware corporation	100%
Crown Crafts Home Furnishings of California, Inc., a California corporation	100%
Crown Crafts International, Inc., a Georgia corporation	100%
G.W. Stores, Inc., a North Carolina corporation	100%
Textile, Inc., a North Carolina corporation	100%
Hans Benjamin Furniture, Inc., a South Carolina corporation	51%

</TABLE>

Schedule 5.6

Liabilities

None

SCHEDULE 5.16

ERISA MATTERS

<TABLE>

<S> <C>

Employee Benefit Plan

Crown Crafts, Inc. Employee Stock Ownership Plan
Crown Crafts, Inc. Health Benefit Plan
Crown Crafts, Inc. Group Term Life Insurance Plan
Crown Crafts, Inc. Executive Life Insurance Plan
Crown Crafts, Inc. Dental Insurance Plan
Blue Cross/Blue Shield Health Benefit Plan maintained for employees of Goodwin Weavers Division
Textile, Inc.:
Principal Mutual Life Insurance Co. - Health Benefit Plan
Principal Mutual Life Insurance Co. - Group Term Life Insurance Plan

Employee Benefit Plan Terminations

The Blowing Rock Crafts, Inc. Profit Sharing Plan (the Plan) was terminated on September 30, 1992 and 100% of the Plan assets were distributed to the Plan participants in October 1992. The Plan participants still employed by Blowing Rock Crafts, Inc. On March 28, 1993 were enrolled in The Crown Crafts, Inc. Employee Stock Ownership Plan on March 28, 1993. Blowing Rock Crafts, Inc. Received a favorable determination letter from the Internal Revenue Service on the termination of this plan.

</TABLE>

SCHEDULE 7.5
LIENS

<TABLE>

<CAPTION>

TEXTILE, INC. CREDITOR	SECURITY	LOAN BALANCE AT 7/31/95
<S> F.E.W. Partners	<C> Real Property	<C> \$273,623.95
Somet of America	Five (5) Somet rapier weaving machines	\$156,644.61
Somet of America	Six (6) Somet rapier weaving machines	\$198,520.06
Staubli	Five (5) jacquard heads	\$168,795.78
Staubli	Six (6) jacquard heads	\$286,057.95
Yadkin Valley Bank & Trust	Machinery - second lien	\$184,443.67

</TABLE>

REVOLVING CREDIT AGREEMENT

by and between

CROWN CRAFTS, INC.
as Borrower,

WACHOVIA BANK OF GEORGIA, N.A.
as Lender

August 25, 1995

TABLE OF CONTENTS

<TABLE>
<CAPTION>

<S>	<C>	Page	<C>
ARTICLE I			
Definitions and Terms			
1.1.	Definitions	1	
1.2.	Accounting Terms	18	
1.3.	UCC Terms	18	
ARTICLE II			
The Revolving Credit Facility			
2.1.	Revolving Loans	18	
2.2.	Payment of Interest	19	
2.3.	Payment of Principal	20	
2.4.	Non-Conforming Payments	20	
2.5.	Revolving Notes	21	
2.6.	Reductions	21	
2.7.	Conversions and Elections of Subsequent Interest Periods	21	
2.8.	Unused Fee	22	
2.9.	Use of Proceeds	22	
2.10.	Extension of Revolving Credit Termination Date	22	
ARTICLE III			
Yield Protection and Illegality			
3.1.	Additional Costs	23	
3.2.	Suspension of Loans	24	

3.3.	Illegality	25
3.4.	Compensation	25
3.5.	Alternate Loan and Lender	26
3.6.	Taxes	26

ARTICLE IV

Conditions to Making Loans

4.1.	Conditions of Initial Advance	27
4.2.	Conditions of All Revolving Loans	29

ARTICLE V

Representations and Warranties

5.1.	Organization and Authority	30
5.2.	Loan Documents	30
5.3.	Solvency	31

</TABLE>

<TABLE>

<CAPTION>

	Page	

<S>	<C>	
5.4.	Subsidiaries and Stockholders	31
5.5.	Ownership Interests	31
5.6.	Financial Condition	31
5.7.	Title to Properties	32
5.8.	Taxes	32
5.9.	Other Agreements	32
5.10.	Litigation	32
5.11.	Margin Stock	32
5.12.	Investment Company; Public Utility Holding Company	33
5.13.	Patents, Etc.	33
5.14.	No Untrue Statement	33
5.15.	No Consents, Etc.	33
5.16.	Employee Benefit Plans	34
5.17.	No Default	35
5.18.	Hazardous Materials	35
5.19.	Employment Matters	35

ARTICLE VI

Affirmative Covenants

6.1.	Financial Reports, Etc.	35
6.2.	Maintain Properties	37
6.3.	Existence, Qualification, Etc.	37
6.4.	Regulations and Taxes	37
6.5.	Insurance	37
6.6.	True Books	38
6.7.	Payment of Other Indebtedness	38
6.8.	Right of Inspection	38
6.9.	Observe all Laws	38
6.10.	Governmental Licenses	38
6.11.	Covenants Extending to Other Persons	39
6.12.	Officer's Knowledge of Default	39
6.13.	Suits or Other Proceedings	39
6.14.	Notice of Discharge of Hazardous Material or Environmental Complaint	39
6.15.	Environmental Compliance	39
6.16.	Indemnification	40
6.17.	Further Assurances	40
6.18.	Employee Benefit Plans	40
6.19.	Termination Events	40
6.20.	ERISA Notices	41
6.21.	Continued Operations	41
6.22.	Use of Proceeds	41

6.23.	New Subsidiaries.	41
-------	---------------------------	----

<TABLE>
<CAPTION>

	Page
<S>	<C>
ARTICLE VII	
Negative Covenants	
7.1.	Consolidated Leverage Ratio 42
7.2.	Consolidated Fixed Charge Coverage Ratio. 43
7.3.	Consolidated Shareholders' Equity 43
7.4.	Consolidated Cash Flow Ratio. 43
7.5.	Liens 43
7.6.	Transfer of Assets. 44
7.7.	Investments; Acquisitions 44
7.8.	Merger or Consolidation 45
7.9.	Restricted Payments 45
7.10.	Transactions with Affiliates. 45
7.11.	Compliance with ERISA 45
7.12.	Fiscal Year 46
7.13.	Limitations on Sales and Leasebacks 46
7.14.	Dissolution, etc. 46

ARTICLE VIII

Events of Default and Acceleration

8.1.	Events of Default 47
8.2.	Lender to Act 50
8.3.	Cumulative Rights 50
8.4.	No Waiver 50
8.5.	Allocation of Proceeds. 50

ARTICLE IX

Miscellaneous

9.1.	Assignments and Participations. 51
9.2.	Notices 52
9.3.	Survival. 53
9.4.	Expenses. 53
9.5.	Amendments. 54
9.6.	Counterparts. 54
9.7.	Termination 54
9.8.	Indemnification 55
9.9.	Headings and References 55
9.10.	Severability. 55
9.11.	Entire Agreement. 55
9.12.	Agreement Controls. 56
9.13.	Usury Savings Clause. 56
9.14.	Governing Law; etc. 56

</TABLE>

<TABLE>
<CAPTION>

<S>	<C>	<C>	
EXHIBIT A	Commitment	59	
EXHIBIT B	Form of Assignment and Acceptance	60	
EXHIBIT C	Notice of Appointment (or Revocation) of Authorized Representative	63	
EXHIBIT D	Form of Borrowing Notice	64	
EXHIBIT E	Form of Interest Rate Selection Notice	66	
EXHIBIT F	Form of Revolving Note	67	
EXHIBIT G	Form of Subsidiary Guaranty	69	
EXHIBIT H	Form of Opinion of Borrower's Counsel	70	
EXHIBIT I	Form of Compliance Certificate	71	
Schedule 5.4	Subsidiaries and Ownership Interests	74	
Schedule 5.6	Liabilities	75	
Schedule 5.16	ERISA Matters	76	
Schedule 7.5	Liens	77	
</TABLE>			

REVOLVING CREDIT AGREEMENT

THIS REVOLVING CREDIT AGREEMENT, dated as of August 25, 1995 (the "Agreement"), is made by and among CROWN CRAFTS, INC., a Georgia corporation having its principal place of business in Atlanta, Georgia (the "Borrower"), WACHOVIA BANK OF GEORGIA, N.A., a national banking association organized under the laws of the United States ("Wachovia"), in its capacity as Lender (the "lender"), and each other lender which may hereafter execute and deliver an instrument of assignment with respect to this Agreement pursuant to Section 9.1 hereof (hereinafter such lenders may be referred to individually as a "Lender" or collectively as the "Lenders");

W I T N E S S E T H:

WHEREAS, the Borrower has requested that the Lender make available to the Borrower a revolving credit facility of up to \$15,000,000, the proceeds of such facilities to be used to finance Acquisitions permitted hereunder, general working capital needs and other general corporate purposes of the Borrower; and

WHEREAS, the Lender is willing to make the revolving credit facility available to the Borrower upon the terms and conditions set forth herein;

NOW, THEREFORE, the Borrower and the Lender hereby agree as follows:

ARTICLE I

Definitions and Terms

1.1. Definitions. For the purposes of this Agreement, in addition to the definitions set forth above, the following terms shall have the respective meanings set forth below:

"Acquisition" means the non-hostile acquisition of (i) a controlling equity interest in another Person (including the purchase of an option, warrant or convertible or similar type security to acquire such a controlling interest at the time it becomes exercisable by the holder thereof), whether by purchase of such equity interest or upon exercise of an option or warrant for, or conversion of securities into, such equity interest, or (ii) assets of another Person for which the Cost of Acquisition equals or exceeds two percent (2%) of Consolidated Total Assets determined as of the last day of the fiscal quarter of the Borrower immediately preceding the date of the agreement related to such Acquisition;

"Advance" means a borrowing under the Revolving Credit Facility consisting of a Base Rate Loan or a Eurodollar Rate Loan;

"Affiliate" means any Person (i) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with the Borrower; or (ii) which beneficially owns or holds 10% or more of any class of the outstanding voting stock (or in the case of a Person which is not a corporation, 10% or more of the equity interest) of the Borrower or any Person described in clause (i) above; or 10% or more of any class of the outstanding voting stock (or in the case of a Person which is not a corporation, 10% or more of the equity interest) of which is beneficially owned or held by the Borrower. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting stock, by contract or otherwise;

"Applicable Interest Addition" means for each Loan that percent per annum set forth below, which shall be based upon the Consolidated Funded Debt Ratio for the most recent Determination Date as specified below:

<TABLE>
<CAPTION>

Consolidated Funded Debt Ratio		Applicable Interest Addition	
		Base Rate	Eurodollar Rate
<S>	<C>	<C>	<C>
(a)	Greater than .55 to 1.00	0	.650%
(b)	Less than or equal to .55 to 1.00 and greater than .50 to 1.00	0	.500%
(c)	Less than or equal to .50 to 1.00	0	.425%

</TABLE>

The Applicable Interest Addition shall be established at the end of each fiscal quarter of the Borrower (the "Determination Date"). Any change in the Applicable Interest Addition following each Determination Date shall be determined based upon the computations set forth in the certificate furnished to the Lender pursuant to Section 6.1(a)(ii) and Section 6.1(b)(ii) hereof, subject to review and approval of such computations by the Lender and shall be effective (a) in the case of Base Rate Loans, from the date such certificate is received (or, if earlier, the date such certificate was required to be delivered), and (b) in the case of Eurodollar Rate Loans, for all Interest Periods commencing on or after the date such certificate is received (or, if earlier, the date such certificate was required to be delivered), and in

each case, until the date a new certificate is delivered or is required to be delivered, whichever shall first occur, and a new Applicable Interest Addition becomes effective;

"Applicable Unused Fee" means that percent per annum set forth below, which shall be based upon the Consolidated Funded Debt Ratio for the Four-Quarter Period most recently ended as specified below:

<TABLE>
<CAPTION>

Consolidated Funded Debt Ratio	Applicable Unused Fee
--------------------------------	-----------------------

<S>	<C>	<C>
(a)	Greater than .55 to 1.00	.2500%
(b)	Less than or equal to .55 to 1.00 and greater than .50 to 1.00	.1875%
(c)	Less than or equal to .50 to 1.00	.1500%

</TABLE>

The Applicable Unused Fee shall be established at the end of each fiscal quarter of the Borrower (the "Determination Date"). Any change in the Applicable Unused Fee following each Determination Date shall be determined based upon the computations set forth in the certificate furnished to the Lender pursuant to Section 6.1(a)(ii) and Section 6.1(b)(ii) hereof, subject to review and approval of such computations by the Lender and shall be effective from the date such certificate is received (or, if earlier, the date such certificate was required to be delivered) until the date a new certificate is delivered or is required to be delivered, whichever shall first occur, and a new Applicable Unused Fee becomes effective;

"Assignment and Acceptance" shall mean an Assignment and Acceptance in the form of Exhibit B (with blanks appropriately filled in) delivered to the Lender in connection with an assignment of a Lender's interest under this Agreement pursuant to Section 9.1 hereof;

"Authorized Representative" means any of the President or Vice President of the Borrower or, with respect to financial matters, the chief financial officer of the Borrower or any other person expressly designated by the Board of Directors of the Borrower (or the appropriate committee thereof) as an Authorized Representative of the Borrower, as set forth from time to time in a certificate in the form attached hereto as Exhibit C;

"Base Rate" means the per annum rate of interest equal to the sum of (a) the greater of (i) the Prime Rate or (ii) the Federal Funds Effective Rate plus one-half of one percent (1/2%) plus (b) the Applicable Interest Addition. Any change in the Base Rate resulting from a change in the Prime Rate or the Federal Funds Effective Rate shall become effective as of

3

12:01 A.M. of the Business Day on which each such change occurs. The Base Rate is a reference rate used by Lender in determining interest rates on certain loans and is not intended to be the lowest rate of interest charged on any extension of credit to any debtor;

"Base Rate Loan" means a Loan or a Segment of a Loan for which the rate of interest is determined by reference to the Base Rate;

"Bernstein Family" means Philip Bernstein and his wife, their children and their children's spouses and their grandchildren;

"Board" means the Board of Governors of the Federal Reserve System (or any successor body);

"Borrower's Account" means a demand deposit account number 14864502 or any successor account with the Lender, which may be maintained at one or more offices of the Lender or an agent of the Lender;

"Borrowing Notice" means the notice delivered by an Authorized Representative in connection with an Advance under the Revolving Credit Facility, in the form attached hereto as Exhibit D and incorporated herein by reference;

"Business Day" means, (i) with respect to any Base Rate Loan, any day which is not a Saturday, Sunday or a day on which banks in the State of Georgia are authorized or obligated by law, executive order or governmental decree to be closed and, (ii) with respect to any Eurodollar Rate Loan, any day which is a Business Day, as described above, and on which the relevant international financial markets are open for the transaction of business contemplated by this Agreement in London, England and Atlanta, Georgia;

"Capital Leases" means all leases which have been or should be capitalized in accordance with GAAP as in effect from time to time including Statement No. 13 of the Financial Accounting Standards Board and any successor thereof;

"Closing Date" means the date as of which this Agreement is executed by the Borrower and the Lender and on which the conditions set forth in Section 4.1 hereof have been satisfied;

"Code" means the Internal Revenue Code of 1986, as amended, and any final or temporary regulations promulgated thereunder;

"Consistent Basis" in reference to the application of GAAP means the accounting principles observed in the period referred to are comparable in all material respects to those applied in the preparation of the audited financial statements of the Borrower first delivered to the Lender hereunder;

4

"Consolidated Cash Flow" means, with respect to the Borrower and its Subsidiaries for any Four-Quarter Period, the sum of, without duplication, (i) Consolidated Net Income, plus (ii) amortization accrued during such period, plus (iii) without duplication, any depreciation during such period, plus (iv) all other non-cash charges or expenses accrued during such period minus (v) all cash distributions on any capital stock of the Borrower or its Subsidiaries, minus (vi) all other non-cash gains otherwise included in Consolidated Net Income during such period, all determined on a consolidated basis in accordance with GAAP applied on a Consistent Basis;

"Consolidated EBIT" means, with respect to the Borrower and its Subsidiaries for any Four-Quarter 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 and (iv) Consolidated Lease Expense, all determined on a consolidated basis in accordance with GAAP applied on a Consistent Basis;

"Consolidated Fixed Charge Coverage Ratio" means, with respect to the Borrower and its Subsidiaries for any Four-Quarter Period ending on the date of computation thereof, the ratio of (i) Consolidated EBIT for such period, to (ii) Consolidated Fixed Charges for such period;

"Consolidated Fixed Charges" means, with respect to Borrower and its Subsidiaries for any Four-Quarter Period ending on the date of computation thereof, the sum of, without duplication, (i) Consolidated Interest Expense plus (ii) Consolidated Lease Expense, all determined on a consolidated basis in accordance with GAAP applied on a Consistent Basis;

"Consolidated Funded Debt Ratio" means, with respect to the Borrower and its Subsidiaries, the ratio of (i) Consolidated Funded Indebtedness, to (ii) the sum of Consolidated Funded Indebtedness plus Consolidated Shareholders' Equity;

"Consolidated Funded Indebtedness" means the sum of (a) all Indebtedness for Borrowed Money of the Borrower and its Subsidiaries,

plus (b) all obligations of the Borrower and its Subsidiaries in connection with Capital Leases, plus (c) all direct and indirect guaranties by the Borrower or any Subsidiary of Indebtedness of any Person other than a Guarantor, all determined on a consolidated basis;

"Consolidated Interest Expense" means, with respect to any period of computation thereof, the gross interest expense of the Borrower and its Subsidiaries, including without limitation (i) the current amortized portion of debt discounts to the extent included in gross interest expense, (ii) the current amortized portion of all fees (including, without limitation, fees payable in respect of a Hedging Agreement) payable in connection with the incurrence of Indebtedness to the extent included in gross interest expense and (iii) the

5

portion of any payments made in connection with Capital Leases allocable to interest expense, all determined on a consolidated basis in accordance with GAAP applied on a Consistent Basis;

"Consolidated Lease Expense" means for any period all amounts paid or accrued by the Borrower and its Subsidiaries during such period under operating leases (whether or not constituting rental expense) determined on a consolidated basis;

"Consolidated Leverage Ratio" means, as of the date of computation thereof, the ratio of (i) Consolidated Funded Indebtedness as of such date to (ii) the sum of Consolidated Tangible Net Worth plus Consolidated Funded Indebtedness as of such date;

"Consolidated Net Income" means, for any period of computation thereof, the Net Income of the Borrower and its Subsidiaries determined on a consolidated basis, but excluding (a) extraordinary items and (b) any equity interests of the Borrower or any Subsidiary in the unremitted earnings of any Person that is not a Subsidiary;

"Consolidated Shareholders' Equity " means at any time as of which the amount thereof is to be determined, the sum of the following in respect of the Borrower and its Subsidiaries (determined on a consolidated basis and excluding intercompany items among the Borrower and its Subsidiaries and any upward adjustment after the Closing Date due to revaluation of assets): (i) the amount of issued and outstanding share capital, plus (ii) the amount of additional paid-in capital and retained income (or, in the case of a deficit, minus the amount of such deficit), minus (iii) the amount of any treasury stock, minus (iv) valuation allowances, minus (v) receivables due from the Crown ESOP and minus (vi) any translation, adjustments for any foreign currency transactions all as determined in accordance with GAAP applied on a Consistent Basis;

"Consolidated Tangible Net Worth" means at any time as of which the amount thereof is to be determined, Consolidated Shareholders' Equity minus (without duplication of deductions in respect of items already deducted in arriving at surplus and retained earnings) the book value of all assets which would be treated as intangible assets under GAAP, all as determined on a consolidated basis in accordance with GAAP applied on a Consistent Basis;

"Consolidated Total Assets" means, as at any time of calculation thereof, the net book value of all assets of the Borrower and its Subsidiaries as determined on a consolidated basis in accordance with GAAP applied on a Consistent Basis;

"Contingent Obligation" of any Person means all contingent liabilities required (or which, upon the creation

or incurring thereof, would be required) to be included in the financial statements (including footnotes) of such Person in accordance with GAAP applied on a Consistent Basis, including Statement No. 5 of the Financial Accounting Standards Board, all Rate Hedging Obligations and any obligation of such Person guaranteeing or in effect guaranteeing any Indebtedness, dividend or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including obligations of such Person however incurred:

- (a) to purchase such Indebtedness or other obligation or any property or assets constituting security therefor;
- (b) to advance or supply funds in any manner (i) for the purchase or payment of such Indebtedness or other obligation, or (ii) to maintain a minimum working capital, net worth or other balance sheet condition or any income statement condition of the primary obligor;
- (c) to grant or convey any lien, security interest, pledge, charge or other encumbrance on any property or assets of such Person to secure payment of such Indebtedness or other obligation;
- (d) to lease property or to purchase securities or other property or services primarily for the purpose of assuring the owner or holder of such Indebtedness or obligation of the ability of the primary obligor to make payment of such Indebtedness or other obligation; or
- (e) otherwise to assure the owner of the Indebtedness or such obligation of the primary obligor against loss in respect thereof;

"Cost of Acquisition" means, with respect to any Acquisition, as at the date of entering into any agreement therefor, the sum of the following (without duplication): (i) the value of the capital stock, warrants or options to acquire capital stock of Borrower or any Subsidiary to be transferred in connection therewith, (ii) any cash or other property (excluding property described in clause (i)) and the unpaid principal amount of any debt instrument given as consideration, (iii) any Indebtedness assumed by the Borrower or its Subsidiaries in connection with such Acquisition, and (iv) out of pocket transaction costs for the services and expenses of attorneys, accountants and other consultants incurred in effecting such a transaction, and other similar transaction costs so incurred (all such costs in excess of such amount being included as a "Cost of Acquisition" for such transaction). For purposes of determining the Cost of Acquisition for any transaction, (A) the capital stock of the Borrower shall be valued (I) at its market value as reported on the New York Stock Exchange with respect to shares that are freely tradeable, and (II) with respect to shares that are not freely tradeable, as determined by the Board of Directors of

the Borrower and, if requested by the Lender, determined to be a reasonable valuation by the independent public accountants referred to in Section 6.1(a) hereof, (B) the capital stock of any Subsidiary shall be valued as determined by the Board of Directors of such Subsidiary and, if requested by the Lender, determined to be a reasonable valuation by the independent public accountants referred to in Section 6.1(a) hereof, and (C) with respect to any Acquisition accomplished pursuant to the exercise of options or warrants or the conversion of securities, the Cost of Acquisition shall include both

the cost of acquiring such option, warrant or convertible security as well as the cost of exercise or conversion;

"Crown ESOP" means that certain employee stock ownership plan of the Borrower as in effect on the date hereof;

"Default" means any event or condition which, with the giving or receipt of notice or lapse of time or both, would constitute an Event of Default hereunder;

"Dollars" and the symbol "\$" means dollars constituting legal tender for the payment of public and private debts in the United States of America;

"Eastern Time" means Eastern Standard Time or Eastern Daylight Time, as applicable;

"Eligible Securities" means the following obligations and any other obligations previously approved in writing by the Lender:

(a) Government Securities;

(b) obligations of any corporation organized under the laws of any state of the United States of America or under the laws of any other nation, payable in the United States of America, expressed to mature not later than 90 days following the date of issuance thereof and rated in an investment grade rating category by S&P and Moody's;

(c) interest bearing demand or time deposits issued by any bank or certificates of deposit, bankers acceptances and other "money market instruments" maturing within one hundred eighty (180) days from the date of issuance thereof and issued by a bank or trust company organized under the laws of the United States or of any state thereof having capital surplus and undivided profits aggregating at least \$400,000,000 and being rated A or better by S&P or A2 or better by Moody's;

(d) Repurchase Agreements;

(e) Municipal Obligations;

(f) shares of mutual funds which invest exclusively in obligations described in paragraphs (a) through (e)

8

above, the shares of which mutual funds are at all times rated "AAA" by S&P; and

(g) shares of "money market funds," of financial institutions rated A or better by S&P or A2 or better by Moody's;

"Employee Benefit Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA which (a) is maintained for employees of the Borrower or is assumed by the Borrower in connection with any Acquisition or any of its ERISA Affiliates or (b) has at any time during the six (6) years immediately prior the date hereof been maintained for the employees of the Borrower or any current or former ERISA Affiliate;

"Environmental Laws" means, collectively, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, as amended, the Clean Air Act, as amended, the Clean Water Act, as amended, any other "Superfund" or "Superlien" law or any other

federal, or applicable state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any Hazardous Material;

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute and all final or temporary regulations promulgated thereunder;

"ERISA Affiliate", as applied to the Borrower, means any Person or trade or business which is a member of a group which is under common control with the Borrower, who together with the Borrower, is treated as a single employer within the meaning of Section 414(b) and (c) of the Code;

"Eurodollar Rate Loan" means a Loan for which the rate of interest is determined by reference to the Eurodollar Rate;

"Eurodollar Rate" means the interest rate per annum calculated according to the following formula:

<TABLE>
<S>

<C>

Eurodollar = Interbank Offered Rate + Applicable

Rate 1- Eurodollar Reserve Percentage Interest Addition

</TABLE>

"Eurodollar Reserve Percentage" means, for any day, that percentage (expressed as a decimal) which is in effect from time to time, as the maximum reserve requirement (including, without limitation, any basic, supplemental, emergency, special, or marginal reserves) applicable with respect to Eurocurrency liabilities as that term is defined in Regulation D or any successor regulation (or against any other category of liabilities that includes deposits by reference to which the interest rate of Eurodollar Rate Loans is determined),

whether or not Lender has any Eurocurrency liabilities subject to such requirements without benefits of credits or proration, exceptions or offsets that may be available from time to time to Lender. The Eurodollar Rate shall be adjusted automatically on and as of the effective date of any change in the Eurodollar Reserve Percentage;

"Event of Default" means any of the occurrences set forth as such in Section 8.1 hereof;

"Federal Funds Effective Rate" means, for any day, the rate per annum (rounded upward to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Lender on such day on such transaction as determined by the Lender;

"Fiscal Year" means the twelve month fiscal period of the Borrower ending the Sunday nearest March 31 of each calendar year; any reference to a Fiscal Year immediately followed by a calendar year shall mean the Fiscal Year ending in such calendar year;

"Foreign Benefit Law" means any applicable statute, law, ordinance, code, rule, regulation, order or decree of any foreign

nation or any province, state, territory, protectorate or other political subdivision thereof regulating, relating to, or imposing liability or standards of conduct concerning, any Employee Benefit Plan;

"Four-Quarter Period" means a period of four full consecutive fiscal quarters of the Borrower and its Subsidiaries, taken together as one accounting period;

"GAAP" means Generally Accepted Accounting Principles, being those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board, the American Institute of Certified Public Accountants or which have other substantial authoritative support and are applicable in the circumstances as of the date of a report, as such principles are from time to time supplemented and amended;

"Government Securities" means direct obligations of, or obligations the timely payment of principal and interest on which are fully and unconditionally guaranteed by, the United States of America;

10

"Governmental Authority" shall mean any Federal, state, municipal, national or other governmental department, commission, board, bureau, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative or judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether a state of the United States, the United States or foreign;

"Guaranties" means all obligations of the Borrower or any Subsidiary directly or indirectly guaranteeing, or in effect guaranteeing, any Indebtedness or other obligation of any other Person;

"Guarantors" means on any date the Subsidiaries party to a Subsidiary Guaranty on such date and shall in any event include all Material Subsidiaries;

"Hazardous Material" means and includes any hazardous, toxic or dangerous waste, substance or material, the generation, handling, storage, disposal, treatment or emission of which is subject to any Environmental Law;

"Indebtedness" means with respect to any Person, without duplication, all Indebtedness for Money Borrowed, all indebtedness of such Person for the acquisition of property, all indebtedness secured by any Lien on the property of such Person whether or not such indebtedness is assumed, all liability of such Person by way of endorsements (other than for collection or deposit in the ordinary course of business), all Contingent Obligations, that portion of obligations with respect to Capital Leases and other items which in accordance with GAAP is classified as a liability on a balance sheet; but excluding all accounts payable in the ordinary course of business so long as payment therefor is due within one year; provided that in no event shall the term Indebtedness include surplus and retained earnings, lease obligations (other than pursuant to Capital Leases), reserves for deferred income taxes and investment credits, other deferred credits and reserves, and deferred compensation obligations;

"Indebtedness for Money Borrowed" means for any Person all indebtedness in respect of money borrowed, including without limitation all Capital Leases and the deferred purchase price of any property or asset, evidenced by a promissory note, bond, debenture or similar written obligation for the payment of money, other than trade payables incurred in the ordinary course of business;

"Interbank Offered Rate" means, with respect to any Eurodollar

Rate Loan for the Interest Period applicable thereto, the average (rounded upward to the nearest one-sixteenth (1/16) of one percent) per annum rate of interest determined by the office of Lender then determining such rate (each such determination to be conclusive and binding) as of two Business Days prior to the first day of such Interest

11

Period, as the effective rate at which deposits in immediately available funds in Dollars are being, have been, or would be offered or quoted by Lender to major banks in the applicable interbank market for Eurodollar deposits at any time during the Business Day which is the second Business Day immediately preceding the first day of such Interest Period, for a term comparable to such Interest Period and in the amount of the Eurodollar Rate Loan;

"Interest Period" for each Eurodollar Rate Loan means a period commencing on the date such Eurodollar Rate Loan is made or converted and each subsequent period commencing on the last day of the immediately preceding Interest Period for such Eurodollar Rate Loan, and ending, at the Borrower's option, on the date one, two, three or six months thereafter as notified to the Lender by the Authorized Representative no later than three (3) Business Days prior to the beginning of such Interest Period; provided, that,

(i) if the Authorized Representative fails to notify the Lender of the length of an Interest Period three (3) Business Days prior to the first day of such Interest Period, the Loan for which such Interest Period was to be determined shall be deemed to be a Base Rate Loan as of the first day thereof;

(ii) if an Interest Period for a Eurodollar Rate Loan would end on a day which is not a Business Day such Interest Period shall be extended to the next Business Day (unless such extension would cause the applicable Interest Period to end in the succeeding calendar month, in which case such Interest Period shall end on the next preceding Business Day);

(iii) any Interest Period which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month;

(iv) no Interest Period shall extend past August 25, 1998 or such later date as shall become the scheduled Revolving Credit Termination Date pursuant to Section 2.12 hereof; and

(v) there shall not be more than four (4) Interest Periods in effect on any day.

"Interest Rate Selection Notice" means the notice delivered by an Authorized Representative in connection with the election of a subsequent interest period for any Eurodollar Rate Loan or the conversion of any Eurodollar Rate Loan into a Base Rate Loan or the conversion of any Base Rate Loan into a Eurodollar Rate Loan, in the form of Exhibit E attached hereto;

12

"Lien" means any interest in property securing any obligation owed to, or a claim by, a Person other than the owner of the property,

whether such interest is based on the common law, statute or contract, and including but not limited to the lien or security interest arising from a mortgage, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. For the purposes of this Agreement, the Borrower and any Subsidiary shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sale agreement, financing lease, or other arrangement pursuant to which title to the property has been retained by or vested in some other Person for security purposes;

"Loan" or "Loans" means any of the Revolving Loans made under the Revolving Credit Facility;

"Loan Documents" means this Agreement, any Subsidiary Guaranty, the Notes and all other instruments and documents heretofore or hereafter executed or delivered to or in favor of the Lender in connection with the Loans made and transactions contemplated under this Agreement, as the same may be amended, supplemented or replaced from the time to time;

"Margin Stock" shall have the meaning given to such term in Section 5.11 hereof;

"Material Adverse Effect" means with respect to the Borrower and any Guarantor a material adverse effect (x) on the business, properties, operations or condition, financial or otherwise, of the Borrower and its Subsidiaries taken as a whole or (y) on the ability of any party to the Loan Documents to perform, or of the Lender to enforce, the obligations of such Person under the Loan Documents to which it is a party;

"Material Subsidiary" means (i) any direct or indirect Subsidiary of the Borrower which (a) has total assets equal to or greater than 10% of Consolidated Total Assets (calculated as of the most recent fiscal period with respect to which the Lender shall have received financial statements required to be delivered pursuant to Sections 6.1(a) or (b) (or if prior to delivery of any financial statements pursuant to such Sections, then calculated with respect to the Fiscal Year end financial statements referenced in Section 5.6 hereof) (the "Required Financial Information")) or (ii) has net income equal to or greater than 10% of Consolidated Net Income (each calculated for the most recent Four-Quarter Period for which the Lender has received the Required Financial Information); provided, however, that notwithstanding the foregoing, if the Borrower and the Material Subsidiaries, as defined above have less than 90% of Consolidated Total Assets (calculated as described above) or have Net Income of less than 90% of Consolidated Net Income (as calculated above), then the term "Material Subsidiaries" shall mean Subsidiaries of the

Borrower, as specified by the Borrower, that together with the Borrower have assets equal to not less than 90% of Consolidated Total Assets (calculated as described above) and net income of not less than 90% of Consolidated Net Income (calculated as described above);

"Moody's" means Moody's Investors Service, Inc.;

"Multiemployer Plan" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which the Borrower or any ERISA Affiliate is making, or is accruing an obligation to make, contributions or has made, or been obligated to make, contributions within the preceding six (6) years;

"Municipal Obligations" means general obligations issued by, and supported by the full taxing authority of, any state of the United States of America or of any municipal corporation or other public body

organized under the laws of any such state which are rated, in their capacity as issuer of general obligations, in the highest investment rating category by both S&P and Moody's;

"Net Income" means, as applied to any Person for any period, the aggregate amount of net income of such Person, after taxes, for such period, as determined in accordance with GAAP applied on a Consistent Basis;

"Notes" means, collectively, the Revolving Notes;

"Obligations" means the obligations, liabilities and Indebtedness of the Borrower with respect to (i) the principal and interest on the Loans as evidenced by the Notes, (ii) all liabilities of Borrower to the Lender which arise under a Swap Agreement and (iii) the payment and performance of all other obligations, liabilities and Indebtedness of the Borrower to the Lender hereunder, under any one or more of the other Loan Documents or with respect to the Loans;

"PBGC" means the Pension Benefit Guaranty Corporation and any successor thereto;

"Pension Plan" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to the provisions of Title IV of ERISA or Section 412 of the Code and which is, or was during the six (6) years immediately prior to the date hereof maintained for employees of the Borrower or any ERISA Affiliate;

"Permitted Liens" shall have the meaning given to such term in Section 7.5 hereof;

"Permitted Stock Repurchases" shall have the meaning given to such term in Section 7.9 hereof;

14

"Person" means an individual, partnership, corporation, trust, unincorporated organization, association, joint venture or a government or agency or political subdivision thereof;

"Prime Rate" means the rate of interest per annum announced publicly by the Lender as its prime rate from time to time. The Prime Rate is not necessarily the best or the lowest rate of interest offered by the Lender;

"Principal Office" means the office of the Lender at 191 Peachtree Street, N.E., Atlanta, Georgia 30303-1757, or such other office and address as the Lender may from time to time designate;

"Rate Hedging Obligations" means any and all obligations of the Borrower or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, exchange rates or forward rates applicable to such party's assets, liabilities or exchange transactions, including, but not limited to, Dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts, warrants and those commonly known as interest rate "swap" agreements; and (ii) any and all cancellations, buybacks, reversals, terminations or assignments of any of the foregoing;

"Regulation D" means Regulation D of the Board as the same may be amended or supplemented from time to time;

"Regulatory Change" means any change effective after the

Closing Date in United States federal or state laws or regulations (including Regulation D and capital adequacy regulations) or foreign laws or regulations or the adoption or making after such date of any interpretations, directives or requests applying to a class of banks, which includes any of the Lenders, under any United States federal or state or foreign laws or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof or compliance by the Lender with any request or directive regarding capital adequacy, including with respect to "highly leveraged transactions," whether or not having the force of law, whether or not failure to comply therewith would be unlawful and whether or not published or proposed prior to the date hereof;

"Repurchase Agreement" means a repurchase agreement entered into with any financial institution whose debt obligations or commercial paper are rated "A" by either of S&P or Moody's or "A-1" by S&P or "P-1" by Moody's;

15

"Restricted Payment" means (a) any redemption, conversion, exchange, retirement or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock of Borrower now or hereafter outstanding, other than shares redeemed, converted, exchanged or retired in connection with the existing employee stock option plan of the Borrower; and (b) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of stock of Borrower or any Subsidiary now or hereafter outstanding;

"Revolving Credit Commitment" means, with respect to the Lender, the obligation of such Lender to make Revolving Loans to the Borrower up to an aggregate principal amount at any one time outstanding equal to the Total Revolving Credit Commitment as set forth on Exhibit A hereto as the same may be increased or decreased from time to time pursuant to this Agreement;

"Revolving Credit Facility" means the facility described in Article II hereof providing for Loans to the Borrower by the Lender in the aggregate principal amount equal to the Total Revolving Credit Commitment;

"Revolving Credit Outstandings" means, as of any date of determination, the aggregate principal amount of all Revolving Loans then outstanding and all interest accrued and unpaid thereon;

"Revolving Credit Termination Date" means (i) August 25, 1998 or such later date as the Lender, in accordance with Section 2.10 hereof, may determine to be the Revolving Credit Termination Date or (ii) such earlier date of termination of Lender's obligations pursuant to Section 8.1 upon the occurrence of an Event of Default, or (iii) such date as the Borrower may voluntarily and permanently terminate the Revolving Credit Facility by payment in full of all Revolving Credit Outstandings and cancellation of the Total Revolving Credit Commitment pursuant to Section 2.6 hereof;

"Revolving Loan" means any borrowing pursuant to an Advance under the Revolving Credit Facility in accordance with Article II hereof;

"Revolving Note" means the promissory note of the Borrower evidencing Revolving Loans executed and delivered to the Lender as provided in Section 2.5 hereof substantially in the form attached hereto as Exhibit F;

"S&P" means Standard & Poor's Ratings Group;

"Single Employer Plan" means any employee pension benefit plan covered by Title IV of ERISA in respect of which the Borrower is an "employer" as described in Section 4001(b) of ERISA and which is not a Multi-employer Plan;

16

"Solvent" means, when used with respect to any Person, that at the time of determination:

(i) the fair value of its assets (both at fair valuation and at present fair saleable value on an orderly basis) is in excess of the total amount of its liabilities, including, without limitation, Contingent Obligations; and

(ii) it is then able and expects to be able to pay its debts as they mature; and

(iii) it has capital sufficient to carry on its business as conducted and as proposed to be conducted;

"Subsidiary" means any corporation or other entity in which more than 50% of its outstanding voting stock or more than 50% of all equity interests is owned directly or indirectly by the Borrower and/or by one or more of the Borrower's Subsidiaries;

"Subsidiary Guaranty" means each guaranty agreement between one or more of the Subsidiaries and the Lender which is delivered by a Subsidiary pursuant to Section 6.23 hereof and substantially in the form of Exhibit G hereof, as the same may be amended, modified or supplemented;

"Swap Agreement" means one or more agreements between the Borrower and any Person with respect to Indebtedness evidenced by the Notes, on terms mutually acceptable to Borrower and such Person and approved by the Lender, which agreements create Rate Hedging Obligations;

"Termination Event" means: (a) a "Reportable Event" described in Section 4043 of ERISA and the regulations issued thereunder (unless the notice requirement has been waived by applicable regulation); or (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or was deemed such under Section 4068(f) of ERISA; or (c) the termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination under Section 4041 of ERISA; or (d) the institution of proceedings to terminate a Pension Plan by the PBGC; or (e) any other event or condition which would constitute grounds under Section 4042(a) of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; or (f) the partial or complete withdrawal of the Borrower or any ERISA Affiliate from a Multiemployer Plan; or (g) the imposition of a Lien pursuant to Section 412 of the Code or Section 302 of ERISA; or (h) any event or condition which results in the reorganization or insolvency of a Multiemployer Plan under Section 4241 or Section 4245 of ERISA, respectively; or (i) any event or condition which results in the termination of a Multiemployer Plan under Section 4041A of

17

ERISA or the institution by the PBGC of proceedings to terminate a Multiemployer Plan under Section 4042 of ERISA;

"Total Revolving Credit Commitment" means a principal amount equal to \$15,000,000, as reduced from time to time in accordance with Section 2.7 hereof; and

"Wachovia" means Wachovia Bank of Georgia, N.A., a national banking association, together with its successors;

"NationsBank Facility" means that certain revolving credit facility in the aggregate amount of \$15,000,000 provided to the Borrower by NationsBank, National Association, (Carolinas) pursuant to that certain Revolving Credit Agreement dated as of the date hereof.

1.2 Accounting Terms. All accounting terms not specifically defined herein shall have the meanings assigned to such terms and shall be interpreted in accordance with GAAP applied on a Consistent Basis.

1.3 UCC Terms. Each term defined in Article 1 or 9 of the Georgia Uniform Commercial Code shall have the meaning given therein unless otherwise defined herein, except to the extent that the Uniform Commercial Code of another jurisdiction is controlling, in which case such terms shall have the meaning given in the Uniform Commercial Code of the applicable jurisdiction.

ARTICLE II

The Revolving Credit Facility

2.1. Revolving Loans.

(a) Commitment. Subject to the terms and conditions of Article V of this Agreement, the Lender severally agrees to make Advances to the Borrower under the Revolving Credit Facility from time to time from the Closing Date until the Revolving Credit Termination Date on a pro rata basis as to the total borrowing requested by the Borrower on any day up to but not exceeding the Revolving Credit Commitment of the Lender. Within such limits, the Borrower may borrow, repay and reborrow under the Revolving Credit Facility on a Business Day from the Closing Date until, but (as to borrowings and reborrowings) not including, the Revolving Credit Termination Date; provided, however, that (y) no Revolving Loan that is a Eurodollar Rate Loan shall be made which has an Interest Period that extends beyond the Revolving Credit Termination Date and (z) each Revolving Loan that is a Eurodollar Rate Loan may, subject to the provisions of Section 2.7 hereof, be repaid only on the last day of the Interest Period with respect thereto.

(b) Amounts. Except as otherwise permitted by the consent of the Lender from time to time, the aggregate unpaid principal amount of the Revolving Credit Outstandings shall not

18

exceed at any time the Total Revolving Credit Commitment. The Lender shall have no obligation to advance any funds in excess of the Total Revolving Credit Commitment. Each Revolving Loan hereunder and each conversion under Section 2.7 hereof shall be in an amount of at least (i) \$2,000,000, and, if greater than \$2,000,000, an integral multiple of \$1,000,000, if a Eurodollar Rate Loan and (ii) \$250,000, and, if greater than \$250,000, an integral multiple of \$100,000, if a Base Rate Loan.

(c) Advances. (i) An Authorized Representative shall give the Lender (A) at least three (3) Business Days' irrevocable telephonic notice of each Revolving Loan that is a Eurodollar Rate Loan (whether representing an additional borrowing hereunder or the conversion of borrowing hereunder from Base Rate Loans to Eurodollar Rate Loans) prior to 10:00 A.M. Eastern Time and (B) irrevocable written notice of each Revolving Loan that is a Base Rate Loan (whether representing an additional borrowing hereunder or the conversion of borrowing hereunder from Eurodollar Rate Loans to Base Rate Loans) prior to 10:00 A.M. Eastern Time on the day of such proposed Revolving

Loan. Each such telephonic notice, which shall be effective upon receipt by the Lender, shall specify the amount of the borrowing, the type of Revolving Loan (Base Rate or Eurodollar Rate), the date of borrowing and, if a Eurodollar Rate Loan, the Interest Period to be used in the computation of interest. The Authorized Representative shall provide the Lender written confirmation of each such telephonic notice no later than 11:00 A.M. Eastern Time on the same day received by telefacsimile transmission in the form of a Borrowing Notice for additional Advances, or in the form of an Interest Rate Selection Notice for the selection or conversion of interest rates for outstanding Revolving Credit Loans, in each case with appropriate insertions, but failure to provide such confirmation shall not affect the validity of such telephonic notice. The amount of any Advance shall, subject to the terms and conditions of this Agreement, be made available to the Borrower by delivery of the proceeds thereof to the Borrower's Account or otherwise as shall be directed in the applicable Borrowing Notice by the Authorized Representative not later than 3:00 P.M., Eastern Time on the day so received.

(ii) The duration of the initial Interest Period for each Revolving Loan that is a Eurodollar Rate Loan shall be as specified in the initial Borrowing Notice for such Loan. The Borrower shall have the option to elect the duration of subsequent Interest Periods and to convert the Loans in accordance with Section 2.7 hereof. If the Lender does not receive an Interest Rate Selection Notice giving notice of election of duration of an Interest Period or conversion by the time prescribed by Section 2.7 hereof, the Borrower shall be deemed to have elected to convert such Revolving Loan to (or continue such Revolving Loan as) a Base Rate Loan until the Borrower notifies the Lender in accordance with Section 2.7 hereof.

2.2. Payment of Interest. (a) The Borrower shall pay interest to the Lender on the outstanding and unpaid principal amount of each Revolving Loan made by the Lender for the period commencing on the date of such Revolving Loan until such Revolving

19

Loan shall be due at the then applicable Base Rate for Base Rate Loans or applicable Eurodollar Rate for Eurodollar Rate Loans, as designated by the Authorized Representative pursuant to Section 2.1 hereof; provided, however, that if any amount of principal or interest or fees to the Lender shall not be paid when due (at maturity, by acceleration or otherwise), or any Event of Default shall have occurred and be continuing hereunder, all amounts outstanding hereunder shall bear interest so long as such amount shall remain unpaid or such Event of Default continues, as applicable, (i) in the case of a Eurodollar Rate Loan, until the end of the Interest Period with respect to any Eurodollar Rate Loan at a rate of two percent (2%) above the applicable Eurodollar Rate for such Eurodollar Rate Loan and thereafter at a rate per annum which shall be two percent (2%) plus the Base Rate, (ii) with respect to Base Rate Loans, fees or other amounts owing hereunder, at a rate of interest per annum which shall be two percent (2%) above the Base Rate, and (iii) in any case, the maximum rate permitted by applicable law, if lower.

(b) Interest on each Revolving Loan shall be computed on the basis of a year of 360 days and calculated for the actual number of days elapsed. Interest on each Revolving Loan shall be paid (i) quarterly in arrears on the last Business Day of each June, September, December and March, commencing September 29, 1995 for each Base Rate Loan, (ii) on the last day of the applicable Interest Period for each Eurodollar Rate Loan and if such interest period extends for more than three (3) months, at intervals of three (3) months after the first day of such Interest Period and (iii) upon payment in full of the principal amount of such Revolving Loan.

2.3. Payment of Principal. The principal amount of each Revolving Loan shall be due and payable to the Lender in full on the Revolving Credit Termination Date, or earlier as specifically provided herein. The principal amount of any Base Rate Loan may be prepaid in whole or in part on any Business Day provided the Borrower gives the Lender notice of such prepayment by telecopy at or prior to 10:00 A.M. Eastern Time on the date of such prepayment. The principal amount of any Eurodollar Rate Loan may be prepaid only at the end of the applicable Interest Period unless the Borrower shall pay to the Lender

the amount, if any, required under Section 3.4 hereof. If at any time the amount of Revolving Credit Outstandings exceeds the Total Revolving Credit Commitment, a principal amount of the outstanding Revolving Loans equal to such excess shall be due and payable immediately. All prepayments of Revolving Loans made by the Borrower shall be in the amount of \$250,000 or such greater amount which is an integral multiple of \$100,000, or such other amount as necessary to comply with this Section 2.3 or with Section 2.7 hereof.

2.4. Non-Conforming Payments. (a) Each payment of principal (including any prepayment) and payment of interest and fees, and any other amount required to be paid to the Lender with respect to the Revolving Loans, shall be made to the Lender at the Principal Office in Dollars and in immediately available funds before 12:30 P.M. Eastern Time on the date such payment is due. The Lender may,

20

but shall not be obligated to, debit the amount of any such payment which is not made by such time to any ordinary deposit account, if any, of the Borrower with the Lender.

(b) The Lender shall deem any payment made by or on behalf of the Borrower hereunder that is not made both in Dollars and in immediately available funds and prior to 12:30 P.M. Eastern Time to be a non-conforming payment. Any such payment shall not be deemed to be received by the Lender until the later of (i) the time such funds become available funds and (ii) the next Business Day. Any non-conforming payment may constitute or become a Default or Event of Default. Interest shall continue to accrue on any principal as to which a non-conforming payment is made until the later of (x) the date such funds become available funds or (y) the next Business Day at the respective rates of interest per annum specified in the proviso to Section 2.2 hereof regarding late payments of interest, from the date such amount was due and payable.

(c) In the event that any payment hereunder or under the Revolving Notes becomes due and payable on a day other than a Business Day, then such due date shall be extended to the next succeeding Business Day unless provided otherwise under clause (ii) of the definition of "Interest Period"; provided that interest shall continue to accrue during the period of any such extension and provided further, that in no event shall any such due date be extended beyond the Revolving Credit Termination Date.

2.5. Revolving Notes. Revolving Credit Loans made by the Lender shall be evidenced by the Revolving Notes, which Revolving Notes shall be dated the Closing Date or such later date pursuant to an Assignment and Acceptance and shall be duly completed, executed and delivered by the Borrower.

2.6. Reductions. The Borrower shall, by notice from an Authorized Representative, have the right from time to time, upon not less than three (3) Business Days written notice to the Lender, to reduce the Total Revolving Credit Commitment. Each such reduction shall be in the aggregate amount of \$2,500,000 or such greater amount which is in an integral multiple of \$500,000, and shall permanently reduce the Total Revolving Credit Commitment. No such reduction shall result in the payment of any Eurodollar Rate Loan other than on the last day of the Interest Period of such Eurodollar Rate Loan unless such prepayment is accompanied by amounts due, if any, under Section 3.4 hereof. Each reduction of the Total Revolving Credit Commitment shall be accompanied by payment of the Revolving Notes to the extent that the amount of Revolving Credit Outstandings exceeds the Total Revolving Credit Commitment after giving effect to such reduction, together with accrued and unpaid interest on the amounts prepaid and any fees otherwise due.

2.7. Conversions and Elections of Subsequent Interest Periods. Provided that no Event of Default shall have occurred and be continuing and subject to the limitations set forth below and in Sections 3.1(b), 3.2 and 3.3 hereof, the Borrower may:

(a) upon delivery of a properly completed Interest Rate Selection Notice to the Lender on or before 11:00 A.M. Eastern Time on any Business Day, convert all or a part of Eurodollar Rate Loans to Base Rate Loans on the last day of the Interest Period for such Eurodollar Rate Loans; and

(b) upon delivery of a properly completed Interest Rate Selection Notice to the Lender on or before 11:00 A.M. Eastern Time three (3) Business Days prior to the date of such election or conversion:

(i) elect a subsequent Interest Period for all or a portion of Eurodollar Rate Loans to begin on the last day of the current Interest Period for such Eurodollar Rate Loans; and

(ii) convert Base Rate Loans to Eurodollar Rate Loans on any date.

Each election and conversion pursuant to this Section 2.7 shall be subject to the limitations on Eurodollar Rate Loans set forth in the definition of "Interest Period" herein and in Sections 2.1, 2.3 and Article IV hereof.

2.8. Unused Fee. For the period beginning on the Closing Date and ending on the Revolving Credit Termination Date, the Borrower agrees to pay to the Lender an unused fee equal to the Applicable Unused Fee multiplied by the average daily amount by which the Total Revolving Credit Commitment exceeds Revolving Credit Outstandings. Such payments of fees provided for in this Section 2.8 shall be due in arrears on the last Business Day of each June, September, December and March, commencing September 29, 1995 to and on the Revolving Credit Termination Date. Notwithstanding the foregoing, so long as the Lender fails to make available any of its Revolving Credit Commitment when required, the Lender shall not be entitled to receive payment of such fee until the Lender shall make its Revolving Credit Commitment available. Such fee shall be calculated on the basis of a year of 360 days for the actual number of days elapsed.

2.9. Use of Proceeds. The proceeds of the Loans made pursuant to the Revolving Credit Facility hereunder shall be used by the Borrower for Acquisitions permitted hereunder, general working capital needs and other corporate purposes, provided, however, that no portion of the Revolving Credit Facility shall be used, directly or indirectly, in connection with any financing of a hostile Acquisition.

2.10. Extension of Revolving Credit Termination Date. At the request of the Borrower the Lender may, in its sole discretion, elect not more than twice after the Closing Date to extend the Revolving Credit Termination Date then in effect for one additional period of one year. The Borrower shall notify the Lender in writing of its request for such an extension of one year by delivering to the Lender notice of such request signed by an Authorized Representative not less than ninety (90) days prior to

the first and second anniversary dates of the Closing Date. If the Lender shall elect to so extend, the Lender shall notify the Borrower in writing within thirty (30) days of its receipt of such request for extension of the decision of the Lender as to whether to extend the Revolving Credit Termination Date and any conditions applicable to such extension. Failure by the Lender to respond to a request for an extension shall constitute a refusal of the Lender to give its consent to such extension.

Yield Protection and Illegality

3.1. Additional Costs. (a) The Borrower shall promptly pay to the Lender from time to time, without duplication, such amounts as such Lender may reasonably determine to be necessary to compensate it or its parent corporation, without duplication, for any costs incurred by the Lender or its parent corporation which it determines are attributable to its making or maintaining any Loan or its obligation to make any Loans, or any reduction in any amount receivable by the Lender under this Agreement or the Notes in respect of any of such Loans, including reductions in the rate of return on a Lender's capital (such increases in costs and reductions in amounts receivable and returns being herein called "Additional Costs"), resulting from any Regulatory Change which: (i) changes the basis of taxation of any amounts payable to such Lender under this Agreement or the Notes in respect of any of such Loans (other than taxes imposed on or measured by income, revenues or assets); or (ii) imposes or modifies any reserve, special deposit, or similar requirements relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, such Lender or its parent corporation (other than any such reserve, deposit or requirement reflected in the Prime Rate, the Federal Funds Effective Rate or the Eurodollar Rate, in each case computed in accordance with the respective definitions of such terms set forth in Section 1.1 hereof); or (iii) has or would have the effect of reducing the rate of return on capital of any such Lender to a level below that which the Lender could have achieved but for such Regulatory Change (taking into consideration such Lender's policies with respect to capital adequacy); or (iv) imposes any other condition adversely affecting the Lender or its parent corporation under this Agreement or the Notes (or any of such extensions of credit or liabilities). The Lender will notify the Authorized Representative of any event occurring after the Closing Date which would entitle it to compensation pursuant to this Section 3.1(a) as promptly as practicable after it obtains knowledge thereof and determines to request such compensation.

(b) Without limiting the effect of the foregoing provisions of this Section 3.1, in the event that, by reason of any Regulatory Change, the Lender or its parent corporation either (i) incurs Additional Costs based on or measured by the excess above a specified level of the amount of a category of deposits or other liabilities of the Lender or its parent corporation which

includes deposits by reference to which the interest rate on Eurodollar Rate Loans is determined as provided in this Agreement or a category of extensions of credit or other assets of the Lender or its parent corporation which includes Eurodollar Rate Loans or (ii) becomes subject to restrictions on the amount of such a category of liabilities or assets which it may hold, then, if the Lender so elects, the obligation hereunder of the Lender to make, and to convert Base Rate Loans into, Eurodollar Rate Loans that are the subject of such restrictions shall be suspended until the date such Regulatory Change ceases to be in effect and the Borrower shall, on the last day(s) of the then current Interest Period(s) for outstanding Eurodollar Rate Loans convert such Eurodollar Rate Loans into Base Rate Loans. In the event that the obligation of the Lender to make, or to convert Base Rate Loans into, Eurodollar Rate Loans is suspended, then any request by the Borrower during the pendency of such suspension for a Eurodollar Rate Loan shall be deemed a request for a Base Rate Loan from the Lender.

(c) Determinations by the Lender or its parent corporation for purposes of this Section 3.1 of the effect of any Regulatory Change on its costs of making or maintaining, or being committed to make Loans, or the effect of any Regulatory Change on amounts receivable by the Lender in respect of Loans, and of the additional amounts required to compensate the Lender in respect of any Additional Costs, shall be made taking into account such Lender's policies, or the policies of its parent corporation, as to the allocation of capital, costs and other items and shall be conclusive absent manifest error. The Lender requesting such compensation shall furnish to the Authorized Representative within sixty (60) days of the incurrence of any Additional Costs for which compensation is sought an explanation of the Regulatory Change and calculations, in reasonable detail, setting forth the

Lender's or its parent corporation's determination of any such Additional Costs.

3.2. Suspension of Loans. Anything herein to the contrary notwithstanding, if, on or prior to the determination of any interest rate for any Eurodollar Rate Loan for any Interest Period, the Lender determines (which determination made on a reasonable basis shall be conclusive absent manifest error) that:

(a) quotations of interest rates for the relevant deposits referred to in the definition of "Eurodollar Rate" in Section 1.1 hereof are not being provided in the relevant amounts or for the relevant maturities for purposes of determining the rate of interest for such Eurodollar Rate Loan as provided in this Agreement; or

(b) the relevant rates of interest referred to in the definition of "Interbank Offered Rate" in Section 1.1 hereof upon the basis of which the Eurodollar Rate for such Interest Period is to be determined do not adequately reflect the cost to the Lender of making or maintaining such Eurodollar Rate Loan for such Interest Period;

24

then the Lender shall give the Authorized Representative prompt notice thereof, and so long as such condition remains in effect, the Lender shall be under no obligation to make Eurodollar Rate Loans that are subject to such condition, or to convert Loans into Eurodollar Rate Loans, and the Borrower shall on the last day(s) of the then current Interest Period(s) for outstanding Eurodollar Rate Loans, as applicable, convert such Eurodollar Rate Loans into another Eurodollar Rate Loan if such Eurodollar Rate Loan is not subject to the same or similar condition, or Base Rate Loans, if available hereunder. The Lender shall give the Authorized Representative notice describing in reasonable detail any event or condition described in this Section 3.2 promptly following the determination by the Lender that the availability of Eurodollar Rate Loans is, or is to be, suspended as a result thereof.

3.3. Illegality. Notwithstanding any other provision of this Agreement, in the event that it becomes unlawful for the Lender to honor its obligation to make or maintain Eurodollar Rate Loans hereunder, then the Lender shall promptly notify the Borrower thereof and the Lender's obligation to make or continue Eurodollar Rate Loans, or convert Base Rate Loans into Eurodollar Rate Loans, shall be suspended until such time as the Lender may again make and maintain Eurodollar Rate Loans, and the Lender's outstanding Eurodollar Rate Loans shall be converted into Base Rate Loans in accordance with Section 2.7 hereof.

3.4. Compensation. The Borrower shall promptly pay to the Lender, upon the Lender's request, such amount or amounts as shall be sufficient (in the reasonable determination of the Lender) to compensate it for any loss, cost or expense incurred by it as a result of:

(a) any payment, prepayment or conversion of a Eurodollar Rate Loan on a date other than the last day of the Interest Period for such Eurodollar Rate Loan, including without limitation any conversion required pursuant to Section 3.3 hereof; or

(b) any failure by the Borrower to borrow or convert a Eurodollar Rate Loan on the date for such borrowing or conversion specified in the relevant Borrowing Notice or Interest Rate Selection Notice under Article II hereof;

such compensation to include, without limitation, an amount equal to the excess, if any, of (i) the amount of interest which would have accrued on the principal amount so paid, prepaid or converted or not borrowed for the period from the date of such payment, prepayment or conversion or failure to borrow or convert to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow or convert, the Interest Period for such Loan which would have commenced on the date scheduled for such borrowing or conversion) at the applicable rate of interest for such Eurodollar Rate Loan

provided for herein over (ii) the Interbank Offered Rate (as reasonably determined by the Lender) for Dollar deposits of amounts comparable to such principal amount and maturities comparable to such period. A determination of the

25

Lender as to the amounts payable pursuant to this Section 3.4 shall be conclusive, provided that such determinations are made on a reasonable basis. The Lender requesting compensation under this Section 3.4 shall promptly furnish to the Authorized Representative calculations in reasonable detail setting forth the Lender's determination of the amount of such compensation.

3.5. Alternate Loan and Lender. In the event the Lender suspends the making of any Eurodollar Rate Loan pursuant to this Article III (herein a "Restricted Lender"), the Restricted Lender's Commitment Percentage of any Eurodollar Rate Loan shall bear interest at the Base Rate until the Restricted Lender once again makes available the applicable Eurodollar Rate Loan.

3.6. Taxes. (a) All payments by the Borrower of principal of, and interest on, the Loans and all other amounts payable hereunder shall be made free and clear of and without deduction for any present or future excise, stamp or other taxes, fees, duties, levies, imposts, charges, deductions, withholdings or other charges of any nature whatsoever imposed by any taxing authority, but excluding (i) franchise taxes, (ii) any taxes (other than U.S. withholding taxes) that would not be imposed but for a connection between a Lender and the jurisdiction imposing such taxes (other than a connection arising solely by virtue of the activities of the Lender pursuant to or in respect of this Agreement or any other Loan Document), (iii) any taxes imposed on or measured by the Lender's assets, net income, receipts or branch profits and (iv) any taxes arising after the Closing Date solely as a result of or attributable to Lender changing its designated lending office after the date such Lender becomes a party hereto (such non-excluded items being collectively called "Taxes"). In the event that any withholding or deduction from any payment to be made by the Borrower hereunder is required in respect of any Taxes pursuant to any applicable law, rule or regulation, then the Borrower will

- (i) pay directly to the relevant authority the full amount required to be so withheld or deducted;
- (ii) promptly forward to the Lender an official receipt or other documentation satisfactory to the Lender evidencing such payment to such authority; and
- (iii) pay to the Lender such additional amount or amounts as is necessary to ensure that the net amount actually received by the Lender will equal the full amount the Lender would have received had no such withholding or deduction been required.

If any such Taxes shall be or become applicable after the date of this Agreement to such payments by the Borrower to the Lender, the Lender shall use reasonable efforts to make, fund, or maintain the Loan or Loans, as the case may be, through another lending office located in another jurisdiction so as to reduce, to the fullest extent possible, Borrower's liability hereunder, if the making, funding or maintenance of such Loan or Loans through such other office does not, in the reasonable judgment of the Lender,

26

materially affect the Lender or such Loan. If Borrower is required to make any additional payment to the Lender pursuant to this Section 3.6, and the Lender receives, or is entitled to receive, a credit against, remission for, or repayment of, any tax paid or payable by it in respect of, or calculated with reference to, the Taxes giving rise to such payment, the Lender shall, within a

reasonable time after it receives such credit, relief, remission or repayment, reimburse Borrower the amount of any such credit, relief, remission or repayment.

(b) Prior to the date that a Lender or a participant organized under the laws of a jurisdiction outside the United States becomes a party hereto, such Person shall deliver to the Borrower such certificates, documents or other evidence, as required by the Code or Treasury Regulations issued pursuant thereto, properly completed, currently effective and duly executed by such Lender or participant establishing that such payment is (i) not subject to United States Federal backup withholding tax and (ii) not subject to United States Federal withholding tax under the Code because such payment is either effectively connected with the conduct by such Lender or participant of a trade or business in the United States or totally exempt from United States Federal withholding tax by reason of the application of the provisions of a treaty to which the United States is a party or such Lender is otherwise exempt. The Lender that fails to provide such certificates or forms that it is required to provide under this Section 3.6(b) shall not be entitled to the benefits of this Section 3.6 and, to the extent required by law, Borrower shall be entitled to deduct from, and pay to the applicable taxing authority, taxes from the payments made by Borrower to such Lender. The Lender shall, from time to time, complete, execute and deliver such updates or extensions or renewals or replacements of those forms, certificates and documents as may be necessary to continue or maintain any such exemption.

(c) If the Borrower fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Lender the required receipts or other required documentary evidence, the Borrower shall indemnify the Lender for any incremental Taxes, interest or penalties that may become payable by the Lender as a result of any such failure.

ARTICLE IV

Conditions to Making Loans

4.1. Conditions of Initial Advance. The obligation of the Lender to make the initial Advance is subject to the conditions precedent that:

(a) the Lender shall have received on the Closing Date, in form and substance satisfactory to the Lender, the following:

27

(i) executed originals of each of this Agreement, the Notes and the other Loan Documents, together with all schedules and exhibits thereto;

(ii) favorable written opinions of internal counsel of the Borrower dated the Closing Date, addressed to the Lender and satisfactory to Smith Helms Mulliss & Moore, L.L.P., special counsel to the Lender, substantially in the form of Exhibit H attached hereto;

(iii) resolutions of the boards of directors or other appropriate governing body (or of the appropriate committee thereof) of the Borrower certified by its secretary or assistant secretary as of the Closing Date, appointing the initial Authorized Representative and approving and adopting the Loan Documents to be executed by such Person, and authorizing the execution and delivery thereof;

(iv) specimen signatures of officers of the Borrower executing the Loan Documents on behalf of the Borrower, certified by the secretary or assistant secretary of the Borrower;

(v) the charter documents of the Borrower

certified as of a recent date by the Secretary of State of its state of incorporation;

(vi) the bylaws of the Borrower certified as of the Closing Date as true and correct by its secretary or assistant secretary;

(vii) certificates issued as of a recent date by the Secretary of State of Georgia as to the due existence and good standing of the Borrower;

(viii) appropriate certificates of qualification to do business, good standing and, where appropriate, authority to conduct business under assumed name, issued in respect of the Borrower as of a recent date by the Secretary of State or comparable official of each jurisdiction in which the failure to be qualified to do business or authorized so to conduct business could have a Material Adverse Effect;

(ix) notice of appointment of the initial Authorized Representative;

(x) certificate of an Authorized Representative dated the Closing Date demonstrating compliance with the financial covenants contained in Sections 7.1 through 7.3 as of the Closing Date, substantially in the form of Exhibit I attached hereto;

(xi) an initial Borrowing Notice;

28

(xii) copies of all documents executed in connection with the NationsBank Facility;

(xiii) all fees payable by the Borrower on the Closing Date to the Lender; and

(xiv) such other documents, instruments, certificates and opinions as the Lender may reasonably request on or prior to the Closing Date in connection with the consummation of the transactions contemplated hereby.

(b) In the good faith judgment of the Lender there shall not have occurred or become known to the Lender any event, condition, situation or status since the date of the year-end financial statements for Fiscal Year 1995 delivered to the Lender that has had or could reasonably be expected to result in a Material Adverse Effect;

4.2. Conditions of All Revolving Loans. The obligations of the Lender to make any Revolving Loans hereunder subsequent to the Closing Date are subject to the satisfaction of the following conditions:

(a) the Lender shall have received a Borrowing Notice in the form of Exhibit D hereto;

(b) the representations and warranties of the Borrower and the Guarantor set forth in Article V hereof and in each of the other Loan Documents shall be true and correct in all material respects on and as of the date of such Advance, with the same effect as though such representations and warranties had been made on and as of such date, except to the extent that such representations and warranties expressly relate to an earlier date and except that the financial statements referred to in Section 5.6(a)(i) hereof shall be deemed to be those financial statements most recently delivered to the Lender pursuant to Section 6.1 hereof;

(c) at the time of (and after giving effect to) each

Advance, no Default or Event of Default specified in Article VIII hereof, shall have occurred and be continuing; and

(d) immediately after giving effect to a Revolving Loan, the aggregate principal balance of all outstanding Revolving Loans for the Lender and in the aggregate shall not exceed, respectively, (i) such Lender's Revolving Credit Commitment or (ii) the Total Revolving Credit Commitment.

ARTICLE V

Representations and Warranties

The Borrower and each Guarantor represents and warrants with respect to itself and its Material Subsidiaries that:

29

5.1. Organization and Authority.

(a) The Borrower and each Material Subsidiary is a corporation duly organized and validly existing under the laws of the jurisdiction of its incorporation;

(b) The Borrower and each Material Subsidiary (x) has the requisite power and authority to own its properties and assets and to carry on its business as now being conducted and as contemplated in the Loan Documents, and (y) is qualified to do business in every jurisdiction in which failure so to qualify would have a Material Adverse Effect;

(c) The Borrower has the power and authority to execute, deliver and perform this Agreement and the Notes, and to borrow hereunder, and to execute, deliver and perform each of the other Loan Documents to which it is a party; and

(d) Each Guarantor will have the power and authority to execute, deliver and perform the Subsidiary Guaranty and to execute, deliver and perform the other Loan Documents to which it becomes a party;

(e) When executed and delivered, each of the Loan Documents to which the Borrower or any Guarantor is a party will be the legal, valid and binding obligation or agreement, as the case may be, of the Borrower or such Guarantor, enforceable against the Borrower or such Guarantor in accordance with its terms, subject to the effect of any applicable bankruptcy, moratorium, insolvency, reorganization or other similar law affecting the enforceability of creditors' rights generally and to the effect of general principles of equity which may limit the availability of equitable remedies (whether in a proceeding at law or in equity);

5.2. Loan Documents. The execution, delivery and performance by the Borrower and each Guarantor of each of the Loan Documents to which it is a party:

(a) have been duly authorized by all requisite corporate action (including any required shareholder approval) of the Borrower and each Guarantor required for the lawful execution, delivery and performance thereof;

(b) do not violate any provisions of (i) applicable law, rule or regulation, (ii) any order of any court or other agency of government binding on the Borrower or any Subsidiary, or properties, or (iii) the charter documents or bylaws of Borrower or any Material Subsidiary;

(c) does not and will not be in conflict with, result in a breach of or constitute an event of default, or an event which, with notice or lapse of time, or both, would constitute an event of default, under any material indenture, agreement or other instrument to which Borrower or any Material

30

Subsidiary is a party, or by which the properties or assets of Borrower or any Material Subsidiary are bound;

(d) does not and will not result in the creation or imposition of any Lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of Borrower or any Material Subsidiary;

5.3. Solvency. The Borrower is Solvent after giving effect to the transactions contemplated by this Agreement and the other Loan Documents;

5.4. Subsidiaries and Stockholders. The Borrower has no Subsidiaries other than those listed on Schedule 5.4 hereto and additional Subsidiaries created or acquired after the Closing Date in compliance with Section 6.23 hereof; Schedule 5.4 states as of the date hereof the organizational form of each Subsidiary, the authorized and issued capitalization of each Subsidiary listed thereon, the number of shares or other equity interests of each class of capital stock or interest issued and outstanding of each such Subsidiary and the number and percentage of outstanding shares or other equity interest (including options, warrants and other rights to acquire any interest) of each such class of capital stock or equity interest owned by Borrower or by any such Subsidiary; the outstanding shares or other equity interests of each such Subsidiary have been duly authorized and validly issued and are fully paid and nonassessable; and Borrower and each such Subsidiary owns beneficially and of record all the shares and other interests it is listed as owning in Schedule 5.4, free and clear of any Lien;

5.5. Ownership Interests. Borrower owns no interest in any Person other than the Persons listed in Schedule 5.4 hereto;

5.6. Financial Condition.

(a) The Borrower has heretofore furnished to the Lender consolidated balance sheets of the Borrower and its Subsidiaries, and related notes thereto, and the related statements of operations, stockholders equity and cash flows, and the related notes thereto, dated April 2, 1995 with respect to Fiscal Year 1995;

(b) since April 2, 1995 there has been no material adverse change in the condition, financial or otherwise, of the Borrower or its Subsidiaries or in the businesses, properties and operations of the Borrower or its Subsidiaries, nor have such businesses or properties, taken as a whole, been materially adversely affected as a result of any fire, explosion, earthquake, accident, strike, lockout, combination of workers, flood, embargo or act of God;

(c) except as set forth on Schedule 5.6 hereto, neither the Borrower nor any Subsidiary has incurred, other than in the ordinary course of business, any material indebtedness, obligations, commitments or other liability contingent or otherwise which remain outstanding or unsatisfied;

31

5.7. Title to Properties. The Borrower and each Material

Subsidiary has good and marketable title to all its real and personal properties, subject to no transfer restrictions or Liens of any kind, except for Permitted Liens;

5.8. Taxes. The Borrower and each Material Subsidiary has filed or caused to be filed all federal, state and local tax returns which are required to be filed by it and except for taxes and assessments being contested in good faith by appropriate proceedings diligently conducted and against which reserves satisfactory to the Borrower's independent certified public accountants have been established, have paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due;

5.9. Other Agreements. Neither the Borrower nor any Subsidiary is

(a) a party to any judgment, order, decree or any agreement or instrument or subject to restrictions which could reasonably be likely to have a Material Adverse Effect; or

(b) in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which the Borrower or any Subsidiary is a party, which default has, or if not remedied within any applicable grace period could reasonably be likely to have, a Material Adverse Effect;

5.10. Litigation. There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or agency or arbitral body pending, or, to the knowledge of the Borrower, threatened by or against the Borrower or any Subsidiary or affecting the Borrower or any Subsidiary or any properties or rights of the Borrower or any Subsidiary, which could reasonably be likely to have a Material Adverse Effect;

5.11. Margin Stock. The Borrower does not own any "margin stock" as such term is defined in Regulation U, as amended (12 C.F.R. Part 221), of the Board. The proceeds of the borrowings made pursuant to Article II hereof will be used by the Borrower only for the purposes set forth in Section 2.9 and hereof. None of such proceeds will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock or for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry margin stock or for any other purpose which might constitute any of the Loans under this Agreement a "purpose credit" within the meaning of said Regulation U or Regulation X (12 C.F.R. Part 224) of the Board. Neither the Borrower nor any agent acting in its behalf has taken or will take any action which might cause this Agreement or any of the documents or instruments delivered pursuant hereto to violate any regulation of the Board or to violate the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, or any state securities laws, in each case as in effect on the date hereof;

32

5.12. Investment Company; Public Utility Holding Company. Neither the Borrower nor any Subsidiary is (a) an "investment company," or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended (15 U.S.C. Section 80a-1, et seq.) or (b) a "Holding Company" or a "Subsidiary Company" of a "Holding Company" or an "Affiliate" of a "Holding Company" or a "Subsidiary Company" of a "Holding Company," as such terms are defined under the Public Utility Holding Company Act of 1935, as amended. The application of the proceeds of the Loans and repayment thereof by the Borrower and the performance by the Borrower and the Guarantors of the transactions contemplated by this Agreement will not violate any provision of said Acts, or any rule, regulation or order issued by the Securities and Exchange Commission thereunder, in each case as in effect on the date hereof;

5.13. Patents, Etc. The Borrower and each Material Subsidiary owns or has the right to use, under valid license agreements or otherwise, all material patents, licenses, franchises, trademarks, trademark rights, trade

names, trade name rights, trade secrets and copyrights necessary to the conduct of its businesses as now conducted, without known conflict with any patent, license, franchise, trademark, trade secrets and confidential commercial or proprietary information, trade name, copyright, rights to trade secrets or other proprietary rights of any other Person;

5.14. No Untrue Statement. Neither (a) this Agreement nor any other Loan Document or certificate or document executed and delivered by or on behalf of the Borrower or any Guarantor in accordance with or pursuant to any Loan Document nor (b) any statement, representation, or warranty provided to the Lender in connection with the negotiation or preparation of the Loan Documents contains any misrepresentation or untrue statement of material fact or omits to state a material fact necessary, in light of the circumstance under which it was made, in order to make any such representation or statement contained therein not misleading;

5.15. No Consents, Etc. Neither the respective businesses or properties of the Borrower or any Subsidiary, nor any relationship between the Borrower or any Subsidiary and any other Person, nor any circumstance in connection with the execution, delivery and performance of the Loan Documents and the transactions contemplated hereby, is such as to require a consent, approval or authorization of, or filing, registration or qualification with, any governmental or other authority or any other Person on the part of the Borrower or any Subsidiary as a condition to the execution, delivery and performance of, or consummation of the transactions contemplated by, this Agreement or the other Loan Documents, which, if not obtained or effected, would reasonably likely to have a Material Adverse Effect, or if so, such consent, approval, authorization, filing, registration or qualification has been obtained or effected, as the case may be;

33

5.16. Employee Benefit Plans.

(a) Neither the Borrower nor any ERISA Affiliate maintains or contributes to, or has any obligation under, any Employee Benefit Plans other than those identified on Schedule 5.16 hereto;

(b) The Borrower and each ERISA Affiliate is in compliance with all applicable provisions of ERISA and the regulations and published interpretations thereunder and in compliance with all Foreign Benefit Laws with respect to all Employee Benefit Plans except where failure to comply would not result in a Material Adverse Effect and except for any required amendments for which the remedial amendment period as defined in Section 401(b) of the Code has not yet expired. Each Employee Benefit Plan that is intended to be qualified under Section 401(a) of the Code has been determined by the Internal Revenue Service to be so qualified, and each trust related to such plan has been determined to be exempt under Section 501(a) of the Code. No material liability has been incurred by the Borrower or any ERISA Affiliate which remains unsatisfied for any taxes or penalties with respect to any Employee Benefit Plan or any Multiemployer Plan;

(c) Other than as described on Schedule 5.16 hereto, no Pension Plan has been terminated within the six year period prior to the execution of this Agreement, nor has any accumulated funding deficiency (as defined in Section 412 of the Code) been incurred (without regard to any waiver granted under Section 412 of the Code), nor has any funding waiver from the IRS been received or requested with respect to any Pension Plan, nor has the Borrower or any ERISA Affiliate failed to make any contributions or to pay any amounts due and owing as required by Section 412 of the Code, Section 202 of ERISA or the terms of any Pension Plan prior to the due dates of such contributions under Section 412 of the Code or Section 202 of ERISA, nor has there been any event requiring any disclosure under Section 4041(c)(3)(C), 4063(a) or 4068(f) of ERISA with respect to any Pension Plan;

(d) Neither the Borrower nor any ERISA Affiliate has:

(i) engaged in a nonexempt prohibited transaction described in Section 406 of ERISA or Section 4975 of the Code, (ii) incurred any liability to the PBGC which remains outstanding other than the payment of premiums and there are no premium payments which are due and unpaid, (iii) failed to make a required contribution or payment to a Multiemployer Plan or (iv) failed to make a required installment or other required payment under Section 412 of the Code;

(e) No Termination Event has occurred or is reasonably expected to occur with respect to any Pension Plan or Multiemployer Plan;

(f) No material proceeding, claim, lawsuit and/or investigation exists or, to the best knowledge of the Borrower

34

after due inquiry, is threatened concerning or involving any Employee Benefit Plan;

5.17. No Default. No Default or Event of Default exists hereunder;

5.18. Hazardous Materials. To the best of the Borrower's knowledge, the Borrower and each Subsidiary is in compliance with all applicable Environmental Laws in all respects except where the failure to comply does not have a Material Adverse Effect and the Borrower has not been notified of any action, suit, proceeding or investigation which calls into question compliance by the Borrower or any Material Subsidiary with any Environmental Laws or which seeks to suspend, revoke or terminate any license, permit or approval necessary for the generation, handling, storage, treatment or disposal of any Hazardous Material;

5.19. Employment Matters. (a) None of the employees of the Borrower or any Subsidiary is subject to any collective bargaining agreement and there are no strikes, work stoppages, election or decertification petitions or proceedings, unfair labor charges, equal opportunity proceedings, or other material labor/employee related controversies or proceedings pending or, to the best knowledge of the Borrower, threatened against the Borrower or any Subsidiary or between the Borrower or any Subsidiary and any of its employees, other than employee grievances arising in the ordinary course of business which would not in the aggregate have a Material Adverse Effect;

(b) The Borrower and each Material Subsidiary is in compliance in all respects with all applicable laws, rules and regulations pertaining to labor or employment matters, including without limitation those pertaining to wages, hours, occupational safety and taxation and there is neither pending or threatened any material litigation, administrative proceeding or investigation in respect of such matters.

ARTICLE VI

Affirmative Covenants

Until the Obligations have been paid and satisfied in full and this Agreement has been terminated in accordance with the terms hereof, unless the Lender shall otherwise consent in writing, the Borrower will and, where applicable, will cause each Subsidiary to:

6.1. Financial Reports, Etc. (a) Annual Reporting. As soon as practical and in any event within 120 days after the end of each Fiscal Year of the Borrower, deliver or cause to be delivered to the Lender (i) consolidated balance sheets of the Borrower and its Subsidiaries, and the notes thereto, the related statements of operations, stockholders' equity and cash flows, and the respective notes thereto, for such Fiscal Year, setting forth in the case of the statements comparative financial statements for the preceding

Fiscal Year, all prepared in accordance with GAAP applied on a Consistent Basis and containing, with respect to the consolidated financial reports, opinions of Deloitte & Touche, L.L.P., or other such independent certified public accountants of nationally recognized standing, which are unqualified and without exception (except as may be acceptable to the Lender) and (ii) a certificate of an Authorized Representative demonstrating compliance with Sections 7.1, 7.2 and 7.3 hereof, which certificate shall be in the form attached hereto as Exhibit I hereof;

(b) Quarterly Reporting. As soon as practical and in any event within 45 days after the end of each quarterly period (except the last reporting period of the Fiscal Year), deliver to the Lender (i) consolidated balance sheets of the Borrower and its Subsidiaries as of the end of such reporting period, the related statements of operations, stockholders' equity and cash flows for such reporting period and for the period from the beginning of the Fiscal Year through the end of such reporting period, accompanied by a certificate of an Authorized Representative to the effect that such financial statements present fairly the financial position of the Borrower and its Subsidiaries as of the end of such reporting period and the results of their operations and the changes in their financial position for such reporting period, in conformity with GAAP applicable to interim financial information and the rules and regulations of the Securities and Exchange Commission with respect to interim financials, and (ii) a certificate of an Authorized Representative containing computations for such quarter comparable to that required pursuant to Section 6.1(a)(ii) hereof;

(c) Accountants' Letter. Together with each delivery of the financial statements required by Section 6.1(a)(i) hereof, deliver to the Lender a letter from the Borrower's accountants specified in Section 6.1(a)(i) hereof stating that in performing the audit necessary to render an opinion on the financial statements delivered under Section 6.1(a)(i) hereof, they obtained no knowledge of any Default or Event of Default by the Borrower or any Subsidiary in the fulfillment of the terms and provisions of this Agreement or the other Loan Documents to which it is a party insofar as they relate to financial matters (which at the date of such statement remains uncured); and if the accountants have obtained knowledge of such Default or Event of Default, a statement specifying the nature and period of existence thereof;

(d) Special Reports. Promptly upon their becoming available to the Borrower, the Borrower shall deliver to the Lender a copy of (i) all regular or special reports or effective registration statements which Borrower or any Subsidiary shall file with the Securities and Exchange Commission (or any successor thereto) or any securities exchange, and (ii) any proxy statement distributed by the Borrower or any Subsidiary to its shareholders, bondholders or the financial community in general;

(e) Acquisition Information. At least 15 days prior to the closing of any Acquisition with a Cost of Acquisition of \$10,000,000 or more, the Borrower shall deliver to the Lender (i) a copy of the term sheet, letter of intent, financial projections

showing the impact of the Acquisition, on the financial results and condition of the Borrower and its Subsidiaries and general information on the scope of and the findings relating to the Borrower's "due diligence" conducted in connection with such Acquisition, (ii) pro forma historical financial statements as of the end of the most recently completed Fiscal Year giving effect to such Acquisition, together with a certificate of an Authorized Representative demonstrating compliance with Article VII hereof after giving effect to such Acquisition, and (iii) to the extent other relevant information regarding any such Acquisition is prepared and distributed to its Board of Directors, a copy of such other information shall be delivered by the Borrower to the Lender at the time such information is made available to the

Borrower's Board of Directors;

(f) Other Information. Promptly, from time to time, deliver or cause to be delivered to the Lender such other information regarding Borrower's or any Subsidiary's operations, business affairs and financial condition as the Lender may reasonably request. The Lender is hereby authorized to deliver a copy of any such financial information delivered hereunder to the Lender (or any affiliate of the Lender), to any regulatory authority having jurisdiction over the Lender pursuant to any written request therefor, or to any other Person who shall acquire or consider the assignment of or participation in any Loan permitted by this Agreement.

6.2. Maintain Properties. Maintain all properties necessary to its operations in good working order and condition and make all needed repairs, replacements and renewals as are reasonably necessary to conduct its business in accordance with customary business practices.

6.3. Existence, Qualification, Etc. Do or cause to be done all things necessary to preserve and keep in full force and effect its existence and all material rights and franchises, trade names, trademarks and permits and maintain its license or qualification to do business as a foreign corporation and good standing in each jurisdiction in which its ownership or lease of property or the nature of its business makes such license or qualification necessary except where the failure to so qualify would not have a Material Adverse Effect.

6.4. Regulations and Taxes. Comply in all material respects with or contest in good faith all statutes and governmental regulations and pay all taxes, assessments, governmental charges, claims for labor, supplies, rent and any other obligation which, if unpaid, would become a Lien against any of its properties except liabilities being contested in good faith by appropriate proceedings diligently conducted and against which adequate reserves have been established.

6.5. Insurance. (a) Keep all of its insurable properties adequately insured at all times with responsible insurance carriers against loss or damage by fire and other hazards to the extent and in the manner as are customarily insured against by similar

37

businesses owning such properties similarly situated, (b) maintain general public liability insurance at all times with responsible insurance carriers against liability on account of damage to persons and property having such limits, deductibles, exclusions and co-insurance and other provisions providing no less coverages than are maintained by similar businesses that are similarly situated, such insurance policies to be in form reasonably satisfactory to the Lender, and (c) maintain insurance under all applicable workers' compensation laws (or in the alternative, maintain required reserves if self-insured for workers' compensation purposes) and against loss by reason by business interruption. Each of the policies of insurance described in this Section 6.5 shall provide that the insurer shall give the Lender not less than thirty (30) days' prior written notice before any such policy shall be terminated, lapse or be altered in any manner.

6.6. True Books. Keep true books of record and account in which full, true and correct entries will be made of all of its dealings and transactions, and set up on its books such reserves as may be required by GAAP with respect to doubtful accounts and all taxes, assessments, charges, levies and claims and with respect to its business in general, and include such reserves in interim as well as year-end financial statements.

6.7. Payment of Other Indebtedness. Pay when due (or within applicable grace periods) all Indebtedness (for which the failure to pay would constitute an Event of Default under Section 8.1(e)) due third Persons, except when the amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with reserves in form and amount reasonably acceptable to the Lender therefor being set aside on the books of the Borrower or the applicable Subsidiary.

6.8. Right of Inspection. Permit any Person designated by the Lender to visit and inspect any of the properties, corporate books and financial reports of the Borrower and to discuss its affairs, finances and accounts with its principal officers and independent certified public accountants, all at reasonable times, at reasonable intervals and with reasonable prior notice, provided, that prior to the occurrence and continuance of a Default or Event of Default, the expenses incurred in connection with such visits and inspections shall be paid by the Borrower for only one such visit or inspection each calendar year, and after the occurrence and during continuance of a Default or an Event of Default, such expenses shall be paid by the Borrower for all such visits and inspections.

6.9. Observe all Laws. Conform to and duly observe in all material respects all laws, rules and regulations and all other valid requirements of any regulatory authority with respect to the conduct of its business.

6.10. Governmental Licenses. Obtain and maintain all licenses, permits, certifications and approvals of all applicable Governmental Authorities as are required for the conduct of its business as currently conducted and herein contemplated except

38

where the failure to do so is not reasonably likely to result in a Material Adverse Effect.

6.11. Covenants Extending to Other Persons. Cause each of its Subsidiaries to do with respect to itself, its business and its assets, each of the things required of the Borrower in this Article VI.

6.12. Officer's Knowledge of Default. Within five (5) days of any officer of the Borrower obtaining knowledge of any Default or Event of Default hereunder or under any other obligation of the Borrower or any Subsidiary to the Lender, cause such officer or an Authorized Representative to notify the Lender within such five (5) day period of the nature thereof, the period of existence thereof, and what action the Borrower proposes to take with respect thereto.

6.13. Suits or Other Proceedings. Upon any officer of the Borrower or any Subsidiary obtaining knowledge of any litigation or other proceedings being instituted against the Borrower or any Subsidiary, or any attachment, levy, execution or other process being instituted against any assets of the Borrower or any Subsidiary, making a claim or claims in an aggregate amount greater than \$1,000,000 or not otherwise covered by insurance, promptly deliver to the Lender written notice thereof stating the nature and status of such litigation, dispute, proceeding, levy, execution or other process.

6.14. Notice of Discharge of Hazardous Material or Environmental Complaint. Promptly provide to the Lender true, accurate and complete copies of any and all notices, complaints, orders, directives, claims, or citations received by the Borrower or any Subsidiary relating to any (a) violation or alleged violation by the Borrower or any Subsidiary of any applicable Environmental Laws; (b) release or threatened release by the Borrower or any Subsidiary, or at any facility or upon any property owned or operated by the Borrower or any Subsidiary, of any Hazardous Material, except where occurring legally; or (c) liability or alleged liability of the Borrower or any Subsidiary for the costs of cleaning up, removing, remediating or responding to a release of Hazardous Materials.

6.15. Environmental Compliance. If the Borrower or any Subsidiary shall receive letter, notice, complaint, order, directive, claim or citation alleging that the Borrower or and Subsidiary has violated any Environmental Law or is liable for the costs of cleaning up, removing, remediating or responding to a release of Hazardous Materials, the Borrower shall, within the time period permitted by the applicable Environmental Law or the Governmental Authority responsible for enforcing such Environmental Law, remove or remedy, or cause the applicable Subsidiary to remove or remedy, such violation or release or satisfy such liability, except where the applicability of the Environmental

Law, the fact of such violation or liability or what is required to remove or remedy such violation is being contested by the Borrower or the applicable Subsidiary by appropriate proceedings diligently

39

conducted and all reserves with respect thereto as may be required under Generally Accepted Accounting Principles, if any, have been made.

6.16. Indemnification. The Borrower hereby agrees to defend, indemnify and hold the Lender, its affiliates and its officers, directors, employees and agents, harmless from and against any and all claims, losses, penalties, liabilities, damages and expenses (including, without limitation, assessment and cleanup costs and reasonable attorneys' fees and disbursements) arising directly or indirectly from, out of or by reason of (a) the violation of any Environmental Law by the Borrower or any Subsidiary or with respect to any property owned, operated or leased by the Borrower or any Subsidiary or (b) the handling, storage, treatment, emission or disposal of any Hazardous Material by or on behalf of the Borrower or any Subsidiary on or with respect to property owned or leased or operated by the Borrower or any Subsidiary. The Borrower shall not be liable under this Section 6.16 for any such amounts arising solely as a result of the gross negligence or willful misconduct of any indemnified party. The provisions of this Section 6.16 shall survive repayment of the Obligations, occurrence of the Revolving Credit Termination Date and expiration or termination of this Agreement.

6.17. Further Assurances. At the Borrower's cost and expense, upon request of the Lender, duly execute and deliver or cause to be duly executed and delivered, to the Lender such further instruments, documents, certificates, financing and continuation statements, and do and cause to be done such further acts that may be reasonably necessary or advisable in the reasonable opinion of the Lender to carry out more effectively the provisions and purposes of this Agreement and the other Loan Documents.

6.18. Employee Benefit Plans. With reasonable promptness, and in any event within thirty (30) days thereof, give notice of and/or deliver to Lender copies of (a) the establishment of any new Employee Benefit Plan, (b) the commencement of contributions to any plan to which the Borrower or any of its ERISA Affiliates was not previously contributing, (c) any material increase in the benefits of any existing Employee Benefit Plan, (d) each funding waiver request filed with respect to any Employee Benefit Plan and all communications received or sent by the Borrower or any ERISA Affiliate with respect to such request and (e) the failure of the Borrower or any ERISA Affiliate to make a required installment or payment under Section 202 of ERISA or Section 412 of the Code by the due date.

6.19. Termination Events. Promptly and in any event within fifteen (15) days of becoming aware of the occurrence of or forthcoming occurrence of any (a) Termination Event or (b) "prohibited transaction," as such term is defined in Section 406 of ERISA or Section 4975 of the Code, in connection with any Pension Plan or any trust created thereunder, deliver to the Lender a notice specifying the nature thereof, what action the Borrower has taken, is taking or proposes to take with respect thereto and,

40

when known, any action taken or threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto.

6.20. ERISA Notices. With reasonable promptness but in any event within fifteen (15) days for purposes of clauses (a), (b) and (c), deliver to the Lender copies of (a) any unfavorable determination letter from the Internal Revenue Service regarding the qualification of an Employee Benefit Plan under Section 401(a) of the Code, (b) all notices received by the Borrower or any ERISA Affiliate of the PBGC's intent to terminate any Pension Plan or to have a

trustee appointed to administer any Pension Plan, (c) each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) filed by the Borrower or any ERISA Affiliate with the Internal Revenue Service with respect to each Pension Plan and (d) all notices received by the Borrower or any ERISA Affiliate from a Multiemployer Plan sponsor concerning the imposition or amount of withdrawal liability pursuant to Section 4202 of ERISA. The Borrower will notify the Lender in writing within five (5) Business Days of any Borrower obtaining knowledge or reason to know that the Borrower or any ERISA Affiliate has filed or intends to file a notice of intent to terminate any Pension Plan under a distress termination within the meaning of Section 4041(c) of ERISA.

6.21. Continued Operations. Continue at all times (i) to conduct its business and engage principally in the same line or lines of business substantially as heretofore conducted and (ii) preserve, protect and maintain free from Liens, other than Permitted Liens, its material patents, copyrights, licenses, trademarks, trademark rights, trade names, trade name rights, trade secrets and know-how necessary or useful in the conduct of its operations.

6.22. Use of Proceeds. Use the proceeds of the Loans solely for the purposes specified in Section 2.9 hereof.

6.23. New Subsidiaries. Simultaneously with the acquisition or creation of any Material Subsidiary, cause to be delivered to the Lender each of the following:

(i) a Subsidiary Guaranty substantially in the form attached hereto as Exhibit G;

(ii) an opinion of counsel to the Subsidiary dated as of the date of delivery of the Subsidiary Guaranty provided in the foregoing clause (i) and addressed to the Lender in form and substance reasonably acceptable to the Lender (which opinion may include assumptions and qualifications of similar effect to those contained in the opinions of counsel delivered pursuant to Section 4.1(a)(iii) hereof), to the effect that:

(A) such Subsidiary is duly organized, validly existing and in good standing in the jurisdiction of its organization, has the requisite power and authority to own its properties and conduct its business as then owned and then proposed to be conducted and is duly qualified

41

to transact business and is in good standing as a foreign corporation or partnership in the jurisdictions set forth in such opinion; and

(B) the execution, delivery and performance of the Subsidiary Guaranty described in clause (i) of this Section 6.23 to which such Subsidiary is a signatory have been duly authorized by all requisite corporate or partnership action (including any required shareholder or partner approval), such agreement has been duly executed and delivered, constitutes the valid and binding obligation of such Subsidiary, enforceable against such Subsidiary in accordance with its terms, subject to the effect of any applicable bankruptcy, moratorium, insolvency, reorganization or other similar law affecting the enforceability of creditors' rights generally and to the effect of general principles of equity which may limit the availability of equitable remedies (whether in a proceeding at law or in equity) and to the actual knowledge of such counsel does not and will not violate any laws, rules or regulations applicable to the Subsidiary or violate or constitute a breach of any contract, agreement, indenture, lease, instrument or other document, judgment, writ, determination, order or decree to which the Subsidiary is a party or by which the Subsidiary or any of its properties are bound and which is set forth on a

schedule to such opinion; and

(iv) current copies of the charter documents, including partnership agreements and certificate of limited partnership, if applicable, and bylaws of such Subsidiary, minutes of duly called and conducted meetings (or duly effected consent actions) of the Board of Directors, partners, or appropriate committees thereof (and, if required by such charter documents, bylaws or by applicable laws, of the shareholders or partners) of such Subsidiary authorizing the actions and the execution and delivery of documents described in clause (i) of this Section 6.23 and evidence satisfactory to the Lender (confirmation of the receipt of which will be provided by the Lender) that such Subsidiary is Solvent as of such date and after giving effect to the Subsidiary Guaranty.

ARTICLE VII

Negative Covenants

Until the Obligations have been paid and satisfied in full and this Agreement has been terminated in accordance with the terms hereof, unless the Lender shall otherwise consent in writing, the Borrower will not nor permit any Subsidiary to:

7.1. Consolidated Leverage Ratio. Permit at any time the Consolidated Leverage Ratio to be greater than .60 to 1.00.

42

7.2. Consolidated Fixed Charge Coverage Ratio. Permit at any time the Consolidated Fixed Charge Ratio of the Borrower to be less than 2.00 to 1.00.

7.3. Consolidated Shareholders' Equity. Permit Consolidated Shareholders' Equity to be less than (i) the difference of \$80,000,000 less the effect of Permitted Stock Repurchases made subsequent to April 2, 1995 through the end of the Fiscal Year ended March 31, 1996 and (ii) thereafter at all times, the sum of (A) the amount of Consolidated Shareholders' Equity required to be maintained pursuant to this Section 7.3 as at the end of the immediately preceding Fiscal Year, plus (B) 50% of Net Income (with no reduction for net losses during any period) for the Fiscal Year of the Borrower ending on such day, plus (C) 100% of the aggregate amount of all increases in the stated capital and additional paid-in capital accounts of the Borrower resulting from the issuance of equity securities, conversion of any debt instruments into equity or other capital investments.

7.4. Consolidated Cash Flow Ratio. Permit at the end of each fiscal quarter of the Borrower the ratio of Consolidated Funded Indebtedness to Consolidated Cash Flow for the Four-Quarter Period then ended to be greater 6.00 to 1.00.

7.5. Liens. Incur, create or permit to exist any pledge, Lien, charge or other encumbrance of any nature whatsoever with respect to any property or assets now owned or hereafter acquired by the Borrower or any Subsidiary, other than the following (collectively, "Permitted Liens"):

(a) Liens existing as of the date hereof and as set forth in Schedule 7.5 attached hereto;

(b) Liens imposed by law for taxes, assessments or charges of any Governmental Authority for claims not yet due or which are being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP;

(c) statutory Liens of landlords and Liens of carriers,

warehousemen, mechanics, materialmen and other Liens imposed by law or created in the ordinary course of business and in existence less than 90 days from the date of creation thereof for amounts not yet due or which are being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP;

(d) Liens incurred or deposits made in the ordinary course of business (including, without limitation, surety bonds and appeal bonds) in connection with workers' compensation, unemployment insurance and other types of social security benefits or to secure the performance of tenders, bids, leases, contracts (other than for the repayment of Indebtedness), statutory obligations and other similar

43

obligations or arising as a result of progress payments under government contracts;

(e) purchase money Liens to secure Indebtedness incurred to purchase fixed assets, provided the Indebtedness represents not less than 75% of the purchase price of such assets as of the date of purchase thereof and no property other than the assets so purchased secures such Indebtedness; and

(f) Liens granted to the issuer of any documentary letters of credit upon property shipped under or in connection with such documentary letters of credit.

7.6. Transfer of Assets. Sell, lease, transfer or otherwise dispose of all or substantially all of the assets of Borrower or any Material Subsidiary in a single or series of related transactions.

7.7. Investments; Acquisitions. Make any acquisition or otherwise purchase, own, invest in or otherwise acquire, directly or indirectly, any stock or other securities, or make or permit to exist any interest whatsoever in any other Person or permit to exist any loans or advances to any Person, except that Borrower or any Subsidiary may maintain investments or invest in:

(a) Eligible Securities;

(b) investments in Subsidiaries existing as of the date hereof and as set forth in Schedule 5.4 attached hereto;

(c) accounts receivable arising and trade credit granted in the ordinary course of business and any securities received in satisfaction or partial satisfaction thereof in connection with accounts of financially troubled Persons to the extent reasonably necessary in order to prevent or limit loss;

(d) other loans, advances and investments in an aggregate principal amount at any time outstanding not to exceed \$250,000; and

(e) loans in the ordinary course of business to employees, affiliates and Subsidiaries who are not Guarantors in an aggregate principal amount outstanding at any time of \$5,000,000; and

(f) loans and advances to and investments in Subsidiaries who are Guarantors.

Notwithstanding the foregoing, the Borrower and its Subsidiaries may make Acquisitions so long as: (i) immediately prior to and immediately after the consummation of such Acquisition, no Default or Event of Default has occurred and is continuing, (ii) substantially all of the sales and operating profits generated by such Person (or assets) so acquired or invested are derived from the same or related line or lines of business as then conducted by the Borrower and its Subsidiaries, (iii) a certificate of an

Authorized Representative demonstrating compliance with Article VII hereof after giving effect to such Acquisition, (iv) the Cost of Acquisition with respect to any Acquisition entered into during the term of this Agreement shall not exceed \$25,000,000, (v) the aggregate amount of all Cost of Acquisitions shall not exceed \$40,000,000 during the term of this Agreement, and (v) in the event the Person so acquired is not a Subsidiary, the Borrower's written strategic plan (as reviewed by the Lender) includes additional investment in such Person sufficient for it to become a Subsidiary.

7.8. Merger or Consolidation. (a) Consolidate with or merge into any other Person, or (b) permit any other Person to merge into it, or (c) liquidate, wind-up or dissolve or sell, transfer or lease or otherwise dispose of all or a substantial part of its assets (other than sales in the ordinary course of business); provided, however, any Subsidiary of the Borrower may merge or transfer all or substantially all of its assets into or consolidate with the Borrower or any wholly owned Subsidiary of the Borrower, and any Person may merge with the Borrower if the Borrower shall be the survivor thereof and such merger shall not cause, create or result in the occurrence of any Default or Event of Default hereunder.

7.9. Restricted Payments. Make any Restricted Payments or apply or set apart any of their assets therefor or agree to do any of the foregoing, other than the negotiated or open market repurchase by the Borrower of up to 1,500,000 shares of its common capital stock for an aggregate purchase price not to exceed \$20,000,000 ("Permitted Stock Repurchases"), providing that at the time of each repurchase and immediately after giving effect thereto no Default or Event of Default shall exist or occur and be continuing.

7.10. Transactions with Affiliates. Other than transactions permitted under Sections 7.7 hereof and transactions among the Borrower and wholly owned Subsidiaries or among wholly owned Subsidiaries, enter into any transaction after the Closing Date, including, without limitation, the purchase, sale, lease or exchange of property, real or personal, or the rendering of any service, with any Affiliate of the Borrower, except (a) that such Persons may render services to the Borrower or its Subsidiaries for compensation at the same rates generally paid by Persons engaged in the same or similar businesses for the same or similar services, (b) that the Borrower or any Subsidiary may render services to such Persons for compensation at the same rates generally charged by the Borrower or such Subsidiary and (c) upon terms no less favorable to the Borrower (or any Subsidiary) than would be obtained in a comparable arm's-length transaction with a Person not an Affiliate.

7.11. Compliance with ERISA. With respect to any Pension Plan, Employee Benefit Plan or Multiemployer Plan:

(a) permit the occurrence of any Termination Event which would result in a liability to the Borrower or any ERISA Affiliate in excess of \$500,000;

(b) permit the present value of all benefit liabilities under all Pension Plans to exceed the current value of the assets of such Pension Plans allocable to such benefit liabilities by more than \$500,000;

(c) permit any accumulated funding deficiency in excess of \$500,000 (as defined in Section 202 of ERISA and Section 412 of the Code) with respect to any Pension Plan, whether or not waived;

(d) fail to make any contribution or payment to any Multiemployer Plan which the Borrower or any ERISA Affiliate may be required to make under any agreement relating to such Multiemployer

Plan, or any law pertaining thereto which results in or is likely to result in a liability in excess of \$500,000; or

(e) engage, or permit any Borrower or any ERISA Affiliate to engage, in any prohibited transaction under Section 406 of ERISA or Sections 4975 of the Code for which a civil penalty pursuant to Section 502(i) of ERISA or a tax pursuant to Section 4975 of the Code in excess of \$500,000 may be imposed; or

(f) permit the establishment of any Employee Benefit Plan providing post-retirement welfare benefits or establish or amend any Employee Benefit Plan which establishment or amendment could result in liability to the Borrower or any ERISA Affiliate or increase the obligation of the Borrower or any ERISA Affiliate to a Multiemployer Plan which liability or increase, individually or together with all similar liabilities and increases, is in excess of \$500,000; or

(g) fail, or permit the Borrower or any ERISA Affiliate to fail, to establish, maintain and operate each Employee Benefit Plan in compliance in all material respects with the provisions of ERISA, the Code, all applicable Foreign Benefit Loans and all other applicable laws and the regulations and official published interpretations thereof.

7.12. Fiscal Year. Change its Fiscal Year.

7.13. Limitations on Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by the Borrower of real or personal property which has been or is to be sold or transferred by the Borrower to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of the Borrower ("Sale and Leaseback Transactions").

7.14. Dissolution, etc. Wind up, liquidate or dissolve (voluntarily or involuntarily) or commence or suffer any proceedings seeking any such winding up, liquidation or dissolution.

ARTICLE VIII

Events of Default and Acceleration

8.1. Events of Default. If any one or more of the following events ("Events of Default") shall occur for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) if default shall be made in the due and punctual payment of the principal of any Loan or other Obligation, when and as the same shall be due and payable whether pursuant to any provision of Article II hereof, at maturity, by acceleration or otherwise; or

(b) if default shall be made in the due and punctual payment of any amount of interest on any Loan or of any fees or other amounts payable to the Lender under the Loan Documents on the date on which the same shall be due and payable; or

(c) if default shall be made in the performance or observance of any covenant set forth in Sections 6.8, 6.12, 6.22, 6.23 or Article VII hereof;

(d) if a default shall be made in the performance or observance of, or shall occur under, any covenant, agreement or provision contained in this Agreement, the Notes or the other Loan Documents (other than as described in clauses (a), (b) or (c) above) or any other agreement between the Borrower and the Lender creating or

relating to any Indebtedness between the Borrower and the Lender and such default shall continue for 30 or more days after the earlier of receipt of notice of such default by the Authorized Representative from the Lender or an officer of the Borrower becomes aware of such default, or if a default shall be made in the performance or observance of, or shall occur under, any covenant, agreement or provision contained in any of the other Loan Documents (beyond any applicable grace period, if any, contained therein) or in any instrument or document evidencing or creating any obligation, guaranty, or Lien in favor of the Lender or delivered to the Lender in connection with or pursuant to this Agreement or any of the Obligations, or if any Loan Document ceases to be in full force and effect (other than by reason of any action by the Lender), or if without the written consent of the Lender this Agreement or any other Loan Document shall be disaffirmed or shall terminate, be terminable or be terminated or become void or unenforceable for any reason whatsoever (other than in accordance with its terms in the absence of default or by reason of any action by the Lender); or

47

(e) the Borrower or any Subsidiary shall fail to make any payment in respect of Indebtedness outstanding (other than the Notes) when due or within any applicable grace period; or

(f) any event or condition shall occur which results in the acceleration of the maturity of Indebtedness outstanding of the Borrower or any Subsidiary or the mandatory prepayment or purchase of such Indebtedness by the Borrower (or its designee) or such Subsidiary (or its designee) prior to the scheduled maturity thereof, or enables (or, with the giving of notice or lapse of time or both, would enable) the holders of such Indebtedness or any Person acting on such holders' behalf to accelerate the maturity thereof or require the mandatory prepayment or purchase thereof prior to the scheduled maturity thereof, without regard to whether such holders or other Person shall have exercised or waived their right to do so; or

(g) if any material representation, warranty or other statement of fact contained herein or any other Loan Document or in any writing, certificate, report or statement at any time furnished to the Lender by or on behalf of the Borrower or any Guarantor pursuant to or in connection with this Agreement or the other Loan Documents, or otherwise, shall be false or misleading in any material respect when given; or

(h) if the Borrower or any Guarantor shall be unable to pay its debts generally as they become due; file a petition to take advantage of any insolvency statute; make an assignment for the benefit of its creditors; commence a proceeding for the appointment of a receiver, trustee, liquidator or conservator of itself or of the whole or any substantial part of its property; file a petition or answer seeking reorganization or arrangement or similar relief under the federal bankruptcy laws or any other applicable law or statute; or

(i) if a court of competent jurisdiction shall enter an order, judgment or decree appointing a custodian, receiver, trustee, liquidator or conservator of the Borrower or any Guarantor or of the whole or any substantial part of its properties and such order, judgment or decree continues unstayed and in effect for a period of thirty (30) days, or approve a petition filed against the Borrower or any Guarantor seeking reorganization or arrangement or similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state, which petition is not dismissed within thirty (30) days; or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of the Borrower or any Guarantor or of the whole or any substantial part of its properties, which control is not relinquished within thirty (30) days; or if there is commenced against the Borrower any proceeding or

petition seeking reorganization, arrangement or similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state which

48

proceeding or petition remains undismissed for a period of thirty (30) days; or if the Borrower or any Guarantor takes any action to indicate its consent to or approval of any such proceeding or petition; or

(j) if (i) any judgment where the amount not covered by insurance (or the amount as to which the insurer denies liability) is in excess of \$500,000 is rendered against the Borrower or any Guarantor, or (ii) there is any attachment, injunction or execution against any of the properties of the Borrower or any Guarantor for any amount in excess of \$500,000; and such judgment, attachment, injunction or execution remains unpaid, unstayed, undischarged, unbonded or undismissed for a period of thirty (30) days; or

(k) if the Borrower or any Guarantor shall suspend all or any part of its operations material to the conduct of the business of the Borrower for a period of more than 120 days; or

(l) if the Borrower shall breach any of the material terms or conditions of any Swap Agreement with the Lender and such breach shall continue beyond any grace period, if any, relating thereto pursuant to its terms; or

(m) if the Borrower shall cause, suffer or permit (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Bernstein Family or the Crown ESOP to own or control, directly or indirectly, more than thirty percent (30%) of the capital stock of the Borrower having voting rights in the election of directors, or any other equity security or a security convertible into or exchangeable or redeemable for any equity security or (ii) individuals who at the Closing Date constituted the Board of Directors (together with any new directors whose election by the Board of Directors or whose nomination for election by the stockholders of the Borrower was approved by a vote of a majority of the directors of the Borrower then still in office who were either directors at the Closing Date or whose election or nomination for election was previously so approved) to cease for any reason to constitute at least a majority of the Board of Directors then in office;

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) either or both of the following actions may be taken: (i) the Lender may declare any obligation of the Lender to make further Revolving Loans terminated, whereupon the obligation of the Lender to make further Revolving Loans hereunder shall terminate immediately, and (ii) 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

49

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;

provided, however, that notwithstanding the above, if there shall occur an Event of Default under clause (h) or (i) above, then the obligation of the Lender to make Revolving Loans hereunder shall automatically terminate and any and all of the Obligations shall be immediately due and payable without the necessity of any action by the Lender; and

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

8.2. Lender to Act. In case any one or more Events of Default shall occur and not have been waived, the Lender may proceed to protect and enforce its rights or remedies either by suit in equity or by action at law, or both, whether for the specific performance of any covenant, agreement or other provision contained herein or in any other Loan Document, or to enforce the payment of the Obligations or any other legal or equitable right or remedy.

8.3. Cumulative Rights. No right or remedy herein conferred upon the Lender is intended to be exclusive of any other rights or remedies contained herein or in any other Loan Document, and every such right or remedy shall be cumulative and shall be in addition to every other such right or remedy contained herein and therein or now or hereafter existing at law or in equity or by statute, or otherwise.

8.4. No Waiver. No course of dealing between the Borrower and the Lender or any failure or delay on the part of the Lender in exercising any rights or remedies under any Loan Document or otherwise available to it shall operate as a waiver of any rights or remedies and no single or partial exercise of any rights or remedies shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder or of the same right or remedy on a future occasion.

8.5. Allocation of Proceeds. If an Event of Default has occurred and not been waived, and the maturity of the Notes has been accelerated pursuant to Article VIII hereof, all payments received by the Lender hereunder, in respect of any principal of or interest on the Obligations or any other amounts payable by the Borrower hereunder shall be applied by the Lender in the following order:

- (a) amounts due to the Lender pursuant to Sections 2.8 and 9.5 hereof;
- (b) payments of interest on Loans;
- (c) payments of principal of Loans;

50

(d) amounts due to the Lender pursuant to Sections 6.16 and 9.9 hereof;

(e) payments of all other amounts due under this Agreement;

(f) amounts due to the Lender in respect of Obligations consisting of liabilities under any Swap Agreement with the Lender; and

(g) any surplus remaining after application as provided for herein, to the Borrower or otherwise as may be required by applicable law.

ARTICLE IX

Miscellaneous

9.1. Assignments and Participations. (a) At any time after the Closing Date the Lender may, with the prior written consent of the Borrower provided no Event of Default has occurred and is continuing, assign to one or more banks or financial institutions all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of the Note payable to its order); provided, that (i) each such assignment shall be of a constant and not a varying percentage of all of the assigning Lender's rights and obligations under the Revolving Credit Facility of this Agreement, (ii) for each assignment involving the issuance and transfer of a Note, the assigning Lender shall execute an Assignment and Acceptance and the Borrower hereby consents to execute a replacement Note to give effect to the assignment, (iii) the minimum Revolving Credit Commitment which shall be assigned is \$5,000,000 or, if less, its total Revolving Credit Commitment, (iv) such assignee shall have an office located in the United States, and (v) no consent of the Borrower shall be required in connection with any assignment by the Lender to an affiliate of the Lender. Upon such execution, delivery, approval and acceptance, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder or under such Note have been assigned or negotiated to it pursuant to such Assignment and Acceptance have the rights and obligations of a Lender hereunder and a holder of such Note and (y) the assignor thereunder shall, to the extent that rights and obligations hereunder or under such Note have been assigned or negotiated by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement.

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) the assignment made under such Assignment and Acceptance is made under such Assignment and

51

Acceptance without recourse; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under any Loan Document or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements delivered pursuant to Section 5.6 or Section 6.1, as the case may be, and such other Loan Documents and other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; and (v) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender and a holder of such Notes.

(c) Nothing herein shall prohibit the Lender from pledging or assigning, without notice or consent, any Note to any Federal Reserve Bank in accordance with applicable law.

(d) The Lender may sell participations at its expense to one or more banks or other financial institutions as to all or a portion of its rights and obligations under this Agreement; provided, that (i) the Lender's obligations under this Agreement shall remain unchanged, (ii) the Lender shall remain solely responsible to the Borrower for the performance of such obligations, (iii) the Lender shall remain the holder of any Note issued to it for the purpose of this Agreement, (iv) such participations shall be in a minimum amount of \$5,000,000 or, if less, its total Revolving Credit Commitment, and (v) the Borrower shall continue to deal solely and directly with the Lender in connection with the Lender's rights and obligations under this Agreement and with regard to any and all payments to be made under this Agreement; provided, that the participation agreement between the Lender and its participants may provide that the Lender will obtain the approval of such

participant prior to the Lender's agreeing to any amendment or waiver of any provisions of this Agreement which would (A) extend the maturity of any Note, (B) reduce the interest rates hereunder or (C) increase the Revolving Credit Commitment of the Lender granting the participation, and (vi) the sale of any such participations which require Borrower to file a registration statement with the United States Securities and Exchange Commission or under the securities regulations or laws of any state shall not be permitted.

(e) The Borrower may not assign any rights, powers, duties or obligations under this Agreement or the other Loan Documents without the prior written consent of the Lender.

9.2. Notices. Any notice shall be conclusively deemed to have been received by any party hereto and be effective on the day on which delivered to such party (against receipt therefor) at the

52

address set forth below or such other address as such party shall specify to the other parties in writing (or, in the case of notice by telecopy, telegram or telex (where the receipt of such message is verified by return) expressly provided for hereunder, when received at such telecopy or telex number as may from time to time be specified in written notice to the other parties hereto or otherwise received), or if sent prepaid by certified or registered mail return receipt requested on the fifth Business Day after the day on which mailed, addressed to such party at said address:

(a) if to the Borrower:

Crown Crafts, Inc.
1600 Riveredge Parkway
Suite 200
Atlanta, Georgia 30328
Attn: Treasurer
Telephone: (404) 644-6235
Telefacsimile: (404) 644-6233

(b) if to the Lender:

Wachovia Bank of Georgia, N.A.
191 Peachtree Street, N.E.
Atlanta, Georgia 30303-1757
Attention: Commercial Group
Telephone: (404) 332-6093
Telefacsimile: (404) 332-6920

9.3. Survival. All covenants, agreements, representations and warranties made herein shall survive the making by the Lender of the Loans and the execution and delivery to the Lenders of this Agreement and the Notes and shall continue in full force and effect so long as any of the Obligations remain outstanding or the Lender has any commitment hereunder or the Borrower has continuing obligations hereunder unless otherwise provided herein. Whenever in this Agreement, any of the parties hereto is referred to, such reference shall be deemed to include the successors and permitted assigns of such party and all covenants, provisions and agreements by or on behalf of the Borrower which are contained in this Agreement, the Notes and the other Loan Documents shall inure to the benefit of the successors and permitted assigns of the Lender or any of them.

9.4. Expenses. The Borrower agrees prior to and after the occurrence of an Event of Default (a) to pay or reimburse the Lender for all its reasonable out-of-pocket costs and expenses incurred in connection with the preparation, negotiation and execution of, and any amendment, supplement or modification to, this Agreement or any of the other Loan Documents (including travel expenses relating to closing), and the consummation of the transactions contemplated hereby and thereby, including, without limitation, the reasonable fees and disbursements of counsel to the Lender, (b) to pay or reimburse the Lender for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement and the other

Documents, including without limitation, the reasonable fees and disbursements of its counsel and (c) to pay, indemnify and hold the Lender harmless from any and all recording and filing fees and any and all liabilities with respect to, or resulting from any failure to pay or delay in paying, documentary, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of this Agreement or any other Loan Documents, or consummation of any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement or any other Loan Documents.

9.5. Amendments. No amendment, modification or waiver of any provision of this Agreement or any of the Loan Documents and no consent by the Lender to any departure therefrom by the Borrower shall be effective unless such amendment, modification or waiver shall be in writing and signed by the Lender and the same shall then be effective only for the period and on the conditions and for the specific instances and purposes specified in such writing.

9.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such fully-executed counterpart.

9.7. Termination. The termination of this Agreement shall not affect any rights of the Borrower or the Lender or any obligation of the Borrower or the Lender arising prior to the effective date of such termination, and the provisions hereof shall continue to be fully operative until all transactions entered into or rights created or obligations incurred prior to such termination have been fully disposed of, concluded or liquidated and the Obligations arising prior to or after such termination have been irrevocably paid in full. The rights granted to the Lender hereunder and under the other Loan Documents shall continue in full force and effect, notwithstanding the termination of this Agreement, until all of the Obligations have been paid in full after the termination hereof (other than Obligations in the nature of continuing indemnities or expense reimbursement obligations not yet due and payable) or the Borrower has furnished the Lender with an indemnification satisfactory to the Lender with respect thereto. All representations, warranties, covenants, waivers and agreements contained herein shall survive termination hereof until payment in full of the Obligations unless otherwise provided herein. Notwithstanding the foregoing, if after receipt of any payment of all or any part of the Obligations the Lender is for any reason compelled to surrender such payment to any Person because such payment is determined to be void or voidable as a preference, impermissible setoff, a diversion of trust funds or for any other reason, this Agreement shall continue in full force and the Borrower shall be liable to, and shall indemnify and hold the Lender harmless for, the amount of such payment surrendered until the Lender shall have been finally and irrevocably paid in full. The provisions of the foregoing sentence shall be and remain effective notwithstanding any contrary action which may have been taken by the Lender in reliance upon such payment, and any such

contrary action so taken shall be without prejudice to the Lender's rights under this Agreement and shall be deemed to have been conditioned upon such payment having become final and irrevocable.

9.8. Indemnification. In consideration of the execution and delivery of this Agreement by the Lender and the extension of the Revolving Credit Commitments, the Borrower hereby indemnifies, exonerates and holds the Lender and its officers, directors, employees and agents (collectively, the

"Indemnified Parties") free and harmless from and against any and all actions, causes of action, suits, losses, costs, liabilities and damages, and expenses incurred in connection therewith (irrespective of whether any such Indemnified Party is a party to the action for which indemnification hereunder is sought), including reasonable attorneys' fees and disbursements (collectively, the "Indemnified Liabilities"), incurred by the Indemnified Parties or any of them as a result of, or arising out of, or relating to the execution, delivery, enforcement performance or administration of this Agreement and the other Loan Documents, or any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of any Loan, except for any such Indemnified Liabilities arising for the account of a particular Indemnified Party by reason of the bad faith, gross negligence or willful misconduct of, or breach of the Loan Documents by, such Indemnified Party or an officer, co-officer, director, co-director, employee, co-employee, agent or co-agent of such Indemnified Party, and if and to the extent that the foregoing undertaking may be unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. The indemnification and hold harmless provisions of this Section 9.9 shall survive repayment of the Obligations, occurrence of the Revolving Credit Termination Date and expiration or termination of this Agreement.

9.9. **Headings and References.** The headings of the Articles and Sections of this Agreement are inserted for convenience of reference only and are not intended to be a part of, or to affect the meaning or interpretation of this Agreement. Words such as "hereof", "hereunder", "herein" and words of similar import shall refer to this Agreement in its entirety and not to any particular Section or provisions hereof, unless so expressly specified. As used herein, the singular shall include the plural, and the masculine shall include the feminine or a neutral gender, and vice versa, whenever the context requires.

9.10. **Severability.** If any provision of this Agreement or the other Loan Documents shall be determined to be illegal or invalid as to one or more of the parties hereto, then such provision shall remain in effect with respect to all parties, if any, as to whom such provision is neither illegal nor invalid, and in any event all other provisions hereof shall remain effective and binding on the parties hereto.

9.11. **Entire Agreement.** This Agreement, together with the other Loan Documents, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes

55

all previous proposals, negotiations, representations, commitments and other communications between or among the parties, both oral and written, with respect thereto.

9.12. **Agreement Controls.** In the event that any term of any of the Loan Documents other than this Agreement conflicts with any term of this Agreement, the terms and provisions of this Agreement shall control.

9.13. **Usury Savings Clause.** Notwithstanding any other provision herein, the aggregate interest rate charged under any of the Notes, including all charges or fees in connection therewith deemed in the nature of interest under North Carolina or Georgia law, shall not exceed the Highest Lawful Rate (as such term is defined below). If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate (as defined below), the outstanding amount of the Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, the Borrower shall pay to the Lender an amount equal to the difference between

the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of the Lender and the Borrower to conform strictly to any applicable usury laws. Accordingly, if any lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful rate, then any such excess shall be cancelled automatically and, if previously paid, shall at the Lender's option be applied to the outstanding amount of the Loans made hereunder or be refunded to the Borrower. As used in this paragraph, the term "Highest Lawful Rate" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to such Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow.

9.14. GOVERNING LAW; ETC..

(a) THIS AGREEMENT AND EACH OF THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

(b) THE BORROWER HEREBY EXPRESSLY AND IRREVOCABLY AGREES AND CONSENTS THAT ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS

56

CONTEMPLATED HEREIN MAY BE INSTITUTED IN ANY STATE OR FEDERAL COURT SITTING IN THE COUNTY OF FULTON, UNITED STATES OF AMERICA AND, BY THE EXECUTION AND DELIVERY OF THIS AGREEMENT, THE BORROWER EXPRESSLY WAIVES ANY OBJECTION THAT IT MAY HAVE NOW OR HEREAFTER TO THE LAYING OF THE VENUE OR TO THE JURISDICTION OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND IRREVOCABLY SUBMITS GENERALLY AND UNCONDITIONALLY TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(c) THE BORROWER AGREES THAT SERVICE OF PROCESS MAY BE MADE BY PERSONAL SERVICE OF A COPY OF THE SUMMONS AND COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING, OR BY REGISTERED OR CERTIFIED MAIL (POSTAGE PREPAID) TO THE ADDRESS OF THE BORROWER PROVIDED IN Section 9.2 HEREOF, OR BY ANY OTHER METHOD OF SERVICE PROVIDED FOR UNDER THE APPLICABLE LAWS IN EFFECT IN THE STATE OF GEORGIA.

(d) NOTHING CONTAINED IN SUBSECTIONS (B) OR (C) HEREOF SHALL PRECLUDE THE SECURED PARTY FROM BRINGING ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS IN THE COURTS OF ANY PLACE WHERE THE BORROWER OR ANY OF THE BORROWER'S PROPERTY OR ASSETS MAY BE FOUND OR LOCATED. TO THE EXTENT PERMITTED BY THE APPLICABLE LAWS OF ANY SUCH JURISDICTION, THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND EXPRESSLY WAIVES, IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING, THE JURISDICTION OF ANY OTHER COURT OR COURTS WHICH NOW OR HEREAFTER, BY REASON OF ITS PRESENT OR FUTURE DOMICILE, OR OTHERWISE, MAY BE AVAILABLE TO IT.

(e) IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER OR RELATED TO THIS AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THE FOREGOING, THE BORROWER HEREBY AGREES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY AND THE BORROWER HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY HAVE THAT EACH ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be made, executed and delivered by their duly authorized officers as of the day and year first above written.

<TABLE>
<S>

<C>
CROWN CRAFTS, INC.

ATTEST: By: /s/ Robert E. Schnelle

Name: Robert E. Schnelle
Title: Treasurer

/s/ Roger D. Chittum

Secretary

[CORPORATE SEAL]

WACHOVIA BANK OF GEORGIA, N.A., as Lender

By: /s/ Susan E. Cates

Name: Susan E. Cates
Title: Commercial Officer

Lending Office:
Wachovia Bank of Georgia, N.A.
191 Peachtree Street, N.E.
Atlanta, Georgia 30303-1757

</TABLE>

EXHIBIT A

Commitment

<TABLE>
<CAPTION>

Lender	Loan Commitment
-----	-----
<S>	<C>
Wachovia Bank of Georgia, N.A.	\$15,000,000

</TABLE>

EXHIBIT B

Form of Assignment and Acceptance

DATED _____, ____

Reference is made to the Revolving Credit Agreement dated as of August 25, 1995 (the "Agreement") between Crown Crafts, Inc., a Georgia corporation (the "Borrower") and Wachovia Bank of Georgia, N.A., as Lender ("Lender"). Unless otherwise defined herein, terms defined in the Agreement are used herein

with the same meanings.

_____ (the "Assignor") and _____
_____ (the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, WITHOUT RECOURSE, a _____% (1) interest in and to all of the Assignor's rights and obligations under the Agreement as of the Effective Date (as defined below), including, without limitation, such percentage interest in the Loans owing to the Assignor on the Effective Date and evidenced by the Revolving Note held by the Assignor.

2. The Assignor (i) represents and warrants that, as of the date hereof, the aggregate principal amount of Revolving Loans owing to it (without giving effect to the assignments thereof which have not yet become effective) is \$ _____ under a Revolving Note dated _____, 19__ in the aggregate principal amount of \$ _____; (ii) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (iii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Agreement or any of the Loan Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Agreement or any of the Loan Documents or any other instrument or document furnished pursuant thereto; (iv) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Agreement or any of the Loan Documents or any other instrument or document furnished pursuant thereto and (v) attaches hereto the Revolving Note referred to in paragraph 1 above and requests that the Lender exchange such Note for Notes as follows: a Revolving Note dated _____, 19__ in the principal amount of \$ _____, payable to the order of the Assignor, and a Revolving Note, dated _____ 19__, in the principal amount of \$ _____ payable to the order of the Assignee.

(1) Specify percentage in no more than 4 decimal points.

60

3. The Assignee (i) confirms that it has received a copy of the Agreement, together with copies of the most recent financial statements referred to in Section 7.1 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Lender, the Assignor, or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Agreement; (iii) will perform all of the obligations which by the terms of the Agreement are required to be performed by the Lender; and (v) specifies as its address for notices the office set forth beneath its name on the signature pages hereof.

4. The effective date for this Assignment and Acceptance shall be _____ (the "Effective Date").

5. Upon such acceptance and recording, as of the Effective Date, (i) the Assignee shall be a party to the Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and under the Loan Documents and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Agreement.

7. This Assignment and Acceptance shall be governed by and construed in accordance with, the laws of the State of Georgia.

[NAME OF ASSIGNOR]

By: _____

Name:

Title:

Notice Address:

After the Effective Date
Outstanding Revolving Loans:\$

[NAME OF ASSIGNEE]

By: _____

Name:

Title:

Notice Address/Lending Office

Wire transfer Instructions:

61

<TABLE>

<S>

<C>

After the Effective Date
Outstanding Revolving Loans:\$

Consented to:

CROWN CRAFTS, INC.

By:

Name:

Title:

</TABLE>

62

EXHIBIT C

Notice of Appointment (or Revocation) of Authorized
Representative

Reference is hereby made to the Revolving Credit Agreement dated as of August 25, 1995 (the "Agreement") among Crown Crafts, Inc., a Georgia corporation (the "Borrower"), and Wachovia Bank of Georgia, N.A., as Lender ("Lender"). Capitalized terms used but not defined herein shall have the respective meanings therefor set forth in the Agreement.

The Borrower hereby appoints each individual named below as an Authorized Representative under the Loan Documents, and hereby represents and warrants that (i) set forth opposite each such individual's name is a true and correct statement of such individual's office (to which such individual has been duly elected or appointed), a genuine specimen signature of such individual and an address for the giving of notice, and (ii) each such individual has been duly authorized by the Borrower to act as Authorized Representative under the Loan Documents:

<TABLE>
 <CAPTION>
 Name and Address Office Specimen Signature
 <S> <C> <C>

</TABLE>

Borrower hereby revokes (effective upon receipt hereof by the Lender) the prior appointment of _____ as an Authorized Representative.

This the ___ day of _____, 19__.

CROWN CRAFTS, INC.

By:

 Name:

 Title:

EXHIBIT D

Form of Borrowing Notice

To: Wachovia Bank of Georgia, N.A.
 191 Peachtree Street, N.E.
 Atlanta, Georgia 30303-1757
 Attention: Ms. Ramona Hix, Administrative Specialist
 Telephone: (404) 332-6559
 Telefacsimile: (404) 332-6920

Reference is hereby made to the Revolving Credit Agreement dated as of August 25, 1995 (the "Agreement") among Crown Crafts, Inc., a Georgia corporation (the "Borrower"), and Wachovia Bank of Georgia, N.A., as Lender ("Lender"). Capitalized terms used but not defined herein shall have the respective meanings therefor set forth in the Agreement.

The Borrower through its Authorized Representative hereby gives notice to the Lender that Loans of the type and amount set forth below be made on the date indicated:

<TABLE>
 <CAPTION>
 Type of Loan Interest Aggregate
 (check one) Period(1) Amount(2) Date of Loan(3)

<S>	<C>	<C>	<C>
Base Rate Loan			
Eurodollar Rate Loan			

- (1) For any Eurodollar Rate Loan, one, two, three or six months.
- (2) Must be \$2,000,000 or, if greater, an integral multiple of \$1,000,000 if a Eurodollar Rate Loan, and \$250,000 or, if greater, an integral multiple of \$100,000 if a Base Rate Loan.
- (3) At least three (3) Business Days later if a Eurodollar Rate Loan;

The Borrower hereby requests that the proceeds of Loans described in this Borrowing Notice be made available to the Borrower as follows: [insert transmittal instructions].

The undersigned hereby certifies, solely in his/her corporate and not in his/her individual capacity, that:

1. No Default or Event of Default exists either now or after giving effect to the borrowing described herein; and
2. All the representations and warranties set forth in Article V of the Agreement and in the Loan Documents (other than those expressly stated to refer to a particular date) are true and correct as of the date hereof except that the reference to the financial statements in Section 5.6(a) of the Agreement are to those financial statements most recently delivered to you pursuant to Section 6.1 of the Agreement (it being understood that any

64

financial statements delivered pursuant to Section 6.1(b) have not been certified by independent public accountants) and attached hereto are any changes to the Schedules referred to in connection with such representations and warranties.

3. After giving effect to Loans requested hereby, the principal amount of outstanding Loans will not exceed the Total Revolving Credit Commitment.

CROWN CRAFTS, INC.

BY:

Authorized Representative

DATE:

65

EXHIBIT E

Form of Interest Rate Selection Notice

To: Wachovia Bank of Georgia, N.A.
191 Peachtree Street, N.E.
Atlanta, Georgia 30303-1757
Attention: Ms. Ramona Hix, Administrative Specialist
Telephone: (404) 332-6559
Telefacsimile: (404) 332-6920

Reference is hereby made to the Revolving Credit Agreement dated as of August 25, 1995 (the "Agreement") among Crown Crafts, Inc., a Georgia corporation (the "Borrower"), and Wachovia Bank of Georgia, N.A., as Lender ("Lender"). Capitalized terms used but not defined herein shall have the respective meanings therefor set forth in the Agreement.

The Borrower through its Authorized Representative hereby gives notice to the Lender of the following selection of a type of Loan and Interest Period:

<TABLE>
<CAPTION>

Type of Loan (check one)	Interest Period(1)	Aggregate Amount(2)	Date of Loan(3)
<S> Base Rate Loan	<C>	<C>	<C>
Eurodollar Rate Loan			

</TABLE>

- (1) For any Eurodollar Rate Loan, one, two, three or six months.
 (2) Must be \$2,000,000 or, if greater, an integral multiple of \$1,000,000 if a Eurodollar Rate Loan, and \$250,000 or, if greater, an integral multiple of \$100,000 if a Base Rate Loan.
 (3) At least three (3) Business Days later if a Eurodollar Rate Loan;

CROWN CRAFTS, INC.

BY:

 Authorized Representative

66

EXHIBIT F

Form of Revolving Note

PROMISSORY NOTE

\$15,000,000

Atlanta, Georgia
 August 25, 1995

FOR VALUE RECEIVED, CROWN CRAFTS, INC., a Georgia corporation having its principal place of business located in Atlanta, Georgia (the "Borrower"), hereby promises to pay to the order of WACHOVIA BANK OF GEORGIA, N.A. (the "Lender"), in its individual capacity, at the office of the Lender located at 191 Peachtree Street, N.E., Atlanta, Georgia 30303- 1757, (or at such other place or places as the Lender may designate in writing) at the times set forth in the Revolving Credit Agreement dated as of August 25, 1995 among the Borrower and the Lender (the "Agreement" -- all capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement), in lawful money of the United States of America, in immediately available funds, the principal amount of FIFTEEN MILLION DOLLARS (\$15,000,000) or, if less than such principal amount, the aggregate unpaid principal amount of all Revolving Loans made by the Lender to the Borrower pursuant to the Agreement on the Revolving Credit Termination Date or such earlier date as may be required pursuant to the terms of the Agreement, and to pay interest from the date hereof on the unpaid principal amount hereof, in like money, at said office, on the dates and at the rates provided in Article II of the Agreement. All or any portion of the principal amount of Loans may be prepaid as provided in the Agreement.

If payment of all sums due hereunder is accelerated under the terms of the Agreement or under the terms of the other Loan Documents executed in

connection with the Agreement, the then remaining principal amount and accrued but unpaid interest shall bear interest which shall be payable on demand at the rates per annum set forth in the proviso to Section 2.2 of the Agreement. Further, in the event of such acceleration, this Revolving Note shall become immediately due and payable, without presentation, demand, protest or notice of any kind, all of which are hereby waived by the Borrower.

In the event this Revolving Note is not paid when due at any stated or accelerated maturity, the Borrower agrees to pay, in addition to the principal and interest due hereunder, all costs of collection, including reasonable attorneys' fees, and interest thereon at the rates set forth above.

Interest hereunder shall be computed as provided in the Credit Agreement.

This Revolving Note is one of the Revolving Notes referred to in the Agreement and is issued pursuant to and entitled to the

67

benefits and security of the Agreement to which reference is hereby made for a more complete statement of the terms and conditions upon which the Revolving Loans evidenced hereby were or are made and are to be repaid. This Revolving Note is subject to certain restrictions on transfer or assignment as provided in the Agreement.

Protest, notice of protest, notice of dishonor, diligence or any other formality are hereby waived by all parties bound hereon.

IN WITNESS WHEREOF, the Borrower has caused this Revolving Note to be made, executed and delivered by its duly authorized representative as of the date and year first above written, all pursuant to authority duly granted.

<TABLE>
<S>

<C>
CROWN CRAFTS, INC.

WITNESS:

By: _____
Name: _____
Title: _____

[CORPORATE SEAL]
</TABLE>

68

EXHIBIT G

Form of Subsidiary Guaranty Agreement

THIS SUBSIDIARY GUARANTY AGREEMENT (the "Guaranty Agreement" or the "Guaranty"), dated as of _____, _____, is made by each of the undersigned (each a "Guarantor" and collectively the "Guarantors") to WACHOVIA BANK OF GEORGIA, N.A., a national banking association, as Lender (the "Lender").

WITNESSETH:

WHEREAS, the Lender has agreed to provide to CROWN CRAFTS, INC., a Georgia corporation (the "Borrower"), a revolving credit facility pursuant to the terms of that certain Revolving Credit Agreement dated as of August 25, 1995 between the Borrower and the Lender (as from time to time amended,

modified or supplemented, the "Credit Agreement"); and

WHEREAS, each Guarantor is a Material Subsidiary of the Borrower and is required pursuant to Section 6.23 of the Credit Agreement to guarantee to the Lender payment of the Borrower's Liabilities (as hereinafter defined) in accordance with the terms of this Agreement; and

WHEREAS, each Guarantor will materially benefit from the loans and advances made and to be made, under the Credit Agreement, and each Guarantor is willing to enter into this Guaranty to provide an inducement for the Lender to make loans and advances thereunder.

NOW, THEREFORE, as required under the Credit Agreement and in order to induce the Lender to make and continue loans and advances to the Borrower, thereunder, each Guarantor agrees as follows:

1. DEFINITIONS. All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

2. GUARANTY. Each Guarantor hereby jointly and severally, unconditionally, absolutely, continually and irrevocably guarantees to the Lender the payment and performance in full of the Borrower's Liabilities (as defined below). For all purposes of this Guaranty Agreement, "Borrower's Liabilities" means (a) the Borrower's obligation to promptly pay in full, when due or declared due, all Obligations and all other amounts pursuant to the terms of the Credit Agreement, the Notes, and all other Loan Documents executed in connection with the Credit Agreement heretofore, now or at any time hereafter owing, arising, due or payable from the Borrower to the Lender, including without limitation principal, interest, premium or fee (including, but not limited to, loan fees and attorneys' fees and expenses), and (b) the Borrower's prompt, full and faithful performance, observance and discharge of each and every agreement, undertaking, covenant and provision to be performed, observed or discharged by the Borrower under the Credit Agreement and all other Loan Documents executed in connection

69

therewith. Each Guarantor's obligations to the Lender under this Guaranty Agreement are hereinafter collectively referred to as the "Guarantors' Obligations"; provided, however, that the liability of each Guarantor with respect to the Guarantors' Obligations shall not exceed at any time the Maximum Amount (as hereinafter defined). The "Maximum Amount" means 95% of (i) the fair salable value of the assets of a Guarantor as of the date hereof minus (ii) the total liabilities of such Guarantor (including contingent liabilities, but excluding liabilities of such Guarantor under this Guaranty and any other Loan Documents executed by such Guarantor) as of the date hereof; provided further, however, that if the calculation of the Maximum Amount in the manner provided above as of the date payment is required of such Guarantor pursuant to this Guaranty would result in a greater positive number, then the Maximum Amount shall be deemed to be such greater positive number.

Each Guarantor agrees that it is jointly and severally, directly and primarily liable for the Borrower's Liabilities.

3. PAYMENT. If the Borrower shall default in payment or performance of any Borrower's Liabilities, whether principal, interest, premium, fee (including, but not limited to, loan fees and attorneys' fees and expenses), or otherwise, when and as the same shall become due, whether according to the terms of the Credit Agreement, by acceleration, or otherwise, or upon the occurrence of any other Event of Default under the Credit Agreement that has not been cured or waived, then each Guarantor, upon demand thereof by the Lender or its successors or assigns, will AS OF THE DATE OF THE LENDER'S DEMAND fully pay to the Lender, subject to any restriction set forth in Section 2 hereof, an amount equal to all Guarantor's Obligations then due and owing.

4. UNCONDITIONAL OBLIGATIONS. This is a guaranty of payment and not of collection. The Guarantors' Obligations under this Guaranty Agreement shall be joint and several, absolute and unconditional irrespective of the validity, legality or enforceability of the Credit Agreement, the Notes or any

other Loan Document or any other guaranty of the Borrower's Liabilities, and shall not be affected by any action taken under the Credit Agreement, the Notes or any other Loan Document, any other guaranty of the Borrower's Liabilities, or any other agreement between the Lender and the Borrower or any other person, in the exercise of any right or power therein conferred, or by any failure or omission to enforce any right conferred thereby, or by any waiver of any covenant or condition therein provided, or by any acceleration of the maturity of any of the Borrower's Liabilities, or by the release or other disposal of any security for any of the Borrower's Liabilities, or by the dissolution of the Borrower or the combination or consolidation of the Borrower into or with another entity or any transfer or disposition of any assets of the Borrower, or by any extension or renewal of, or increase of the amounts available or advanced under, the Credit Agreement, any of the Notes or any other Loan Document, in whole or in part, or by any modification, alteration, amendment or addition of or to the Credit Agreement, any of the Notes or any other Loan Document, any other guaranty of the Borrower's Liabilities, or any other

70

agreement between the Lender and the Borrower or any other Person, or by any other circumstance whatsoever (with or without notice to or knowledge of any Guarantor) which may or might in any manner or to any extent vary the obligations of any Guarantor, or might otherwise constitute a legal or equitable discharge of a surety or guarantor; it being the purpose and intent of the parties hereto that this Guaranty Agreement and the Guarantors' Obligations hereunder shall be absolute and unconditional under any and all circumstances and shall not be discharged except by payment as herein provided.

5. CURRENCY AND FUNDS OF PAYMENT. Each Guarantor hereby covenants and agrees that the Guarantors' Obligations will be paid in full as herein provided in lawful currency of the United States of America and in immediately available funds, regardless of any law, regulation or decree now or hereafter in effect that might in any manner affect the Borrower's Liabilities or the Guarantors' Obligations, or the rights of the Lender with respect thereto as against the Borrower or any Guarantor, or cause or permit to be invoked any alteration in the time, amount or manner of payment by the Guarantor of any or all of the Borrower or any or all of the Borrower's Liabilities or the Guarantors' Obligations.

6. EVENTS OF DEFAULT. In the event that (a) any Guarantor shall file a petition to take advantage of any insolvency statute; (b) any Guarantor shall commence or suffer to exist a proceeding for the appointment of a receiver, trustee, liquidator or conservator of itself or of the whole or substantially all of its property; (c) any Guarantor shall file a petition or answer seeking reorganization or arrangement or similar relief under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state or similar law of any other country; (d) a court of competent jurisdiction shall enter an order, judgment or decree appointing a custodian, receiver, trustee, liquidator or conservator of any Guarantor or of the whole or substantially all of its properties, or approve a petition filed against any Guarantor seeking reorganization or arrangement or similar relief under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state or similar law of any other country, or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of any Guarantor or of the whole or substantially all of its properties and such order, judgment, decree, approval or assumption remains unstayed or undismissed for a period of thirty (30) days; (e) there is commenced against any Guarantor any proceeding or petition seeking reorganization, arrangement or similar relief under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state, which proceeding or petition remains unstayed or undismissed for a period of thirty (30) days; (f) there shall occur an Event of Default under the Credit Agreement; (g) any default shall occur in the payment of amounts due hereunder; or (h) any other default shall occur hereunder which remains uncured or unwaived for a period of thirty (30) days (each of the foregoing being an "Event of Default" hereunder); then notwithstanding any collateral that the Lender may

possess from Borrower or any Guarantor or any other guarantor of the Borrower's Liabilities, or any other party, at the Lender's election and without notice thereof or demand therefor, the Guarantors' Obligations shall immediately become due and payable.

7. SUITS. Each Guarantor from time to time shall pay to the Lender, on demand, at the Lender's place of business set forth in the Credit Agreement, the Guarantors' Obligations as they become or are declared due, and in the event such payment is not made when due, the Lender may proceed to suit against any one or more or all of the Guarantors. At the lender's election, one or more and successive or concurrent suits may be brought hereon by the Lender against any one or more or all of the Guarantors, whether or not suit has been commenced against the Borrower, any other guarantor of the Borrower's Liabilities, or any other Person and whether or not the Lender has taken or failed to take any other action to collect all or any portion of the Borrower's Liabilities.

8. SET-OFF AND WAIVER. Each Guarantor waives any right to assert against the Lender as a defense, counterclaim, set-off or cross claim, any defense (legal or equitable) or other claim which such Guarantor may now or at any time hereafter have against the Borrower, the Lender, without waiving any additional defenses, set-offs, counterclaims or other claims otherwise available to such Guarantor. If at any time hereafter the Lender employs counsel for advice or other representation to enforce the Guarantors' Obligations that arise out of an Event of Default, then, in any of the foregoing events, all of the attorneys' fees arising from such services and all expenses, costs and charges in any way or respect arising in connection therewith or relating thereto shall be paid by the Guarantors to the Lender on demand and shall constitute part of the Guarantors' Obligations hereunder.

9. WAIVER; SUBROGATION.

(a) Each Guarantor hereby waives notice of the following events or occurrences: (i) the Lender's acceptance of this Guaranty Agreement; (ii) the Lender's heretofore, now or from time to time hereafter loaning monies or giving or extending credit to or for the benefit of the Borrower, whether pursuant to the Credit Agreement or the Notes or any amendments, modifications, or supplements thereto, or replacements or extensions thereof; (iii) the Lender or the Borrower heretofore, now or at any time hereafter, obtaining, amending, substituting for, releasing, waiving or modifying the Credit Agreement, the Notes or any other Loan Documents; (iv) presentment, demand, notices of default, non-payment, partial payment and protest; (v) the Lender heretofore, now or at any time hereafter granting to the Borrower (or any other party liable to the Lender on account of the Borrower's Liabilities) any indulgence or extensions of time of payment of the Borrower's Liabilities; and (vi) the Lender heretofore, now or at any time hereafter accepting from the Borrower or any other person, any partial payment or payments on account of the Borrower's Liabilities or any collateral securing the payment thereof or the Agent settling, subordinating, compromising, discharging or releasing the same. Each Guarantor agrees that the Lender may heretofore, now or at any time hereafter do any or all of the foregoing in such manner, upon such terms and at such times as the Lender, in its sole and absolute discretion, deems advisable, without in any way or respect impairing, affecting, reducing or releasing such Guarantor from the Guarantors' Obligations, and each Guarantor hereby consents to each and all of the foregoing events or occurrences.

(b) Each Guarantor hereby agrees that payment or performance by such Guarantor of the Guarantors' Obligations under this Guaranty Agreement may be enforced by the Lender upon demand by the Lender to such Guarantor without the Lender being required, each Guarantor expressly waiving any right it may have to require the Lender, to (i) prosecute collection or seek to enforce or resort to any remedies against the Borrower or any other Guarantor or any other

guarantor of the Borrower's Liabilities, IT BEING EXPRESSLY UNDERSTOOD, ACKNOWLEDGED AND AGREED TO BY EACH GUARANTOR THAT DEMAND UNDER THIS GUARANTY AGREEMENT MAY BE MADE BY THE LENDER, AND THE PROVISIONS HEREOF ENFORCED BY THE LENDER, EFFECTIVE AS OF THE FIRST DATE ANY EVENT OF DEFAULT OCCURS AND IS CONTINUING UNDER THE CREDIT AGREEMENT, or (ii) seek to enforce or resort to any remedies with respect to any security interests, Liens or encumbrances granted to the Lender by the Borrower or any other Person on account of the Borrower's Liabilities or any guaranty thereof. The Lender shall not have any obligation to protect, secure or insure any of the foregoing security interests, Liens or encumbrances on the properties or interests in properties subject thereto. The Guarantors' Obligations shall in no way be impaired, affected, reduced, or released by reason of the Lender's failure or delay to do or take any of the acts, actions or things described in this Guaranty Agreement including, without limiting the generality of the foregoing, those acts, actions and things described in this Section 9.

73

(c) Each Guarantor further agrees that to the extent the ruling in *Levit v. Ingersoll Rand Financial Corp.* (In re V.N. Deprizio Construction Co.), 874 F.2d 1186 (7th Cir. 1989), is found applicable by a court of competent jurisdiction to the transactions contemplated by the Loan Documents or any payments thereunder, no Guarantor shall have any right of subrogation, reimbursement or indemnity, nor any right of recourse to security for the Borrower's Liabilities. This waiver is expressly intended to prevent the existence of any claim in respect to such reimbursement by the Guarantor against the estate of Borrower within the meaning of Section 101 of the Bankruptcy Code, and to prevent the Guarantor from constituting a creditor of Borrower in respect of such reimbursement within the meaning of Section 547(b) of the Bankruptcy Code in the event of a subsequent case involving the Borrower.

10. EFFECTIVENESS; ENFORCEABILITY. This Guaranty Agreement shall be effective as of the date of the initial Advance under the Credit Agreement and shall continue in full force and effect until the Borrower's Obligations are fully paid and the Credit Agreement has terminated. The Lender shall give each Guarantor written notice of such termination at each Guarantor's address set forth in the Credit Agreement. This Guaranty Agreement shall be binding upon and inure to the benefit of each Guarantor, the Lender and their respective successors and assigns. Notwithstanding the foregoing, no Guarantor may, without the prior written consent of the Lender, assign any rights, powers, duties or obligations hereunder. Any claim or claims that the Lender may at any time hereafter have against any Guarantor under this Guaranty Agreement may be asserted by the Lender by written notice directed to any one or more or all of the Guarantors at the address specified in the Credit Agreement.

11. REPRESENTATIONS AND WARRANTIES. Each Guarantor represents and warrants to the Lender that it is duly authorized to execute, deliver and perform this Guaranty Agreement, that this Guaranty Agreement is legal, valid, binding and enforceable against such Guarantor in accordance with its terms except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles; and that such Guarantor's execution, delivery and performance of this Guaranty Agreement do not violate or constitute a breach of its certificate of incorporation or other documents of corporate governance or any agreement to which such Guarantor is a party, or any applicable laws.

12. EXPENSES. Each Guarantor agrees to be liable for the payment of all reasonable fees and expenses, including attorney's fees, incurred by the Lender in connection with the enforcement of this Guaranty Agreement.

13. REINSTATEMENT. Each Guarantor agrees that this Guaranty Agreement shall continue to be effective or be reinstated, as the case may be, at any time payment received by the Lender under the

Credit Agreement or this Guaranty Agreement is rescinded or must be restored for any reason.

14. COUNTERPARTS. This Guaranty Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall constitute one and the same instrument.

15. RELIANCE. Each Guarantor represents and warrants to the Lender that (a) such Guarantor has adequate means to obtain from Borrower, on a continuing basis, information concerning Borrower and Borrower's financial condition and affairs and has full and complete access to Borrower's books and records, (b) such Guarantor is not, nor in the future will it be, relying on the Lender, or its employees, agents or other representatives, to provide such information, (c) such Guarantor is executing this Guaranty Agreement freely and deliberately, and understands the obligations and financial risk undertaken by providing this Guaranty, (d) such Guarantor has relied solely on the Guarantor's own independent investigation, appraisal and analysis of Borrower and Borrower's financial condition and affairs in deciding to provide this Guaranty and is fully aware of the same, and (e) such Guarantor has not depended or relied on the Lender, its employees, agents or representatives, for any information whatsoever concerning Borrower or Borrower's financial condition and affairs or other matters material to such Guarantor's decision to provide this Guaranty or for any counselling, guidance, or special consideration or any promise therefor with respect to such decision. Each Guarantor agrees that the Lender has no duty or responsibility whatsoever, now or in the future, to provide to any Guarantor any information concerning Borrower or Borrower's financial condition and affairs, and that, if such Guarantor receives any such information from the Lender or its employees, agents or other representatives, such Guarantor will independently verify the information and will not rely on the Lender or its employees, agents or other representatives, with respect to such information.

16. TERMINATION. This Guaranty Agreement and all obligations of the Guarantors hereunder shall terminate without delivery of any instrument or performance of any act by any party on the date when all of the Obligations have been fully paid and the Credit Agreement has terminated.

17. GOVERNING LAW; WAIVERS OF TRIAL BY JURY, ETC.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

(b) EACH PARTY HEREBY EXPRESSLY AND IRREVOCABLY AGREES AND CONSENTS THAT ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREIN MAY BE INSTITUTED IN ANY STATE OR FEDERAL COURT SITTING IN THE STATE OF GEORGIA, UNITED STATES OF AMERICA AND, BY THE EXECUTION AND DELIVERY OF THIS AGREEMENT,

EXPRESSLY WAIVES ANY OBJECTION THAT IT MAY HAVE NOW OR HEREAFTER TO THE LAYING OF THE VENUE OR TO THE JURISDICTION OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND IRREVOCABLY SUBMITS GENERALLY AND UNCONDITIONALLY TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(c) EACH PARTY AGREES THAT SERVICE OF PROCESS MAY BE MADE BY PERSONAL SERVICE OF A COPY OF THE SUMMONS AND COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING, OR BY REGISTERED OR CERTIFIED MAIL (POSTAGE PREPAID) TO THE ADDRESS OF SUCH PARTY PROVIDED IN SECTION 10.2 OF THE CREDIT AGREEMENT OR BY ANY OTHER

METHOD OF SERVICE PROVIDED FOR UNDER THE APPLICABLE LAWS IN EFFECT IN THE STATE OF GEORGIA.

(d) NOTHING CONTAINED IN SUBSECTIONS (B) OR (C) HEREOF SHALL PRECLUDE ANY PARTY FROM BRINGING ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS IN THE COURTS OF ANY PLACE WHERE ANY OTHER PARTY OR ANY OF SUCH PARTY'S PROPERTY OR ASSETS MAY BE FOUND OR LOCATED. TO THE EXTENT PERMITTED BY THE APPLICABLE LAWS OF ANY SUCH JURISDICTION, EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND EXPRESSLY WAIVES, IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING, THE JURISDICTION OF ANY OTHER COURT OR COURTS WHICH NOW OR HEREAFTER, BY REASON OF ITS PRESENT OR FUTURE DOMICILE, OR OTHERWISE, MAY BE AVAILABLE TO IT.

(e) IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER OR RELATED TO THIS AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THE FOREGOING, EACH PARTY HEREBY AGREES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY AND EACH PARTY HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY HAVE THAT EACH ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the day and year first written above.

GUARANTORS:

By:

Name:

Title:

By:

Name:

Title:

LENDER:

WACHOVIA BANK OF GEORGIA, N.A.

By:

Name:

Title:

77

EXHIBIT H

Form of Opinion of Borrower's Counsel

[Date]

Wachovia Bank of Georgia, N.A.
191 Peachtree Street, N.E.
Atlanta, Georgia 30303-1757

Re: \$15,000,000 Revolving Credit Agreement between Wachovia Bank of Georgia, N.A., as Lender, and Crown Crafts, Inc., as Borrower

Ladies and Gentlemen:

I have acted as internal counsel to Crown Crafts, Inc., a Georgia corporation (the "Company"), in connection with the Revolving Loan in the amount of \$15,000,000 (the ("Loan")) being made available to the Company by you on this date pursuant to the Revolving Credit Agreement of even date herewith among you and the Company (the "Credit Agreement").

This opinion is being delivered in accordance with the condition set forth in section 4.1(a)(ii) of the Credit Agreement. All capitalized terms not otherwise defined herein shall have the meanings provided therefor in the Credit Agreement.

As such counsel, I have reviewed the Credit Agreement and the revolving Note. The foregoing documents are collectively referred to hereinafter as the "Loan Documents."

For purposes of the opinions expressed below, I have assumed that all natural persons executing the Loan Documents have legal capacity to do so, all signatures (other than those of the Company) on all documents submitted to us are genuine, all documents submitted to us as originals are authentic, and all documents submitted to us as certified copies or photocopies conform to the original documents, which themselves are authentic.

In addition, for purposes of giving this opinion, I have examined corporate records of the Company, certificates of public officials, certificates of appropriate officials of the Company and such other documents or made such inquiries as I have deemed appropriate. However, as used herein, the phrase "to the best of my knowledge" means my actual knowledge, without further investigation.

Based upon and subject to the foregoing, it is my opinion

Wachovia Bank of Georgia, N.A.

[Date]

Page 2

that:

1. The Company is a corporation duly organized, validly existing and in good standing under the laws of its state of Georgia and is duly qualified to transact business as a foreign corporation and is in good standing in all other jurisdictions in which the nature of its business requires such qualification and the failure to be so qualified would reasonably be likely to result in a Material Adverse Effect. The Company has full corporate power and authority to own its assets and conduct the businesses in which it is now engaged and has full corporate power and authority to enter into each of the Loan Documents to which it is a party and to perform its obligations thereunder.

2. Each of the Loan Documents to which the Company is a party has been duly authorized by the Board of Directors of the Company, duly executed and delivered by the Company, and constitutes the legal, valid and binding obligation, agreement, instrument or conveyance, as the case may be, of the Company, enforceable against the Company in accordance with its respective terms, except (i) as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization and other similar laws relating to or affecting creditors' rights generally and (ii) as the enforceability of the remedial provisions thereof may be limited by general equitable principles: provided, however, the application of such equitable principles or limitations of law does not materially interfere with the practical realization of the benefits and security, if any, intended to be conferred under the Loan Documents.

3. Neither the execution or delivery of, nor performance by the Company of its obligations under, the Loan Documents (a) does or will conflict with, violate or constitute a breach of (i) the charter or bylaws of the Company, (ii) any laws, rules or regulations applicable to the Company ("Applicable Law"), or (iii) any contract, agreement, indenture, lease, instrument, other document, judgment, writ, determination, order or decree to which the Company is a party or by which the Company or any of its properties is bound, (b) requires the prior consent of, notice to or filing with any court or governmental authority, or (c) to the best of my knowledge, does or will result in the creation or imposition of any lien, pledge, charge or encumbrance of any nature upon or with respect to any of the properties of the Company, where such breach would reasonably be likely to result in a Material Adverse Effect.

4. There is no pending or, to the best of my knowledge, threatened, action, suit, investigation or proceeding, nor is there any basis therefor, before or by any court, or governmental department, commission board, bureau, instrumentality, agency or

Wachovia Bank of Georgia, N.A.

[Date]

Page 3

arbitral authority, (i) which calls into question the validity or enforceability of any of the Loan Documents, or the titles to their respective officers or authority of any officers of the Company or (ii) an adverse result in which would reasonably be likely to have a Material Adverse Effect, including, without limitation, any action, suit, investigation, or proceeding under the environmental or labor law.

I am not expressing any opinion as to any matter relating to any jurisdiction other than the laws of the State of Georgia and the laws of the United States of America and I assume no responsibility as to the applicability of the laws of any other jurisdiction as to the subject transaction or the effect of such laws thereon.

The opinions contained herein are rendered only as of the date hereof and I undertake no obligation to update such opinions after the date hereof.

The opinions contained herein are rendered solely for your information in connection with the transactions contemplated under the Loan Documents and may not be relied upon in any manner by any other person, entity or agency, or by you for any other purpose. The opinions herein shall not be quoted or otherwise included, summarized or referred to in any publication or document, in whole or in part, for any purposes whatsoever, or furnished to any person, entity or agency, except as may be required by you by applicable law or regulation or request of regulatory agencies to which you are subject.

Very truly yours,

EXHIBIT I

Form of Compliance Certificate

To: Wachovia Bank of Georgia, N.A.
191 Peachtree Street, N.E.
Atlanta, Georgia 30303-1757

Attention: Ms. Susan E. Cates, Commercial Officer
 Telephone: (404) 332-6093
 Telefacsimile: (404) 332-6920

Reference is hereby made to the Revolving Credit Agreement dated as of August 25, 1995 (the "Agreement") among Crown Crafts, Inc., a Georgia corporation (the "Borrower"), and Wachovia Bank of Georgia, N.A., as Lender ("Lender"). Capitalized terms used but not otherwise defined herein shall have the respective meanings therefor set forth in the Agreement. The undersigned, a duly authorized and acting Authorized Representative, hereby certifies to you as of _____ (the "Determination Date") as follows:

1. Applicable Interest Addition/Applicable Unused Fee.

A. Based on the calculation set forth below, the Applicable Interest Addition as of the latest Determination Date is ___%.

B. Based on the calculation set forth below, the Applicable Unused Fee as of the latest Determination Date is ___%.

2. Covenant Calculations:

A. Compliance with Section 7.1: Consolidated Leverage Ratio

<TABLE>				
<S>	<C>	<C>	<C>	<C>
1.	Consolidated Funded Indebtedness			
	a. Indebtedness for Borrowed Money	\$ _____		
	b. Capital Leases	\$ _____		
	c. Guaranties	\$ _____		
	d. a. + b. + c.		\$ _____	
2.	Consolidated Tangible Net Worth			\$ _____
3.	A.1. + A.2.			\$ _____
4.	Ratio of A.1. to A.3.			_____
</TABLE>				

REQUIRED: Line A.4. must not be greater than .60 to 1.00.

B. Compliance with Section 7.2: Consolidated Fixed Charge Coverage Ratio

1. Consolidated EBIT

79

<TABLE>				
<S>	<C>	<C>	<C>	<C>
a.	Consolidated Net Income	\$ _____		
b.	Consolidated Interest Expense	\$ _____		
c.	taxes	\$ _____		
d.	Consolidated Lease Expense	\$ _____		
e.	a. + b. + c. + d.		\$ _____	
2.	Consolidated Fixed Charges			
	a. Consolidated Interest Expense	\$ _____		
	b. Consolidated Lease Expense	\$ _____		
d.	a. + b.		\$ _____	

6. Ratio of B.1. to B.2. _____

REQUIRED: Line B.6. must not be less than 2.00 to 1.00.

C. Compliance with Section 10.3: Consolidated Shareholders' Equity

1. Consolidated Shareholders' Equity \$ _____

REQUIRED: Line C.1. must not be less than (1) \$80,000,000, less Permitted Stock Repurchases, at the Closing Date and (2) thereafter, line d. below

a. Consolidated Net Worth for immediately preceding Fiscal Year \$ _____

b. Consolidated Net Income for then ending fiscal quarter (no deduction for net loss) \$ _____

c. Multiply Line b. by 50% \$ _____

d. Increases in stated capital and additional paid-in capital accounts from equity issuances, etc. \$ _____

e. a. + c. + d. \$ _____

D. Compliance with Section 7.4: Cash Flow Ratio:

1. Consolidated Funded Indebtedness \$ _____

2. Consolidated Cash Flow

a. Consolidated Net Income \$ _____

</TABLE>

80

<TABLE>

<S>	<C>	<C>	<C>	<C>
b.	amortization	\$	_____	
c.	depreciation	\$	_____	
d.	non-cash charges and expenses	\$	_____	
e.	cash distributions on capital stock	\$	_____	
f.	other non-cash gains	\$	_____	
g.	a. + b. + c. + d. - e. - f.	\$	_____	

3. Ratio of D.1. to D.2. _____

</TABLE>

REQUIRED: Line D.3. must not be greater than 6.00 to 1.00.

3. No Default

A. Since _____ (the date of the last similar certification), (a) the Borrower has not defaulted in the keeping, observance, performance or fulfillment of its obligations pursuant to any of the Loan Documents; and (b) no Default or Event of Default specified in Article VIII of the Agreement has occurred and is continuing.

B. If a Default or Event of Default has occurred since _____ (the date of the last similar certification), the Borrowers propose to take the following action with

respect to such Default or Event of Default:

_____.

(Note, if no Default or Event of Default has occurred, insert "Not Applicable").

The Determination Date is the date of the last required financial statements submitted to the Lender in accordance with Section 6.1 of the Agreement.

IN WITNESS WHEREOF, I have executed this Certificate this ____ day of _____, 19__.

By:

Authorized Representative
Name:

Title:

81

SCHEDULE 5.4

SUBSIDIARIES AND OWNERSHIP INTERESTS

<TABLE>
<CAPTION>

	PERCENT OF OWNERSHIP ----- <C>
<S> Benn Corp, a North Carolina corporation	100%
Crown Crafts Home Furnishings, Inc., a New York corporation	100%
Crown Crafts Home Furnishings of Illinois, Inc., a Delaware corporation	100%
Crown Crafts Home Furnishings of California, Inc., a California corporation	100%
Crown Crafts International, Inc., a Georgia corporation	100%
G.W. Stores, Inc., a North Carolina corporation	100%
Textile, Inc., a North Carolina corporation	100%
Hans Benjamin Furniture, Inc., a South Carolina corporation	51%

</TABLE>

Schedule 5.6

Liabilities

None

SCHEDULE 5.16

ERISA MATTERS

<TABLE>

<S> <C>

Employee Benefit Plans

- Crown Crafts, Inc. Employee Stock Ownership Plan
- Crown Crafts, Inc. Health Benefit Plan
- Crown Crafts, Inc. Group Term Life Insurance Plan
- Crown Crafts, Inc. Executive Life Insurance Plan
- Crown Crafts, Inc. Dental Insurance Plan
- Blue Cross/Blue Shield Health Benefit Plan maintained for employees of Goodwin Weavers Division
- Textile, Inc.:
 - Principal Mutual Life Insurance Co. - Health Benefit Plan
 - Principal Mutual Life Insurance Co. - Group Term Life Insurance Plan

Employee Benefit Plan Terminations

The Blowing Rock Crafts, Inc. Profit Sharing Plan (the Plan) was terminated on September 30, 1992 and 100% of the Plan assets were distributed to the Plan participants in October 1992. The Plan participants still employed by Blowing Rock Crafts, Inc. On March 28, 1993 were enrolled in The Crown Crafts, Inc. Employee Stock Ownership Plan on March 28, 1993. Blowing Rock Crafts, Inc. Received a favorable determination letter from the Internal Revenue Service on the termination of this plan.

</TABLE>

SCHEDULE 7.5

LIENS

<TABLE>

<CAPTION>

Textile, Inc. Creditor	Security	Loan Balance at 7/31/95
<S> F.E.W. Partners	<C> Real Property	<C> \$273,623.95
Somet of America	Five (5) Somet rapier weaving machines	\$156,644.61
Somet of America	Six (6) Somet rapier weaving machines	\$198,520.06
Staubli	Five (5) jacquard heads	\$168,795.78
Staubli	Six (6) jacquard heads	\$286,057.95
Yadkin Valley Bank & Trust	Machinery - second lien	\$184,443.67

</TABLE>

CROWN CRAFTS, INC.

NOTE PURCHASE AND PRIVATE SHELF FACILITY

\$25,000,000

7.27% SENIOR SERIES A NOTES DUE OCTOBER 12, 2005

\$25,000,000

PRIVATE SHELF FACILITY

DATED AS OF OCTOBER 12, 1995

<TABLE>
<CAPTION>

TABLE OF CONTENTS
(Not Part of Agreement)

<S> <C>

<C>
PAGE

1.	AUTHORIZATION OF ISSUE OF NOTES	1
1A.	Authorization of Issue of Series A Notes	1
1B.	Authorization of Issue of Shelf Notes	1
2.	PURCHASE AND SALE OF NOTES	2
2A.	Purchase and Sale of Series A Notes	2
2B.	Purchase and Sale of Shelf Notes	2
2B(1).	Facility	2
2B(2).	Issuance Period	3
2B(3).	Periodic Spread Information	3
2B(4).	Request for Purchase	3
2B(5).	Rate Quotes	4
2B(6).	Acceptance	4
2B(7).	Market Disruption	5
2B(8).	Facility Closings	5
2B(9).	Fees	5
2B(9)(i).	Facility Fee	6
2B(9)(ii).	Issuance Fee	6
2B(9)(iii).	Delayed Delivery Fee	6
2B(9)(iv).	Cancellation Fee	6
3.	CONDITIONS OF CLOSING	7

3A.	Certain Documents	7
3B.	Representations and Warranties; No Default	8
3C.	Purchase Permitted by Applicable Laws	8
3D.	Payment of Fees	8
4.	PREPAYMENTS	8
4A.	Required Prepayments of Series A Notes	9
4B.	Required Prepayments of Shelf Notes	9
4C.	Optional Prepayment with Yield-Maintenance Amount	9
4D.	Notice of Optional Prepayment	9
4E.	Prepayment Upon Change of Control	9
4F.	Application of Required Prepayments	10
4G.	Retirement of Notes	10

</TABLE>

<TABLE>

<S> <C>

<C>

5.	AFFIRMATIVE COVENANTS	10
5A.	Reporting Requirements	10
5A(1).	Financial Statements	10
5A(2).	Officer's Certificates	11
5A(3).	Accountant's Letter	12
5A(4).	Notice of Default	12
5A(5).	Rule 144A Information	12
5B.	Inspection of Property	12
5C.	Covenant to Secure Notes Equally	12
5D.	Maintenance of Insurance	12
5E.	Guaranteed Obligations	13
6.	NEGATIVE COVENANTS	13
6A.	Financial Ratios	13
6B.	Liens, and Other Restrictions	13
6B(1).	Liens	14
6B(2).	Investments	14
6B(3).	Sale of Assets	15
6B(4).	Merger and Consolidation	16
6B(5).	Sale or Discount of Receivables	16
6B(6).	Certain Contracts	16
6B(7).	Transactions with Related Parties	17
6C.	ERISA	17
6D.	Environmental Matters	17
7.	EVENTS OF DEFAULT	18
7A.	Acceleration	18
7B.	Rescission of Acceleration	20
7C.	Notice of Acceleration or Rescission	21
7D.	Other Remedies	21
8.	REPRESENTATIONS, COVENANTS AND WARRANTIES	21
8A.	Organization and Qualification	21
8B.	Financial Statements	22
8C.	Actions Pending	22
8D.	Outstanding Debt	22
8E.	Title to Properties	23
8F.	Taxes	23
8G.	Conflicting Agreements and Other Matters	23
8H.	Offering of Notes	23
8I.	Regulation G, Etc.	24

</TABLE>

<TABLE>		
<S>	<C>	<C>
8J.	Compliance with Laws and Regulations	24
8K.	ERISA	24
8L.	Governmental Consents	25
8M.	Holding Company and Investment Company Status	25
8N.	Possession of Franchises, Etc.	25
8O.	Patents, Etc.	25
8P.	Disclosure.	25
8Q.	Hostile Tender Offers	26
9.	REPRESENTATIONS OF THE PURCHASERS	26
10.	DEFINITIONS; ACCOUNTING MATTERS	27
10A.	Yield-Maintenance Terms	27
10B.	Other Terms	28
10C.	Accounting Principles, Terms and Determinations	37
11.	MISCELLANEOUS	37
11A.	Note Payments	37
11B.	Expenses	37
11C.	Consent to Amendments	38
11D.	Form, Registration, Transfer and Exchange of Notes; Lost Notes	38
11E.	Persons Deemed Owners; Participations	39
11F.	Survival of Representations and Warranties; Entire Agreement	39
11G.	Successors and Assigns	40
11H.	Independence of Covenants	40
11I.	Notices	40
11J.	Payments Due on Non-Business Days	40
11K.	Descriptive Headings	41
11L.	Satisfaction Requirement	41
11M.	Governing Law	41
11N.	Severability of Obligations	41
11O.	Counterparts	41
11P.	Binding Agreement	42
</TABLE>		

EXHIBITS AND SCHEDULES

Purchaser Schedule
Information Schedule

EXHIBIT A-1	--	Form of Series A Note
EXHIBIT A-2	--	Form of Shelf Note
EXHIBIT B	--	Form of Request for Purchase
EXHIBIT C	--	Form of Confirmation of Acceptance
EXHIBIT D-1	--	Form of Opinion of Counsel, Series A Note Closing
EXHIBIT D-2	--	Form of Opinion of Counsel, Shelf Note Closing
SCHEDULE 8A	--	Subsidiaries
SCHEDULE 8G	--	Agreements Restricting Debt

CROWN CRAFTS, INC.
1600 Riveredge Parkway
Suite 200
Atlanta, Georgia 30328

October 12, 1995

The Prudential Insurance Company
of America ("PRUDENTIAL")
Each Prudential Affiliate (as hereinafter
defined) which becomes bound by certain
provisions of this Agreement as hereinafter
provided (together with Prudential, the "PURCHASERS")

c/o Prudential Capital Group
Four Gateway Center
100 Mulberry Street
Newark, N.J. 07102

Ladies and Gentlemen:

The undersigned, CROWN CRAFTS, INC. (herein called the
"Company"), hereby agrees with you as follows:

1. AUTHORIZATION OF ISSUE OF NOTES.

1A. AUTHORIZATION OF ISSUE OF SERIES A NOTES. The
Company will authorize the issue of its senior promissory notes (the "SERIES A
NOTES") in the aggregate principal amount of \$25,000,000, to be dated the date
of issue thereof, to mature October 12, 2005, to bear interest on the unpaid
balance thereof from the date thereof until the principal thereof shall have
become due and payable at the rate of 7.27% per annum and on overdue principal,
Yield- Maintenance Amount and interest at the rate specified therein, and to be
substantially in the form of Exhibit A-1 attached hereto. The terms "SERIES A
NOTE" and "SERIES A NOTES" as used herein shall include each Series A Note
delivered pursuant to any provision of this Agreement and each Series A Note
delivered in substitution or exchange for any such Series A Note pursuant to
any such provision.

1B. AUTHORIZATION OF ISSUE OF SHELF NOTES. The Company
will authorize the issue of its additional senior promissory notes (the "SHELF
NOTES") in the aggregate principal amount of \$25,000,000, to be dated the date
of issue thereof, to mature, in the case of each Shelf Note so issued, no more
than 10 years after the date of original issuance thereof, to have an average
life, in the case of each Shelf Note so issued, of no more than 8 years after

the date of original issuance thereof, to bear interest on the unpaid balance
thereof from the date thereof at the rate per annum, and to have such other
particular terms, as shall be set forth, in the case of each Shelf Note so
issued, in the Confirmation of Acceptance with respect to such Shelf Note
delivered pursuant to paragraph 2B(6), and to be substantially in the form of
Exhibit A-2 attached hereto. The terms "SHELF NOTE" and "SHELF NOTES" as used
herein shall include each Shelf Note delivered pursuant to any provision of
this Agreement and each Shelf Note delivered in substitution or exchange for
any such Shelf Note pursuant to any such provision. The terms "NOTE" and
"NOTES" as used herein shall include each Series A Note and each Shelf Note
delivered pursuant to any provision of this Agreement and each Note delivered
in substitution or exchange for any such Note pursuant to any such provision.
Notes which have (i) the same final maturity, (ii) the same principal
prepayment dates, (iii) the same principal prepayment amounts (as a percentage
of the original principal amount of each Note), (iv) the same interest rate,
(v) the same interest payment periods and (vi) the same date of issuance
(which, in the case of a Note issued in exchange for another Note, shall be
deemed for these purposes the date on which such Note's ultimate predecessor
Note was issued), are herein called a "SERIES" of Notes.

2. PURCHASE AND SALE OF NOTES.

2A. PURCHASE AND SALE OF SERIES A NOTES. The Company
hereby agrees to sell to each Purchaser, and, subject to the terms and

conditions herein set forth, each Purchaser agrees to purchase from the Company the aggregate principal amount of Series A Notes set forth opposite its name on the Purchaser Schedule attached hereto at 100% of such aggregate principal amount. On October 12, 1995 (herein called the "SERIES A CLOSING DAY"), the Company will deliver to each Purchaser at the offices of Prudential Capital Group, Four Gateway Center, 100 Mulberry Street, Newark, New Jersey 07102, one or more Series A Notes registered in its name, evidencing the aggregate principal amount of Series A Notes to be purchased by such Purchaser and in the denomination or denominations specified with respect to such Purchaser in the Purchaser Schedule attached hereto, against payment of the purchase price thereof by transfer of immediately available funds for credit to the Company's account #14-864-502 at Wachovia Bank of Georgia, ABA Routing Number 061-000-010.

2B. PURCHASE AND SALE OF SHELF NOTES.

2B(1). FACILITY. Prudential is willing to consider, in its sole discretion and within limits which may be authorized for purchase by Prudential and Prudential Affiliates from time to time, the purchase of Shelf Notes pursuant to this Agreement. The willingness of Prudential to consider such purchase of Shelf Notes is herein called the "FACILITY". At any time, the aggregate principal amount of Shelf Notes stated in paragraph 1B, minus the aggregate principal amount of Shelf Notes purchased and sold pursuant to this Agreement prior to such time, minus the aggregate principal amount of Accepted Notes (as hereinafter defined) which have not yet been purchased and sold hereunder prior to such time, plus the aggregate principal amount of Shelf Notes purchased and sold pursuant to this Agreement and thereafter retired prior to such time is herein called the "AVAILABLE FACILITY AMOUNT" at such time. NOTWITHSTANDING THE WILLINGNESS OF PRUDENTIAL TO CONSIDER PURCHASES OF SHELF NOTES, THIS AGREEMENT IS ENTERED

2

INTO ON THE EXPRESS UNDERSTANDING THAT NEITHER PRUDENTIAL NOR ANY PRUDENTIAL AFFILIATE SHALL BE OBLIGATED TO MAKE OR ACCEPT OFFERS TO PURCHASE SHELF NOTES, OR TO QUOTE RATES, SPREADS OR OTHER TERMS WITH RESPECT TO SPECIFIC PURCHASES OF SHELF NOTES, AND THE FACILITY SHALL IN NO WAY BE CONSTRUED AS A COMMITMENT BY PRUDENTIAL OR ANY PRUDENTIAL AFFILIATE.

2B(2). ISSUANCE PERIOD. Shelf Notes may be issued and sold pursuant to this Agreement until the earlier of (i) the second anniversary of the date of this Agreement (ii) the thirtieth day after Prudential shall have given to the Company, or the Company shall have given to Prudential, a notice stating that it elects to terminate the issuance and sale of Shelf Notes pursuant to this Agreement (or if such thirtieth day is not a Business Day, the Business Day next preceding such thirtieth day), (iii) termination of the Facility pursuant to paragraph 7 of this Agreement, and (iv) acceleration of any Note pursuant to paragraph 7 of this Agreement. The period during which Shelf Notes may be issued and sold pursuant to this Agreement is herein called the "ISSUANCE PERIOD".

2B(3). PERIODIC SPREAD INFORMATION. Not later than 9:30 A.M. (New York City local time) on a Business Day during the Issuance Period if there is an Available Facility Amount on such Business Day, the Company may request by telecopier or telephone, and Prudential will, to the extent reasonably practicable, provide to the Company on such Business Day (or, if such request is received after 9:30 A.M. (New York City local time) on such Business Day, on the following Business Day), information (by telecopier or telephone) with respect to various spreads at which Prudential or Prudential Affiliates might be interested in purchasing Shelf Notes of different average lives; provided, however, that the Company may not make such requests more frequently than once in every five Business Days or such other period as shall be mutually agreed to by the Company and Prudential. The amount and content of information so provided shall be in the sole discretion of Prudential but it is the intent of Prudential to provide information which will be of use to the Company in determining whether to initiate procedures for use of the Facility. Information so provided shall not constitute an offer to purchase Shelf Notes, and neither Prudential nor any Prudential Affiliate shall be obligated to purchase Shelf Notes at the spreads specified. Information so provided shall

be representative of potential interest only for the period commencing on the day such information is provided and ending on the earlier of the fifth Business Day after such day or the first day after such day on which further spread information is provided. Prudential may suspend or terminate providing information pursuant to this paragraph 2B(3) for any reason, including its determination that the credit quality of the Company has declined since the date of this Agreement.

2B(4). REQUEST FOR PURCHASE. The Company may from time to time during the Issuance Period make requests for purchases of Shelf Notes (each such request being herein called a "REQUEST FOR PURCHASE"). Each Request for Purchase shall be made to Prudential by telecopier or overnight delivery service, and shall (i) specify the aggregate principal amount of Shelf Notes covered thereby, which shall not be less than \$5,000,000 and not be greater than the Available Facility Amount at the time such Request for Purchase is made, (ii) specify the principal amounts, final maturities, principal prepayment dates and

3

amounts and interest payment periods (quarterly or semi-annual in arrears) of the Shelf Notes covered thereby, (iii) specify the use of proceeds of such Shelf Notes, (iv) specify the proposed day for the closing of the purchase and sale of such Shelf Notes, which shall be a Business Day during the Issuance Period not less than 10 days and not more than 25 days after the making of such Request for Purchase, (v) specify the number of the account and the name and address of the depository institution to which the purchase prices of such Shelf Notes are to be transferred on the Closing Day for such purchase and sale, (vi) certify that the representations and warranties contained in paragraph 8 are true on and as of the date of such Request for Purchase and that there exists on the date of such Request for Purchase no Event of Default or Default, and (viii) be substantially in the form of Exhibit B attached hereto. Each Request for Purchase shall be in writing and shall be deemed made when received by Prudential.

2B(5). RATE QUOTES. Not later than five Business Days after the Company shall have given Prudential a Request for Purchase pursuant to paragraph 2B(4), Prudential may, but shall be under no obligation to, provide to the Company by telephone or telecopier, in each case between 9:30 A.M. and 1:30 P.M. New York City local time (or such later time as Prudential may elect) interest rate quotes for the several principal amounts, maturities, principal prepayment schedules, and interest payment periods of Shelf Notes specified in such Request for Purchase. Each quote shall represent the interest rate per annum payable on the outstanding principal balance of such Shelf Notes at which Prudential or a Prudential Affiliate would be willing to purchase such Shelf Notes at 100% of the principal amount thereof.

2B(6). ACCEPTANCE. Within 30 minutes after Prudential shall have provided any interest rate quotes pursuant to paragraph 2B(5) or such shorter period as Prudential may specify to the Company (such period herein called the "ACCEPTANCE WINDOW"), the Company may, subject to paragraph 2B(7), elect to accept such interest rate quotes as to not less than \$5,000,000 aggregate principal amount of the Shelf Notes specified in the related Request for Purchase. Such election shall be made by an Authorized Officer of the Company notifying Prudential by telephone or telecopier within the Acceptance Window that the Company elects to accept such interest rate quotes, specifying the Shelf Notes (each such Shelf Note being herein called an "ACCEPTED NOTE") as to which such acceptance (herein called an "ACCEPTANCE") relates. The day the Company notifies an Acceptance with respect to any Accepted Notes is herein called the "ACCEPTANCE DAY" for such Accepted Notes. Any interest rate quotes as to which Prudential does not receive an Acceptance within the Acceptance Window shall expire, and no purchase or sale of Shelf Notes hereunder shall be made based on such expired interest rate quotes. Subject to paragraph 2B(7) and the other terms and conditions hereof, the Company agrees to sell to Prudential or a Prudential Affiliate, and Prudential agrees to purchase, or to cause the purchase by a Prudential Affiliate of, the Accepted Notes at 100% of the principal amount of such Notes. As soon as practicable following the Acceptance Day, the Company, Prudential and each Prudential Affiliate which is to purchase any such Accepted Notes will execute a confirmation of such

Acceptance substantially in the form of Exhibit C attached hereto (herein called a "CONFIRMATION OF ACCEPTANCE"). If the Company should fail to execute and return to Prudential within three Business Days following receipt thereof a Confirmation of Acceptance with respect to any Accepted Notes, Prudential may at its election at any time prior to its receipt thereof cancel the closing with respect to such Accepted Notes by so notifying the Company in writing.

4

2B(7). MARKET DISRUPTION. Notwithstanding the provisions of paragraph 2B(5), if Prudential shall have provided interest rate quotes pursuant to paragraph 2B(5) and thereafter prior to the time an Acceptance with respect to such quotes shall have been notified to Prudential in accordance with paragraph 2B(6) the domestic market for U.S. Treasury securities or derivatives shall have closed or there shall have occurred a general suspension, material limitation, or significant disruption of trading in securities generally on the New York Stock Exchange or in the domestic market for U.S. Treasury securities or derivatives, then such interest rate quotes shall expire, and no purchase or sale of Shelf Notes hereunder shall be made based on such expired interest rate quotes. If the Company thereafter notifies Prudential of the Acceptance of any such interest rate quotes, such Acceptance shall be ineffective for all purposes of this Agreement, and Prudential shall promptly notify the Company that the provisions of this paragraph 2B(7) are applicable with respect to such Acceptance.

2B(8). FACILITY CLOSINGS. Not later than 11:30 A.M. (New York City local time) on the Closing Day for any Accepted Notes, the Company will deliver to each Purchaser listed in the Confirmation of Acceptance relating thereto at the offices of the Prudential Capital Group, Four Gateway Center, 100 Mulberry Street, Newark, New Jersey 07102, Attention: Law Department, the Accepted Notes to be purchased by such Purchaser in the form of one or more Notes in authorized denominations as such Purchaser may request for each Series of Accepted Notes to be purchased on the Closing Day, dated the Closing Day and registered in such Purchaser's name (or in the name of its nominee), against payment of the purchase price thereof by transfer of immediately available funds for credit to the Company's account specified in the Request for Purchase of such Notes. If the Company fails to tender to any Purchaser the Accepted Notes to be purchased by such Purchaser on the scheduled Closing Day for such Accepted Notes as provided above in this paragraph 2B(8), or any of the conditions specified in paragraph 3 shall not have been fulfilled by the time required on such scheduled Closing Day, the Company shall, prior to 1:00 P.M., New York City local time, on such scheduled Closing Day notify Prudential (which notification shall be deemed received by each Purchaser) in writing whether (i) such closing is to be rescheduled (such rescheduled date to be a Business Day during the Issuance Period not less than one Business Day and not more than 10 Business Days after such scheduled Closing Day (the "RESCHEDULED CLOSING DAY") and certify to Prudential (which certification shall be for the benefit of each Purchaser) that the Company reasonably believes that it will be able to comply with the conditions set forth in paragraph 3 on such Rescheduled Closing Day and that the Company will pay the Delayed Delivery Fee in accordance with paragraph 2B(9)(iii) or (ii) such closing is to be canceled. In the event that the Company shall fail to give such notice referred to in the preceding sentence, Prudential (on behalf of each Purchaser) may at its election, at any time after 1:00 P.M., New York City local time, on such scheduled Closing Day, notify the Company in writing that such closing is to be canceled. Notwithstanding anything to the contrary appearing in this Agreement, the Company may elect to reschedule a closing with respect to any given Accepted Notes on not more than one occasion, unless Prudential shall have otherwise consented in writing.

2B(9). FEES.

5

2B(9)(i). FACILITY FEE. In consideration for the time, effort and expense involved in the preparation, negotiation and execution of this Agreement, at the time of the execution and delivery of this Agreement, the Company will pay to Prudential in immediately available funds a fee (herein called the "FACILITY FEE") in the amount of \$20,000. Payment of the Facility Fee, or any Issuance Fee, Delayed Delivery Fee or Cancellation Fee pursuant to this Agreement shall be made in immediately available funds to Prudential's account #050-54-526 at Morgan Guaranty Trust Company of New York, ABA #021-000-238.

2B(9)(ii). ISSUANCE FEE. The Company will pay to Prudential in immediately available funds a fee (herein called the "ISSUANCE FEE") on each Closing Day (other than the Series A Closing Day or any Closing Day that occurs prior to April 12, 1996) in an amount equal to 0.15% of the aggregate principal amount of Notes sold on such Closing Day,

2B(9)(iii). DELAYED DELIVERY FEE. If the closing of the purchase and sale of any Accepted Note is delayed for any reason beyond the original Closing Day for such Accepted Note, the Company will pay to Prudential (a) on the Cancellation Date or actual closing date of such purchase and sale and (b) if earlier, the next Business Day following 90 days after the Acceptance Day for such Accepted Note and on each Business Day following 90 days after the prior payment hereunder, a fee (herein called the "DELAYED DELIVERY FEE") calculated as follows:

$$(BEY - MMY) \times DTS/360 \times PA$$

where "BEY" means Bond Equivalent Yield, i.e., the bond equivalent yield per annum of such Accepted Note, "MMY" means Money Market Yield, i.e., the yield per annum on a commercial paper investment of the highest quality selected by Prudential on the date Prudential receives notice of the delay in the closing for such Accepted Note having a maturity date or dates the same as, or closest to, the Rescheduled Closing Day or Rescheduled Closing Days (a new alternative investment being selected by Prudential each time such closing is delayed); "DTS" means Days to Settlement, i.e., the number of actual days elapsed from and including the original Closing Day with respect to such Accepted Note (in the case of the first such payment with respect to such Accepted Note) or from and including the date of the next preceding payment (in the case of any subsequent delayed delivery fee payment with respect to such Accepted Note) but excluding the date of such payment; and "PA" means Principal Amount, i.e., the principal amount of the Accepted Note for which such calculation is being made. In no case shall the Delayed Delivery Fee be less than zero. Nothing contained herein shall obligate any Purchaser to purchase any Accepted Note on any day other than the Closing Day for such Accepted Note, as the same may be rescheduled from time to time in compliance with paragraph 2B(8).

2B(9)(iv). CANCELLATION FEE. If the Company at any time notifies Prudential in writing that the Company is canceling the closing of the purchase and sale of any Accepted Note, or if Prudential notifies the Company in writing under the circumstances set forth in the last sentence of paragraph 2B(7) or the penultimate sentence of paragraph 2B(8) that the closing of the purchase and sale of such Accepted Note is to be canceled, or if the closing of the purchase and sale of such Accepted Note is not consummated on or prior to the last day

6

of the Issuance Period (the date of any such notification, or the last day of the Issuance Period, as the case may be, being herein called the "CANCELLATION DATE"), the Company will pay the Purchasers in immediately available funds an amount (the "CANCELLATION FEE") calculated as follows:

$$PI \times PA$$

where "PI" means Price Increase, i.e., the quotient (expressed in decimals) obtained by dividing (a) the excess of the ask price (as determined by Prudential) of the Hedge Treasury Note(s) on the Cancellation Date over the bid price (as determined by Prudential) of the Hedge Treasury Notes(s) on the Acceptance Day for such Accepted Note by (b) such bid price; and "PA" has the

meaning ascribed to it in paragraph 2B(9)(iii). The foregoing bid and ask prices shall be as reported by Telerate Systems, Inc. (or, if such data for any reason ceases to be available through Telerate Systems, Inc., any publicly available source of similar market data). Each price shall be based on a U.S. Treasury security having a par value of \$100.00 and shall be rounded to the second decimal place. In no case shall the Cancellation Fee be less than zero.

3. CONDITIONS OF CLOSING. The obligation of any Purchaser to purchase and pay for any Notes is subject to the satisfaction, on or before the Closing Day for such Notes, of the following conditions:

3A. CERTAIN DOCUMENTS. Such Purchaser shall have received the following, each dated the date of the applicable Closing Day:

(i) the Note(s) to be purchased by such Purchaser;

(ii) certified copies of the resolutions of the Board of Directors of the Company authorizing the execution and delivery of this Agreement and the issuance of the Notes, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement and the Notes;

(iii) a certificate of the Secretary or an Assistant Secretary and one other officer of the Company certifying the names and true signatures of the officers of the Company authorized to sign this Agreement and the Notes and the other documents to be delivered hereunder;

(iv) certified copies of the Certificate of Incorporation and By-laws of the Company;

(v) a favorable opinion of Laurie Berkin, Esq., Staff Counsel of the Company (or such other counsel designated by the Company and acceptable to the Purchaser(s)) satisfactory to such Purchaser and substantially in the form of Exhibit D-1 (in the case of the Series A Notes) or D-2 (in the case of any Shelf Notes) attached hereto and as to such other matters as such Purchaser may reasonably request. The Company hereby directs each such counsel to deliver such opinion, agrees that the issuance and sale of any Notes will constitute a reconfirmation of such direction, and

7

understands and agrees that each Purchaser receiving such an opinion will and is hereby authorized to rely on such opinion;

(vi) a good standing certificate for the Company from the Secretary of State of Georgia dated of a recent date and certificates of qualification to do business as a foreign corporation for the Company in North Carolina dated a recent date and such other evidence of the status of the Company as such Purchaser may reasonably request;

(vii) good standing certificates for each Material Subsidiary of the Company from the Secretary of State of such Subsidiary's respective state of incorporation dated a recent date and certificates of qualification to do business as a foreign corporation for each Material Subsidiary in each jurisdiction in which the nature of the business conducted by such Subsidiary makes such qualification necessary; and

(viii) additional documents or certificates with respect to legal matters or corporate or other proceedings related to the transactions contemplated hereby as may be reasonably requested by such Purchaser.

3B. REPRESENTATIONS AND WARRANTIES; NO DEFAULT. The representations and warranties contained in paragraph 8 shall be true on and as of such Closing Day, except to the extent of changes caused by the transactions

herein contemplated; there shall exist on such Closing Day no Event of Default or Default; and the Company shall have delivered to such Purchaser an Officer's Certificate, dated such Closing Day, to both such effects.

3C. PURCHASE PERMITTED BY APPLICABLE LAWS. Assuming the accuracy of the representation contained in paragraph 9 hereof, the purchase of and payment for the Notes to be purchased by such Purchaser on the terms and conditions herein provided (including the use of the proceeds of such Notes by the Company) shall not violate any applicable law or governmental regulation (including, without limitation, Section 5 of the Securities Act or Regulation G, T or X of the Board of Governors of the Federal Reserve System) and shall not subject such Purchaser to any tax, penalty, liability or other onerous condition under or pursuant to any applicable law or governmental regulation, and such Purchaser shall have received such certificates or other evidence as it may request to establish compliance with this condition.

3D. PAYMENT OF FEES. The Company shall have paid to Prudential any fees due it pursuant to or in connection with this Agreement, including any Facility Fee due pursuant to paragraph 2B(9)(i), any Issuance Fee due pursuant to paragraph 2B(9)(ii) and any Delayed Delivery Fee due pursuant to paragraph 2B(9)(iii).

4. PREPAYMENTS. The Series A Notes and any Shelf Notes shall be subject to required prepayment as and to the extent provided in paragraphs 4A and 4B, respectively. The Series A Notes and any Shelf Notes shall also be subject to prepayment under the circumstances set forth in paragraphs 4C and 4E. Any prepayment made by the

8

Company pursuant to any other provision of this paragraph 4 shall not reduce or otherwise affect its obligation to make any required prepayment as specified in paragraph 4A or 4B.

4A. REQUIRED PREPAYMENTS OF SERIES A NOTES. Until the Series A Notes shall be paid in full, the Company shall apply to the prepayment of the Series A Notes, without Yield-Maintenance Amount, the sum of \$3,571,428.57 on October 12 in each of the years 1999 through 2004, inclusive, and such principal amounts of the Series A Notes, together with interest thereon to the payment dates, shall become due on such payment dates. The remaining unpaid principal amount of the Series A Notes, together with interest accrued thereon, shall become due on the maturity date of the Series A Notes.

4B. REQUIRED PREPAYMENTS OF SHELF NOTES. Each Series of Shelf Notes shall be subject to required prepayments, if any, set forth in the Notes of such Series.

4C. OPTIONAL PREPAYMENT WITH YIELD-MAINTENANCE AMOUNT. The Notes of each Series shall be subject to prepayment, in whole at any time or from time to time in part (in integral multiples of \$100,000 and in a minimum amount of \$1,000,000), at the option of the Company, at 100% of the principal amount so prepaid plus interest thereon to the prepayment date and the Yield-Maintenance Amount, if any, with respect to each such Note. Any partial prepayment of a Series of the Notes pursuant to this paragraph 4C shall be applied in satisfaction of required payments of principal in inverse order of their scheduled due dates.

4D. NOTICE OF OPTIONAL PREPAYMENT. The Company shall give the holder of each Note of a Series to be prepaid pursuant to paragraph 4C irrevocable written notice of such prepayment not less than 10 Business Days prior to the prepayment date, specifying such prepayment date, the aggregate principal amount of the Notes of such Series to be prepaid on such date, the principal amount of the Notes of such Series held by such holder to be prepaid on that date and that such prepayment is to be made pursuant to paragraph 4C. Notice of prepayment having been given as aforesaid, the principal amount of the Notes specified in such notice, together with interest thereon to the prepayment date and together with the Yield-Maintenance Amount, if any, herein provided, shall become due and payable on such prepayment date. The Company shall, on or before the day on which it gives written notice of any prepayment

pursuant to paragraph 4C, give telephonic notice of the principal amount of the Notes to be prepaid and the prepayment date to each Significant Holder which shall have designated a recipient for such notices in the Purchaser Schedule attached hereto or the applicable Confirmation of Acceptance or by notice in writing to the Company.

4E. PREPAYMENT OF NOTES UPON CHANGE OF CONTROL. The Company shall give written notice to each holder of a Note of the occurrence of any Change of Control after the Series A Closing Day within 10 days after such occurrence (which notice is herein referred to as the "CONTROL CHANGE NOTICE"). A Control Change Notice shall be given by facsimile communication confirmed by overnight courier sent on the same day of such facsimile transmission and contain reasonable detail describing the Change of Control and an offer by the Company to prepay 100% of such holder's Notes on a closing date designated in such Control Change Notice, which closing date shall be not less than 30 days or more than

9

60 days after the date of such notice (such closing date being hereinafter referred to as the "CONTROL CHANGE PREPAYMENT DATE"). Such Control Change Notice shall also provide that each holder of a Note may accept such offer of prepayment by notice to the Company not more than 25 days after the date of such Control Change Notice. Failure of any holder of Notes to respond to any offer to prepay pursuant to this paragraph 4E shall constitute an acceptance of such offer. The Company shall prepay all of the Notes on the Control Change Prepayment Date of any holder which has timely accepted (or which has been deemed to have accepted) the offer of prepayment at a price equal to 100% of the principal amount of the Notes to be prepaid, plus accrued interest thereon to the Control Change Prepayment Date plus the Yield-Maintenance Amount, if any, in respect of each Note to be prepaid.

4F. APPLICATION OF REQUIRED PREPAYMENTS. In the case of each prepayment of less than the entire unpaid principal amount of all outstanding Notes of any Series pursuant to paragraphs 4A, 4B, or 4E, the amount to be prepaid shall be applied pro rata to all outstanding Notes of such Series (including, for the purpose of this paragraph 4F only, all Notes prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates other than by prepayment pursuant to paragraph 4A, 4B, or 4E) according to the respective unpaid principal amounts thereof.

4G. RETIREMENT OF NOTES. The Company shall not, and shall not permit any of its Subsidiaries or Affiliates to, prepay or otherwise retire in whole or in part prior to their stated final maturity (other than by prepayment pursuant to paragraphs 4A, 4B, or 4E or upon acceleration of such final maturity pursuant to paragraph 7A), or purchase or otherwise acquire, directly or indirectly, Notes of any Series held by any holder unless the Company or such Subsidiary or Affiliate shall have offered to prepay or otherwise retire or purchase or otherwise acquire, as the case may be, the same proportion of the aggregate principal amount of Notes of such Series held by each other holder of Notes of such Series at the time outstanding upon the same terms and conditions. Any Notes so prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates shall not be deemed to be outstanding for any purpose under this Agreement, except as provided in paragraph 4F.

5. AFFIRMATIVE COVENANTS.

5A. REPORTING REQUIREMENTS.

5A(1). FINANCIAL STATEMENTS. The Company covenants that it will deliver to each Significant Holder:

(i) as soon as practicable and in any event within 45 days after the end of each quarterly period (other than the last quarterly period in each fiscal year), consolidated statements of earnings and cash flows of the Company and its Subsidiaries for the period from the beginning of the current fiscal year to the end of

such quarterly period, and a consolidated statement of earnings from the beginning of such quarterly period to the end of such quarterly period, and a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarterly period, setting

10

forth in each case in comparative form figures for the corresponding period in the preceding fiscal year (except as to the consolidated balance sheet for which the comparable balance sheet date shall be the end of the preceding fiscal year) all in reasonable detail and satisfactory to the Required Holders and certified by an authorized financial officer of the Company as fairly presenting, in all material respects, the financial condition of the Company and its Subsidiaries as of the end of such period and the results of their operations for the period then ended in accordance with generally accepted accounting principles, subject to changes resulting from normal year-end adjustments;

(ii) as soon as practicable and in any event within 90 days after the end of each fiscal year, consolidated statements of earnings, changes in shareholders' equity and cash flows of the Company and its Subsidiaries for such year, and a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, setting forth in each case in comparative form corresponding consolidated figures from the preceding annual audit, all in reasonable detail and satisfactory in scope to the Required Holders and reported on by independent public accountants of recognized standing selected by the Company whose opinion shall be in scope and substance satisfactory to the Required Holders;

(iii) promptly upon transmission thereof, copies of all such financial statements, proxy statements, notices and reports as it shall send to its stockholders and copies of registration statements (without exhibits) and all reports which it files with the Securities and Exchange Commission (or any governmental body or agency succeeding to the functions of the Securities and Exchange Commission);

(iv) promptly upon receipt thereof, a copy of each other report submitted to the Company or any Subsidiary by independent accountants in connection with any annual, interim or special audit made by them of the books of the Company or any Subsidiary (except that letters to management regarding matters not deemed by such accountants to be material weaknesses in the Company's system of internal controls need not be delivered except upon written request); and

(v) with reasonable promptness, such other information relating to business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries (including, but not limited to consolidating financial statements) as such Significant Holder may reasonably request.

5A(2). OFFICER'S CERTIFICATE. Together with each delivery of financial statements required by clauses (i) and (ii) of paragraph 5A(1) hereof, the Company will deliver to each Significant Holder an Officer's Certificate demonstrating (with computations in reasonable detail) compliance by the Company and its Subsidiaries with the provisions of paragraphs 6A, 6B(2), 6B(3) and 6B(5) hereof, and stating that there exists no Event of Default or Default, or, if any such Event of Default or Default exists, specifying the nature thereof, the period of existence thereof and what action the Company proposes to take, has taken or is taking with respect thereto.

11

5A(3). ACCOUNTANTS' LETTER. Together with each delivery of financial statements required by paragraph 5A(1)(ii) above, the Company will deliver to each Significant Holder a certificate of the independent public accountants giving the report on such financial statements stating that, in performing that audit necessary for their report with respect to such financial statements, they have obtained no knowledge of any Event of Default or Default, or, if, they shall have obtained knowledge of any such Event of Default or Default, specifying the nature and period of existence thereof. Such accountants, however, shall not be liable to anyone by reason of their failure to obtain knowledge of such Event of Default or Default which would not be disclosed in the course of any audit conducted in accordance with generally accepted auditing standards.

5A(4). NOTICE OF DEFAULT. The Company also covenants that forthwith upon the Responsible Officer of the Company obtaining knowledge of an Event of Default or Default, it will deliver to each Significant Holder an Officer's Certificate specifying the nature thereof, the period of existence thereof, and what action the Company proposes to take, has taken or is taking with respect thereto.

5A(5). RULE 144A INFORMATION. The Company covenants that, upon request of the holder of any Note, it will provide such holder, and any qualified institutional buyer designated by such holder, such financial and other information as such holder may reasonably determine to be necessary to order to permit compliance with the information requirement Rule 144A under the Securities Act in connection with the resale of Notes, except at such times as the Company is subject to the reporting requirements of section 13 or 15(d) of the Exchange Act. For the purpose of this paragraph 5A(5), the term "qualified institutional buyer" shall have the meaning specified in Rule 144A under the Securities Act.

5B. INSPECTION OF PROPERTY. The Company covenants that it will permit any Person designated by any Significant Holder in writing, at such Significant Holder's expense, to visit and inspect any of the properties of the Company and its Subsidiaries, to examine the corporate books and financial records of the Company and its Subsidiaries and make copies thereof or extracts therefrom and to discuss the affairs, finances and accounts of any of such corporations with the principal officers of the Company and its independent public accountants, all at such reasonable times and as often as such Significant Holder may reasonably request.

5C. COVENANT TO SECURE NOTE EQUALLY. The Company covenants that if it or any Subsidiary shall create or assume any Lien upon any of its property or assets, whether now owned or hereafter acquired, other than Liens excepted by the provisions of paragraph 6B(1) (unless prior written consent to the creation or assumption thereof shall have been obtained pursuant to paragraph 11C), it will make or cause to be made effective provision whereby the Notes will be secured by such Lien equally and ratably with any and all other Debt thereby secured as long as any such other Debt shall be so secured.

5D. MAINTENANCE OF INSURANCE. The Company covenants that it and each Subsidiary will maintain, with responsible insurers, insurance with respect to its properties and business against such casualties and contingencies (including public liability, larceny,

embezzlement or other criminal misappropriation) and in such amounts as is customary in the case of similarly situated corporations engaged in the same or similar businesses. Notwithstanding the foregoing, the Company and its Subsidiaries may, to the extent permitted by law, establish and responsibly maintain a sound system of self-insurance against liabilities for workmen's compensation, employee health benefits and personal injuries and property damage arising from the operation of motor vehicles, provided that the Company will maintain adequate reserves with respect thereto and, at all times, the Company will maintain excess insurance to cover casualties and contingencies greater than such reserves in such amounts as is customary in such systems of self-insurance. Together with each delivery of financial statements under

clause (ii) of paragraph 5A(1) the Company, at the option of the Required Holders, will deliver an Officer's Certificate specifying the details of the insurance and the system of self-insurance then in effect.

5E. GUARANTEED OBLIGATIONS. The Company covenants that if, at any time, it or any of its Subsidiaries incurs or permits to exist any Debt or other obligations guaranteed or collateralized in any other manner by any Person, it will simultaneously cause such Person to execute and deliver to each holder of a Note a guaranty agreement in form and substance satisfactory to the Required Holders guaranteeing payment of a principal amount of the Notes and interest thereon which bears the same ratio to the total unpaid principal amount of the Notes as the amount of such other obligation which is guaranteed bears to the total unpaid principal amount of such other obligation, or if such other obligation is collateralized, to collateralize each such Note equally and ratably with such other obligation.

6. NEGATIVE COVENANTS. During the Issuance Period and so long thereafter as any Note is outstanding or other amount due hereunder is unpaid, the Company covenants as follows:

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

- (i) Consolidated Debt to exceed 65% of Total Capitalization;
- (ii) Consolidated Debt to exceed 60% of Total Capitalization during any Clean-Down Period;
- (iii) Priority Debt to exceed 10% of Total Capitalization during any four month period following any acquisition of the stock or assets of another Person in which Debt which, after giving effect to such transaction, would constitute Priority Debt is assumed by the Company or any Subsidiary and, at all other times, Priority Debt to exceed 5% of Total Capitalization; and
- (iv) Consolidated EBIT to be less than 175% of Fixed Charges.

6B. LIENS AND OTHER RESTRICTIONS. The Company covenants that it will not and will not permit any Subsidiary to:

13

6B(1). LIENS. Create, assume or suffer to exist any Lien upon any of its property or assets, whether now owned or hereafter acquired (whether or not provision is made for the equal and ratable securing of the Note in accordance with the provisions of paragraph 5C), except

- (i) Liens for taxes not yet due or which are being actively contested in good faith by appropriate proceedings,
- (ii) other Liens incidental to the conduct of its business or the ownership of its property and assets which were not incurred in connection with the borrowing of money or the obtaining of advances of credit, and which do not in the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business,
- (iii) Liens on property or assets of a Subsidiary to secure obligations of such Subsidiary to the Company or another Subsidiary,
- (iv) Liens on assets other than receivables securing Debt permitted by paragraph 6A, and
- (v) Liens on stock of the Company held by it as treasury stock;

6B(2). INVESTMENTS. Make or permit to remain outstanding any Investment, except that the Company or any Subsidiary may

(i) make or permit to remain outstanding any Investment in a Subsidiary or any entity that will become a Subsidiary immediately after such Investment;

(ii) make or permit to remain outstanding Investments received in settlement of debts (created in the ordinary course of business) owing to the Company or any Subsidiary,

(iii) own, purchase or acquire (a) prime commercial paper and certificates of deposit in United States commercial banks (having capital reserves in excess of \$100,000,000), in each case due within one year from the date of purchase and payable in the United States in United States dollars, (b) direct obligations of the United States Government or any agency thereof, (c) obligations guaranteed by the United States Government, and (d) repurchase agreements of such banks for terms of less than one year in respect to the foregoing certificates and obligations,

(iv) endorse negotiable instruments for collection in the ordinary course of business,

(v) make or permit to remain outstanding travel and other like advances to officers and employees in the ordinary course of business, and

14

(vi) make or permit to remain outstanding Investments other than Investments permitted in clauses (i) through (v) above (but not any Investment by a Subsidiary in the Company) in an aggregate amount that does not exceed at any time 10% of Consolidated Net Worth.

For purposes of this paragraph, an Investment shall be valued at the lesser of cost and the value at which such Investment is to be shown on the books of the Company and its Subsidiaries in accordance with generally accepted accounting principles.

6B(3). SALE OF ASSETS. The Company will not, and will not permit any Subsidiary to, Dispose of any property or assets (including stock of any Subsidiary), except:

(i) The Company or any Subsidiary may sell inventory in the ordinary course of business for fair market value;

(ii) any Subsidiary may Dispose of its assets to the Company or another Subsidiary;

(iii) the Company or any Subsidiary may dispose of its assets (whether or not leased back) so long as, immediately after giving effect to such proposed Disposition:

(A) the consideration for such assets represents the fair market value of such assets (as determined in good faith by the Company's Board of Directors) at the time of such Disposition; and

(B) the net book value of all assets so Disposed of by the Company and its Subsidiaries during the prior 12 months, does not exceed 10% of consolidated assets of the Company and its Subsidiaries; and

(C) no Default or Event of Default shall exist.

For purposes of this paragraph 6B(3):

(i) "DISPOSITION" means the sale, lease, transfer or other disposition of property, and "DISPOSED OF" has a corresponding meaning to Disposition.

(ii) CALCULATION OF NET BOOK VALUE. The net book value of any assets shall be determined as of the respective date of Disposition of those assets; and

(iii) SALE OF LESS THAN ALL THE STOCK OF A SUBSIDIARY. In the case of the sale or issuance of the stock of a Subsidiary, the amount of consolidated assets, as the case may be, contributed by the stock Disposed of shall be assumed to be the percentage of outstanding stock sold or to be sold.

15

6B(4). MERGER AND CONSOLIDATION. Consolidate with or merge into any other Person or permit any other Person to consolidate with or merge into it (except that a Subsidiary may consolidate with or merge into the Company or another Subsidiary or a Person which becomes a Subsidiary in such merger or consolidation); provided that the restrictions of this paragraph 6B(4) do not apply to the merger or consolidation of the Company or a Subsidiary with another corporation, if;

(1) the Company or such Subsidiary shall be the continuing or surviving corporation;

(2) the acquired corporation shall be engaged in a line of business related to that of the Company or any Subsidiary; and

(3) immediately after the consummation of the transaction, and after giving effect thereto, no Default or Event of Default shall have occurred or exist;

6B(5). SALE OR DISCOUNT OF RECEIVABLES. Sell with recourse, or discount or otherwise sell for less than the face value thereof, notes or accounts receivable ("Receivables") (other than Receivables that are more than 90 days past due) in excess of \$1,000,000 except that the Company or any Subsidiary may enter into factoring arrangements with respect to its Receivables with any Person provided that such arrangements are without recourse to the Company or any Subsidiary and neither the Company nor any Subsidiary shall have outstanding at any time Debt owing to any such Person or any Affiliate of any such Person.

6B(6). CERTAIN CONTRACTS. Enter into or be a party to

(i) any contract providing for the making of loans, advances or capital contributions to any Person other than a Subsidiary (except to the extent permitted pursuant to paragraph 6A or 6B(2)), or for the purchase of the property from any Person, in each case in order to enable such Person to maintain working capital, net worth or any other balance sheet condition or to pay debts, dividends or expenses, or

(ii) any contract for the purchase of materials, supplies or other property or services if such contract (or any related document) requires that payment for such materials, supplies or other property or services shall be made regardless of whether or not delivery of such materials, supplies or other property or services is ever made or tendered, or

(iii) any contract to rent or lease (as lessee) any real or personal property if such contract (or any related document) provides that the obligation to make payments thereunder is absolute and unconditional under conditions not customarily found in commercial leases then in general use or requires that the lessee purchase or otherwise acquire securities or obligations of the lessor,

or

(iv) any contract for the sale or use of materials, supplies or other property, or the rendering of services, if such contract (or any related document) requires that payment for such materials, supplies or other property, or the use thereof, or payment for such services, shall be subordinated to any indebtedness (of

16

the purchaser or user of such materials, supplies or other property or the Person entitled to the benefit of such services) owed or to be owed to any Person, or

(v) any other contract which, in economic effect, is substantially equivalent to a guarantee, except as permitted by paragraphs 6B(2) or 6A;

6B(7). TRANSACTION WITH RELATED PARTIES. Directly or indirectly purchase, acquire or lease any property from, or sell, transfer or lease any property to, or otherwise deal with, in the ordinary course of business or otherwise (i) any Affiliate, or (ii) any Substantial Stockholder, provided that the Company may sell to, or purchase from any such Person shares of the Company's stock, and provided that (a) any such Substantial Stockholder may be a director, officer or employee of the Company and may be paid reasonable compensation in connection therewith, (b) the Company may pay reasonable expenses of any employee stock ownership plan and may otherwise engage in transactions with any such plan if the cost to the Company thereof is deductible by the Company for federal income tax purposes, and (c) such acts and transactions prohibited by this paragraph 6B(7) may be performed or engaged in if made upon terms not less favorable to the Company than if no such relationship described in clauses (i) and (ii) above existed.

6C. ERISA. The Company covenants that it will not nor permit any Subsidiary to:

(i) terminate or withdraw from any Plan resulting in the incurrence of any material liability to the Pension Benefit Guaranty Corporation;

(ii) engage in or permit any Person to engage in any prohibited transaction (as defined in Section 4975 of the Code) involving any Plan (other than a Multiemployer Plan) which would subject the Company or any Subsidiary to any material tax, penalty or other liability;

(iii) incur or suffer to exist any material accumulated funding deficiency (as defined in section 302 of ERISA and section 412 of the Code), whether or not waived, involving any Plan (other than a Multiemployer Plan); or

(iv) allow to suffer to exist any risk or condition which presents a risk of incurring a material liability to the Pension Benefit Guaranty Corporation.

6D. ENVIRONMENTAL MATTERS. The Company covenants that it will not, and will not permit any Third Party to, use, produce, manufacture, process, generate, store, dispose of, manage at, or ship or transport to or from the Properties any Hazardous Materials except for Hazardous Materials used, produced, released or managed in the ordinary course of business in compliance with all applicable Environmental Requirements except where the failure to do so could not reasonably be expected to have a material adverse effect on the business, operations or financial condition of the Company and its Subsidiaries taken as a whole and except for Hazardous Materials released in amounts which do not require remediation pursuant to applicable Environmental Requirements or if remediation is required, such remediation could not reasonably be expected to have a

material adverse effect on the business, operations or financial condition of the Company and its Subsidiaries taken as a whole.

7. EVENTS OF DEFAULT.

7A. ACCELERATION. If any of the following events shall occur and be continuing for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or otherwise):

(i) the Company defaults in the payment of any principal of or Yield-Maintenance Amount on any Note when the same become due, either by the terms thereof or otherwise as herein provided; or

(ii) the Company defaults in the payment of any interest on any Note for more than ten days after the date due; or

(iii) the Company or any Subsidiary (x) defaults in any payment of principal of or interest on any other obligation for money borrowed (or any Capitalized Lease Obligation, any obligation under conditional sale or other title retention agreement or any obligation issued or assumed as full or partial payment for property whether or not secured by a purchase money mortgage or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of grace provided with respect thereto, or (y) fails to perform or observe any other agreement, term or condition contained in any agreement under which any such obligation is created (or if any other event or default thereunder or under any such agreement shall occur and be continuing) and the effect of such default, event or failure is to cause, the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due, redeemed, purchased or defeased prior to any stated maturity, or (z) fails to perform or observe any other agreement, term or condition contained in any agreement under which any such obligation is created (or if any other event or default thereunder or under any such agreement shall occur and be continuing) and the effect of such default, event or failure is to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due, redeemed, purchased or defeased prior to any stated maturity and such default, event or failure shall not have been remedied within five days after the date of occurrence, provided that the aggregate amount of all obligations as to which such a default, event or failure causing or permitting acceleration, redemption, purchase or defeasance exceeds \$1,000,000;

(iv) any representation or warranty made by the Company herein or in any writing furnished in connection with or pursuant to this Agreement shall be false in any material respect on the date as of which made; or

(v) the Company defaults in the performance or observance of any agreement contained in paragraph 5E or paragraph 6 hereof; or

(vi) the Company defaults in the performance or observance of any other agreement, term or condition contained herein and such default shall not have been remedied within 30 days after any officer of the Company obtains actual knowledge thereof; or

(vii) the Company or any Subsidiary makes an assignment for the benefit of creditors or is generally not paying its debts as such debts become due; or

(viii) any order for relief in respect of the Company or any Subsidiary is entered under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law, whether now or hereafter in effect (herein called the "Bankruptcy Law") of any jurisdiction; or

(ix) the Company or any Subsidiary petitions or applies to any tribunal for, or consents to, the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official of the Company or any Subsidiary, or of any substantial part of the assets of the Company or any Subsidiary, or commences a voluntary case under the Bankruptcy Law of the United States or any proceedings (other than proceedings for the voluntary liquidation and dissolution of a Subsidiary) relating to the Company or any Subsidiary under the Bankruptcy Law of any other jurisdiction; or

(x) any such petition or application is filed, or any such proceedings are commenced, against the Company or any Subsidiary and the Company or such Subsidiary by any act indicates its approval thereof, consent thereto or acquiescence therein, or an order, judgment or decree is entered appointing any such trustee, receiver, custodian, liquidator or similar official, or approving the petition in any such proceedings, and such order, judgment or decree remains unstayed and in effect for more than 30 days; or

(xi) any order, judgment or decree is entered in any proceedings against the Company decreeing the dissolution of the Company and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(xii) any order, judgment or decree is entered in any proceedings against the Company or any Subsidiary decreeing a split-up of the Company or such Subsidiary which requires the divestiture of more than 10%, or the divestiture of the stock of a Subsidiary whose assets constitute more than 10%, of the consolidated assets of the Company and its

19

Subsidiaries (determined in accordance with generally accepted accounting principles) or which requires the divestiture of assets, or stock of a Subsidiary, which shall have contributed more than 10% of Consolidated Net Earnings for any of the three fiscal years then most recently ended, and such order, judgment or decree remains unstayed and in effect for more than 60 days;

(xiii) a final judgment in an amount in excess of \$500,000 is rendered against the Company or any Subsidiary and, within 60 days after entry thereof, such judgment is not discharged or execution thereof stayed pending appeal, or within 60 days after the expiration of any such stay, such judgment is not discharged;

then: (a) if such event is an Event of Default

specified in clause (i) or (ii) of this paragraph 7A, the holder of any Note (other than the Company or any Subsidiary or Affiliate) may at its option, by written notice to the Company, declare such Note to be, and such Note shall thereupon be and become, immediately due and payable at par together with interest accrued and unpaid thereon, without presentment, demand, protest or other notice of any kind (including, without limitation, notice of intent to accelerate) all of which are hereby waived by the Company,

(b) if such event is an Event of Default specified in any of clauses (vii), (viii), (ix) or (x) of this paragraph 7A with respect to the Company, the Facility shall automatically terminate and all of the Notes at the time outstanding shall automatically become immediately due and payable at par together with interest accrued and unpaid thereon, and to the extent permitted by applicable law, the Yield-Maintenance Amount, if any, without presentment, demand, protest or notice of any kind (including, without limitation, notice of intent to accelerate and notice of acceleration of maturity), all of which are hereby waived by the Company, and

(c) if such event is any Event of Default other than specified in clauses (vii), (viii), (ix) or (x) of this paragraph 7A with respect to the Company, the Required Holder(s) may, at its or their option, by written notice to the Company, terminate the Facility and declare all of the Notes to be, and all of the Notes shall thereupon be and become, immediately due and payable together with interest accrued and unpaid thereon and, to the extent permitted by applicable law, the Yield Maintenance Amount, if any, with respect to each Note, without presentment, demand, protest or other notice of any kind (including, without limitation, notice of intent to accelerate), all of which are hereby waived by the Company.

20

7B. RESCISSION OF ACCELERATION. At any time after any or all of the Notes shall have been declared immediately due and payable pursuant to paragraph 7A, the Required Holder(s) may, by notice in writing to the Company, rescind and annul such declaration and its consequences if;

(i) the Company shall have paid all accrued and unpaid overdue interest on the Notes, the principal of and Yield-Maintenance Amount, if any, payable with respect to any Notes which have become due otherwise than by reason of such declaration, and accrued and unpaid interest on such overdue interest and overdue principal and Yield Maintenance Amount at the rate specified in the Notes,

(ii) the Company shall not have paid any amounts which have become due solely by reason of such declaration,

(iii) all Events of Default and Defaults, other than non-payment of amounts which have become due solely by reason of such declaration, shall have been cured or waived pursuant to paragraph 11C, and

(iv) no judgment or decree shall have been entered for the payment of any amounts due pursuant to the Notes or this Agreement.

No such rescission or annulment shall extend to or affect any subsequent Event of Default or Default or impair any right arising therefrom.

7C. NOTICE OF ACCELERATION OR RESCISSION. Whenever any Note shall be declared immediately due and payable pursuant to paragraph 7A or any such declaration shall be rescinded and annulled pursuant to paragraph 7B, the Company shall forthwith give written notice thereof to the holder of each Note at the time outstanding.

7D. OTHER REMEDIES. If any Event of Default or Default shall occur and be continuing, the holder of any Note may proceed to protect and enforce its rights under this Agreement and such Note by exercising such remedies as are available to such holder in respect thereof under applicable law, either by suit in equity or by action at law, or both, whether for specific performance of any covenant or other agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement. No remedy conferred in this Agreement upon the holder of any Note is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy conferred herein or now or hereafter existing at law or in equity or by statute or otherwise.

8. REPRESENTATIONS, COVENANTS AND WARRANTIES. The Company represents, covenants and warrants:

8A. ORGANIZATION AND QUALIFICATION. The Company is a corporation duly organized and existing in good standing under the laws of the State of Georgia, each Subsidiary is duly organized and existing in good standing under the laws of the jurisdiction in which incorporated, and the Company and each Subsidiary has the corporate power to own

21

its respective property and to carry on its respective business as now being conducted, and the Company and each Subsidiary is duly qualified as a foreign corporation to do business and in good standing in every jurisdiction in which the nature of the respective business conducted by it makes such qualification necessary and where the failure to be so qualified could reasonably be expected to have a material adverse effect upon the business, condition (financial or otherwise), or operations of the Company and its Subsidiaries, taken as a whole. The name of each Subsidiary in existence on the date hereof and the jurisdiction of incorporation of each such Subsidiary are set forth on Schedule 8A attached hereto.

8B. FINANCIAL STATEMENTS. The Company has furnished each Purchaser of any Notes with the following financial statements, identified by a principal financial officer of the Company: (i) consolidated balance sheets of the Company and its Subsidiaries as at the end of the three fiscal years of the Company most recently completed prior to the date as of which this representation is made or repeated to such Purchaser (other than fiscal years completed within 90 days prior to such date for which audited financial statements have not been released) and consolidated statements of earnings, changes in shareholder's equity and cash flows of the Company and its Subsidiaries for each such year, all reported on by Deloitte & Touche, L.L.P. and (ii) a consolidated balance sheet of the Company and its Subsidiaries as at the end of the quarterly period (if any) most recently completed prior to such date and after the end of such fiscal year (other than quarterly periods completed within 60 days prior to such date for which financial statements have not been released) and the comparable quarterly period in the preceding fiscal year and consolidated statements of earnings, changes in shareholder's equity and cash flows for the periods from the beginning of the fiscal years in which such quarterly periods are included to the end of such quarterly periods, prepared by the Company. Such financial statements (including any related schedules and/or notes) are true and correct in all material respects (subject, as to interim statements, to changes resulting from audits and year-end adjustments), have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods involved and show all liabilities, direct and contingent, of the Company and its Subsidiaries required to be shown in accordance with such principles. The

balance sheets fairly present the condition of the Company and its Subsidiaries as at the dates thereof, and the statements of income, stockholders' equity and cash flows fairly present the results of the operations of the Company and its Subsidiaries and their cash flows for the periods indicated. There has been no material adverse change in the business, property or assets, condition (financial or otherwise), operations or prospects of the Company and its Subsidiaries taken as a whole since the end of the most recent fiscal year for which such audited financial statements have been furnished.

8C. ACTIONS PENDING. There is no action, suit, investigation or proceeding pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries, or any properties or rights of the Company or any of its Subsidiaries, by or before any court, arbitrator or administrative or governmental body which might result in any material adverse change in the business, condition or operations of the Company and its Subsidiaries taken as a whole.

22

8D. OUTSTANDING DEBT. Neither the Company nor any of its Subsidiaries has outstanding any Funded or Current Debt, on a consolidated basis, except Debt permitted by paragraph 6A. There exists no default under the provisions of any instrument evidencing such Debt or of any agreement relating thereto.

8E. TITLE TO PROPERTIES. The Company and each of its Subsidiaries has good and marketable title to its respective real properties (other than properties which it leases) and good title to all of its other respective properties and assets, including the properties and assets reflected in the balance sheet most recently delivered pursuant to paragraph 8B (other than properties and assets disposed of in the ordinary course of business), subject to no Lien of any kind except Liens permitted by paragraph 6B(1). The Company and its Subsidiaries enjoy peaceful and undisturbed possession under all leases necessary in any material respect for the operation of their respective properties and assets, none of which contains any unusual or burdensome provisions which might materially affect or impair the operation of such properties and assets. All such leases are valid and subsisting and are in full force and effect.

8F. TAXES. The Company has and each of its Subsidiaries has filed all federal, state and other income tax returns which are required to be filed, and each has paid all taxes as shown on said returns and on all assessments received by it to the extent that such taxes have become due, except such taxes as are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with generally accepted accounting principles. Federal income tax returns of the Company and its Subsidiaries have been examined and reported on by the taxing authorities or closed by applicable statutes and satisfied for all fiscal years prior to and including the fiscal year ended on April 3, 1994.

8G. CONFLICTING AGREEMENTS AND OTHER MATTERS. Neither the Company nor any of its Subsidiaries is a party to any contract or agreement or subject to any charter or other corporate restriction which materially and adversely affects its business, property or assets, or financial condition. Neither the execution nor delivery of this Agreement or Note, nor the offering, issuance and sale of any Note, nor fulfillment of or compliance with the terms and provisions hereof and of any Note will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary pursuant to, the charter or by-laws of the Company or any of its Subsidiaries, any award of any arbitrator or any agreement (including any agreement with stockholders), instrument, order, judgment, decree, statute, law, rule or regulation to which the Company or any of its Subsidiaries is subject. Neither the Company nor any Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing indebtedness of the Company or such Subsidiary, any agreement relating thereto or any other contract or agreement (including its charter) which limits the amount of, or otherwise imposes restrictions on the

incurring of, Funded Debt of the type to be evidenced by the Notes, except the Agreements listed in Schedule 8G.

8H. OFFERING OF NOTES. Neither the Company nor any agent acting on its behalf has, directly or indirectly, offered the Notes or any similar security of the Company for sale to, or solicited any offers to buy the Notes or any similar security of the Company from,

23

or otherwise approached or negotiated with respect thereto with any Person other than institutional investors, and neither the Company nor any agent acting on its behalf has taken or will take any action which would subject the issuance or sale of the Notes to the provisions of Section 5 of the Securities Act or to the provisions of any securities or Blue Sky law of any applicable jurisdiction.

8I. REGULATION G, ETC. Neither the Company nor any Subsidiary owns or has any present intention of acquiring any "margin stock" as defined in Regulation G (12 CFR Part 207) of the Board of Governors of the Federal Reserve System (herein called a "margin stock"). None of the proceeds of the Notes will be used, directly, or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any margin stock or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry a margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of said Regulation G. Neither the Company nor any agent acting on its behalf has taken or will take any action which might cause this Agreement or the Notes to violate Regulation G, Regulation T, Regulation X or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934 as amended, in each case as in effect now or as the same may hereafter be in effect.

8J. COMPLIANCE WITH LAWS AND REGULATIONS. The Company and each of its Subsidiaries complies in all material respects with all federal, state, local, and other laws, ordinances and other governmental rules or regulations to which any of them is subject, including without limitation, laws and regulations relating to pollution and environmental control, equal employment opportunity and employee safety and the Company will promptly comply and will cause each of its Subsidiaries promptly to comply with all such laws and regulations which may be legally imposed on the Company, or any Subsidiary, or any of their respective properties, businesses, and operations, in the future in jurisdictions in which the Company or any Subsidiary may then be doing business.

8K. ERISA. No accumulated funding deficiency (as defined in section 302 of ERISA and section 412 of the Code), whether or not waived, exists with respect to any plan (other than a Multiemployer Plan). No liability to the Pension Benefit Guaranty Corporation has been incurred with respect to any plan (other than a Multiemployer Plan) by the Company or any of its Subsidiaries which is materially adverse to the Company and its Subsidiaries taken as a whole. Neither the Company nor any of its Subsidiaries has incurred any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan which is materially adverse to the Company and its Subsidiaries taken as a whole and no facts currently exist which would reasonably be expected to cause any such liability to be incurred. The execution and delivery of this Agreement and the issuance and sale of the Notes are not transactions which are subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975 of the Code. The representation by the Company in the next preceding sentence is made in reliance upon and subject to the accuracy of the Purchaser's representation in paragraph 9 of this Agreement as to the source of the funds to be used to pay the purchase price of the Notes to be purchased by such Purchaser.

8L. GOVERNMENTAL CONSENT. Neither the nature of the Company or of any Subsidiary, nor any of their respective businesses or properties, nor any relationship between the Company or any Subsidiary and any other Person, nor any circumstance in connection with the offer, issue, sale or delivery of any Note is such as to require any consent, approval or other action by or any notice to or filing with any court or administrative or governmental body (other than routine filings after the applicable Closing Day with the Securities and Exchange Commission and/or State Blue Sky authorities) in connection with the execution and delivery of this Agreement, the offer, issue, sale or delivery of the Notes or fulfillment of or compliance with the terms and provisions hereof or of the Notes.

8M. HOLDING COMPANY AND INVESTMENT COMPANY STATUS. Neither the Company nor any Subsidiary is a "holding company," or a "subsidiary company" of a "holding company," or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company," or a "public utility," within the meaning of the Public Utility Holding Company Act of 1935, as amended, or a "public utility" within the meaning of the Federal Power Act, as amended. Neither the Company nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or an "investment adviser" within the meaning of the Investment Advisers Act of 1940, as amended.

8N. POSSESSION OF FRANCHISES, ETC. The Company and its Subsidiaries possess all franchises, certificates, licenses, permits and other authorizations from governmental political subdivisions or regulatory authorities, free from burdensome restrictions, that are necessary in any material respect for the ownership, maintenance and operation of their respective properties and assets, and neither the Company nor any Subsidiary is in violation of any thereof in any material respect.

8O. PATENTS, ETC. The Company and its Subsidiaries have obtained all patents, trademarks, servicemarks, trade names, copyrights, licenses and other rights, free from burdensome restrictions, that are necessary for the operation of their respective businesses as presently conducted and as proposed to be conducted. Nothing has come to the attention of the Company or any Subsidiary or to any of its directors or officers to the effect that (i) any product, process, method, substance, part or other material presently contemplated to be sold by or employed by the Company or any Subsidiary in connection with such business may infringe any patent, trademark, servicemark, trade name, copyright, license or other right owned by any other Person, (ii) there is pending or threatened any claim or litigation against or affecting the Company or any Subsidiary contesting its right to sell or use any such product, process, method, substance, part or other material, or (iii) there is, or there is pending or proposed, any patent, invention, device, application or principle or any statute, rule, law, regulation, standard or code which would prevent, inhibit or render obsolete the production or sale of any products of, or substantially reduce the projected revenues of, or otherwise adversely affect the business, condition or operations of, the Company or any Subsidiary.

8P. DISCLOSURE. Neither this Agreement nor any other document, certificate or statement furnished to the Purchasers by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not

misleading. There is no fact peculiar to the Company or its Subsidiaries which materially adversely affects or in the future may (so far as the Company can now foresee) materially adversely affect the business, property or assets, or financial condition of the Company or any of its Subsidiaries which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to the Purchasers by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

8Q. HOSTILE TENDER OFFERS. None of the proceeds from the sale of any Notes will be used to finance Hostile Tender Offers.

9. REPRESENTATIONS OF THE PURCHASERS. Each Purchaser represents: (i) that it is purchasing the Notes for its own account or for one or more separate accounts maintained by it or for the account of one or more pension or trust funds and not with a view to the distribution or sale thereof, provided that the disposition of its property shall at all times be within its control; and (ii) at least one of the following statements is an accurate representation as to each source of funds (a "Source") to be used to pay the purchase price of the Notes to be purchased by it hereunder:

(a) if an insurance company, the Source does not include assets allocated to any separate account maintained by it in which any employee benefit plan (or its related trust) has any interest, other than a separate account that is maintained solely in connection with its fixed contractual obligations under which the amounts payable, or credited, to such plan and to any participant or beneficiary of such plan (including any annuitant) are not affected in any manner by the investment performance of the separate account; or

(b) the Source is either (i) an insurance company pooled separate account, within the meaning of Prohibited Transaction Exemption ("PTE") 90-1 (issued January 29, 1990), (ii) a bank collective investment fund, within the meaning of the PTE 91-38 (issued July 12, 1991) and, except as such Purchaser shall have disclosed to the Company in writing pursuant to this clause (b), no employee benefit plan or group of plans maintained by the same employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund or (iii) the Source is an insurance company general account of which the assets are such that if any of them are, or are deemed to be, assets of any Plan, the acquisition of the Notes by such Purchaser pursuant hereto is eligible for and satisfies the requirements of PTE 95-60 (issued July 12, 1995); or

(c) the Source constitutes assets of an "investment fund" (within the meaning of Part V of PTE 84-14 managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part V of PTE 84-14), no employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section V(c)(1) of PTE 84-14) of such employer or by the same employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of PTE 84-14 are satisfied, neither the QPAM nor a person

26

controlling or controlled by the QPAM (applying the definition of "control" in Section V(e) of the PTE 84-14) owns a 5% or more interest in the Company and (i) the identity of such QPAM and (ii) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Company in writing pursuant to this paragraph (c); or

(d) the Source is a governmental plan; or

(e) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this paragraph (e); or

(f) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this paragraph, the terms "EMPLOYEE BENEFIT PLAN", "GOVERNMENTAL

PLAN", "PARTY IN INTEREST" and "SEPARATE ACCOUNT" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

10. DEFINITIONS; ACCOUNTING MATTERS. For the purpose of this Agreement, the terms defined in paragraphs 10A and 10B (or within the text of any other paragraph) shall have the respective meanings specified therein and all accounting matters shall be subject to determination as provided in paragraph 10C.

10A. YIELD-MAINTENANCE TERMS.

"CALLED PRINCIPAL" shall mean, with respect to any Note, the principal of such Note that is to be prepaid pursuant to paragraph 4C or 4E or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires.

"DISCOUNTED VALUE" shall mean, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (as converted to reflect the periodic basis on which interest on such Note is payable, if payable other than on a semi-annual basis) equal to the Reinvestment Yield with respect to such Called Principal.

"REINVESTMENT YIELD" shall mean, with respect to the Called Principal of any Note, the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City local time) on the Business Day next preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page 678" on the Telerate Service (or such other display as may replace page 678 on the Telerate Service) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, (ii) the Treasury Constant Maturity Series

27

yields reported, for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between yields reported for various maturities.

"REMAINING AVERAGE LIFE" shall mean, with respect to the Called Principal of any Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) each Remaining Scheduled Payment of such Called Principal (but not of interest thereon) by (b) the number of years (calculated to the nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"REMAINING SCHEDULED PAYMENTS" shall mean, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date.

"SETTLEMENT DATE" shall mean, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to paragraphs 4C or 4E or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires.

"YIELD-MAINTENANCE AMOUNT" shall mean, with respect to any

Note, an amount equal to the excess, if any, of the Discounted Value of the Called Principal of such Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. The Yield-Maintenance Amount shall in no event be less than zero.

10B. OTHER TERMS.

"ACCEPTANCE" shall have the meaning specified in paragraph 2B(6).

"ACCEPTANCE DAY" shall have the meaning specified in paragraph 2B(6).

"ACCEPTANCE WINDOW" shall have the meaning specified in paragraph 2B(6).

"ACCEPTED NOTE" shall have the meaning specified in paragraph 2B(6).

"AFFILIATE" shall mean any Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, the Company, except a Subsidiary. A Person shall be deemed to control a corporation if such Person possesses, directly or indirectly,

the power to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities, by contract or otherwise.

"AUTHORIZED OFFICER" shall mean (i) in the case of the Company, its chief executive officer, its chief financial officer, treasurer or any vice president of the Company designated as an "Authorized Officer" of the Company in the Information Schedule attached hereto or any vice president of the Company designated as an "Authorized Officer" of the Company for the purpose of this Agreement in an Officer's Certificate executed by the Company's chief executive officer, chief financial officer or treasurer and delivered to Prudential, and (ii) in the case of Prudential, any officer of Prudential designated as its "Authorized Officer" in the Information Schedule or any officer of Prudential designated as its "Authorized Officer" for the purpose of this Agreement in a certificate executed by one of its Authorized Officers. Any action taken under this Agreement on behalf of the Company by any individual who on or after the date of this Agreement shall have been an Authorized Officer of the Company and whom Prudential in good faith believes to be an Authorized Officer of the Company at the time of such action shall be binding on the Company even though such individual shall have ceased to be an Authorized Officer of the Company, and any action taken under this Agreement on behalf of Prudential by any individual who on or after the date of this Agreement shall have been an Authorized Officer of Prudential and whom the Company in good faith believes to be an Authorized Officer of Prudential at the time of such action shall be binding on Prudential even though such individual shall have ceased to be an Authorized Officer of Prudential.

"AVAILABLE FACILITY AMOUNT" shall have the meaning specified in paragraph 2B(1).

"BANKRUPTCY LAW" shall have the meaning specified in clause (viii) of paragraph 7A.

"BUSINESS DAY" shall mean any day other than (i) a Saturday or a Sunday, (ii) a day on which commercial banks in New York City are required or authorized to be closed and (iii) for purposes of paragraph 2B(4) hereof only, a day on which The Prudential Insurance Company of America is not open for business.

"CANCELLATION DATE" shall have the meaning specified in paragraph 2B(9)(iv).

"CANCELLATION FEE" shall have the meaning specified in paragraph 2B(9)(iv).

"CAPITALIZED LEASE OBLIGATION" shall mean any rental obligation which, under generally accepted accounting principles, is or will be required to be capitalized on the books of the Company or any Subsidiary, taken at the amount thereof accounted for as indebtedness (net of interest expenses) in accordance with such principles.

"CHANGE OF CONTROL" shall mean the acquisition after the date of this Agreement by any Person (as such term is used in section 13(d) and section 14(d)(2) of the Exchange Act or related persons constituting a group (as such terms is used in Rule 13d-5

29

under Exchange Act), other than any member of the Management Group, of beneficial ownership (as such term is used under Rule 13d-3 under the Exchange Act) directly or indirectly of Voting Stock sufficient to elect or cause the election of at least a majority of the Company's Board of Directors.

"CLEAN-DOWN PERIOD" shall mean a period of ninety consecutive days, chosen by the Company, during each fiscal year of the Company.

"CLOSING DAY" shall mean, with respect to the Series A Notes, the Series A Closing Day and, with respect to any Accepted Note, the Business Day specified for the closing of the purchase and sale of such Accepted Note in the Request for Purchase of such Accepted Note, provided that (i) if the Company and the Purchaser which is obligated to purchase such Accepted Note agree on an earlier Business Day for such closing, the "CLOSING DAY" for such Accepted Note shall be such earlier Business Day, and (ii) if the closing of the purchase and sale of such Accepted Note is rescheduled pursuant to paragraph 2B(8), the Closing Day for such Accepted Note, for all purposes of this Agreement except references to "original Closing Day" in paragraph 2B(9)(iii), shall mean the Rescheduled Closing Day with respect to such Accepted Note.

"CODE" shall mean the Internal Revenue Code of 1986, as amended.

"CONFIRMATION OF ACCEPTANCE" shall have the meaning specified in paragraph 2B(6).

"CONSOLIDATED DEBT" shall mean, at any time, Debt of the Company and its Subsidiaries consolidated in accordance with generally accepted accounting principles.

"CONSOLIDATED EBIT" shall mean, for any applicable period of the Company and its Subsidiaries on a consolidated basis, an amount equal to (A) the sum for such period of Consolidated Net Income (Loss) plus interest expense on all Debt of the Company and its Subsidiaries on a consolidated basis plus Rentals, plus provisions for taxes on income minus (B):

- (i) any gains resulting from the write-up of assets;
- (ii) any deferred credit representing the excess of equity in any Subsidiary of the Company at the date of acquisition over the cost of the investment in such Subsidiary;
- (iii) gains arising from the acquisition of debt securities for a cost less than the principal amount and accrued interest;
- (iv) extraordinary items or transactions of a non-recurring or non-operating and material nature or arising from gains or sales relating to the discontinuance of operations;

(v) any portion of the net income (included in the determination of Consolidated Net Income (Loss)), of any Subsidiary which for any reason shall be unavailable for payment of dividends to the Company; or

(vi) any earnings or deferred credit (or amortization of a deferred credit) of any Person acquired by the Company or any Subsidiary through purchase, merger or consolidation or otherwise (an "Acquired Person") for any period prior to the year of acquisition not included in gross revenues under generally accepted accounting principles unless there shall exist for such Acquired Person, a consolidated balance sheet, and consolidated statements of earnings, stockholders' equity and cash flows for the Acquired Person as at the end of such year reported on by independent accountants of recognized standing whose report shall be without limitation as to scope of audit;

all as determined in accordance with generally accepted accounting principles.

"CONSOLIDATED NET INCOME (LOSS)" shall mean, for any applicable period, for the Company and its Subsidiaries on a consolidated basis, net income (or loss) determined in accordance with generally accepted accounting principles.

"CONSOLIDATED NET WORTH" shall mean the sum of capital stock (but excluding treasury stock and capital stock that is subscribed but unissued) and retained earnings, paid in capital and the balance of the current profit and loss account not transferred to retained earnings accounts of the Company and its Subsidiaries appearing on the consolidated balance sheet of the Company and its Subsidiaries prepared in accordance with generally accepted accounting principles as of the date of determination, after eliminating all intercompany transactions and all amounts properly attributed to minority interests, if any, in the retained earnings, capital stock and paid in capital of Subsidiaries.

"CURRENT DEBT" shall mean, with respect to any Person, all Indebtedness of such Person for borrowed money (and any notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money) which by its terms or by the terms of any instrument or agreement relating thereto matures on demand or within one year from the date of the creation thereof and is not directly or indirectly renewable or extendible at the option of the debtor to a date more than one year from the date of the creation thereof, provided that Indebtedness for borrowed money outstanding under a revolving credit or similar agreement which obligates the lender or lenders to extend credit over a period of more than one year shall constitute Funded Debt and not Current Debt, even though such Indebtedness by its terms matures on demand or within one year from the date of the creation thereof.

"DEBT" shall mean Current Debt and Funded Debt.

"DELAYED DELIVERY FEE" shall have the meaning specified in paragraph 2B(9)(iii).

"ENVIRONMENTAL RELEASES" shall mean releases (as defined in the Comprehensive Environmental Response, Compensation and Liability Act or under any applicable state or local environmental law or regulation) of Hazardous Materials. Environmental Releases does not include releases for which no remediation or reporting is required by applicable Environmental Requirements and which do not present a danger to health, safety or the environment.

"ENVIRONMENTAL REQUIREMENTS" shall mean any applicable local, state or federal law, rule, regulation, permit, order, decision, determination or requirement relating in any way to Hazardous Materials or to health, safety or the environment.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA AFFILIATE" shall mean any corporation which is a member of the same controlled group of corporations as the Company within the meaning of section 414(b) of the Code, or any trade or business which is under common control with the Company within the meaning of section 414(c) of the Code.

"EVENT OF DEFAULT" shall mean any of the events specified in paragraph 7A, provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or the happening of any further condition, event or act, and "DEFAULT" shall mean any of such events, whether or not any such requirement has been satisfied.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended.

"FACILITY" shall have the meaning specified in paragraph 2B(1).

"FACILITY FEE" shall have the meaning specified in paragraph 2B(9)(i).

"FIXED CHARGES" shall mean, for the Company and its Subsidiaries on a consolidated basis, the sum (without duplication) of:

(i) all Rentals (excluding all principal components of Rentals under Capitalized Lease Obligations) paid during the most recently completed four fiscal quarters; and

(ii) all interest expense (as determined in accordance with generally accepted accounting principles) on all Debt (including Capitalized Lease Obligations) of the Company and its Subsidiaries for such period.

"FUNDED DEBT" shall mean with respect to any Person, all Indebtedness of such Person which by its terms or by the terms of any instrument or agreement relating thereto matures, or which is otherwise payable or unpaid, more than one year from, or is directly or indirectly renewable or extendible at the option of the debtor to a date more than one year

(including an option of the debtor under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of more than one year) from, the date of the creation thereof.

"GUARANTEE" shall mean, with respect to any Person, any direct or indirect liability, contingent or otherwise, of such Person with respect to any indebtedness, lease, dividend or other obligation of another, including, without limitation, any such obligation directly or indirectly guaranteed, endorsed (otherwise than for collection or deposit in the ordinary course of business) or discounted or sold with recourse by such Person, or in respect of which such Person is otherwise directly or indirectly liable, including, without limitation, any such obligation in effect guaranteed by such Person through any agreement (contingent or otherwise) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain the solvency or any balance sheet or other financial condition of the obligor of such obligation, or to make payment for any products, materials or supplies or for any transportation or service, regardless of the non-delivery or non-furnishing thereof, in any such case if the purpose or intent of such agreement is to provide assurance that such obligation will be paid or

discharged, or that any agreements relating thereto will be complied with, or that the holders of such obligation will be protected against loss in respect thereof. The amount of any Guarantee shall be equal to the outstanding principal amount of the obligation guaranteed or such lesser amount to which the maximum exposure of the guarantor shall have been specifically limited.

"HAZARDOUS MATERIAL" shall mean (a) hazardous waste as defined in the Resource Conservation and Recovery Act of 1986, or any applicable federal state or local law or regulation, (b) hazardous substances, as defined in Comprehensive Environmental Response Compensation and Liability Act, or any applicable state or local law or regulation, (c) gasoline, or any other petroleum product or by-product, (d) toxic substances, as defined in the Toxic Substance Control Act of 1976, or any applicable federal, state or local law or regulation or (e) insecticides, fungicides, or rodenticides, as defined in the Federal Insecticide, Fungicide, and Rodenticide Act of 1975, or any applicable federal, state or local law or regulation, as each such Act, statute or regulation may be amended from time to time.

"HEDGE TREASURY NOTE(S)" shall mean, with respect to any Accepted Note, the United States Treasury Note or Notes whose duration (as determined by Prudential) most closely matches the duration of such Accepted Note.

"HOSTILE TENDER OFFER" shall mean, with respect to the use of proceeds of any Note, any offer to purchase, or any purchase of, shares of capital stock of any corporation or equity interests in any other entity, or securities convertible into or representing the beneficial ownership of, or rights to acquire, any such shares or equity interests, if such shares, equity interests, securities or rights are of a class which is publicly traded on any securities exchange or in any over-the-counter market, other than purchases of such shares, equity interests, securities or rights representing less than 5% of the equity interests or beneficial ownership of such corporation or other entity for portfolio investment purposes, and such offer or purchase has not been duly approved by the board of directors of such corporation or the

equivalent governing body of such other entity prior to the date on which the Company makes the Request for Purchase of such Note.

"INCLUDING" shall mean, unless the context clearly requires otherwise, "including without limitation".

"INDEBTEDNESS" shall mean, with respect to any Person, without duplication, (i) all items (excluding items of contingency reserves or of reserves for deferred income taxes) which in accordance with generally accepted accounting principles would be included in determining total liabilities as shown on the liability side of a balance sheet of such Person as of the date on which Indebtedness is to be determined (including all Capitalized Lease Obligations), (ii) all indebtedness secured by any Lien on any property or asset owned or held by such Person subject thereto, whether or not the indebtedness secured thereby shall have been assumed, and (iii) all indebtedness of others with respect to which such Person has become liable by way of Guarantee.

"INVESTMENT" shall mean, when used with respect to any Person, any direct or indirect advance, loan or other extension of credit (other than the creation of receivables in the ordinary course of business) or capital contribution by such Person (by means of transfers of property to others or payments for property or services for the account or use of others, or otherwise) to any other Person, or any direct or indirect purchase or other acquisition by such Person of, or of a beneficial interest in, capital stock, partnership interest, bonds, notes, debentures or other securities issued by any other Person.

"ISSUANCE PERIOD" shall have the meaning specified in paragraph 2B(2).

"LIEN" shall mean any mortgage, pledge, security interest,

encumbrance, lien (statutory or otherwise) or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any lease in the nature thereof, and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction) or any other type of preferential arrangement for the purpose, or having the effect, of protecting a creditor against loss or securing the payment or performance of an obligation.

"MANAGEMENT GROUP" shall mean, collectively, the Company's Employee Stock Ownership Plan and the officers and directors of the Company.

"MATERIAL SUBSIDIARY" shall mean any Subsidiary of the Company which has (i) total assets equal to or greater than 10% of consolidated total assets as of the most recently completed fiscal quarter or (ii) net income equal to or greater than 10% of Consolidated Net Income for the four fiscal quarters most recently completed; provided, however, that notwithstanding the foregoing, if the Company and the Material Subsidiaries, as defined above, have less than 90% of consolidated total assets (calculated as described above) or have net income of less than 90% of Consolidated Net Income (as calculated above), then the term "Material Subsidiary" shall mean each Subsidiary of the Company, as specified by the Company, that together with the Company and each other specified Subsidiary have assets

34

equal to not less than 90% of consolidated total assets (calculated as described above) and net income of not less than 90% of Consolidated Net Income (calculated as described above).

"MULTIEMPLOYER PLAN" shall mean any Plan which is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

"NOTES" shall have the meaning specified in paragraph 1B.

"OFFICER'S CERTIFICATE" shall mean a certificate signed in the name of the Company by an Authorized Officer of the Company.

"PERSON" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

"PLAN" shall mean any employee pension benefit plan (as such term is defined in section 3 of ERISA) which is or has been established or maintained, or to which contributions are or have been made, by the Company or any ERISA Affiliate.

"PREFERRED STOCK" shall mean, in respect of any corporation, shares of the capital stock of such corporation that are entitled to a preference on priority over any other shares of the capital stock of such corporation in respect of the payment of dividends or distribution of assets upon liquidation.

"PRIORITY DEBT" shall mean, at any time, the sum (without duplication) of (i) all Debt of Subsidiaries, plus (ii) all Debt of the Company secured by Liens plus (iii) all Preferred Stock of any Subsidiary owned by any Person other than the Company or a wholly-owned Subsidiary.

"PROPERTIES" shall mean all real property owned, leased or otherwise used or occupied by the Company or any Subsidiary, wherever located.

"PRUDENTIAL" shall mean The Prudential Insurance Company of America.

"PRUDENTIAL AFFILIATE" shall mean any corporation or other entity all of the Voting Stock (or equivalent voting securities or interests) of which is owned by Prudential either directly or through Prudential Affiliates.

"PURCHASERS" shall mean Prudential and with respect to the

Series A Notes and, with respect to any Accepted Notes, Prudential and/or the Prudential Affiliate(s), which are purchasing such Accepted Notes.

"REQUEST FOR PURCHASE" shall have the meaning specified in paragraph 2B(4).

35

"REQUIRED HOLDER(S)" shall mean the holder or holders of at least 66 2/3% of the aggregate principal amount of the Notes or of a Series of Notes, as the context may require, from time to time outstanding.

"RESCHEDULED CLOSING DAY" shall have the meaning specified in paragraph 2B(8).

"RESPONSIBLE OFFICER" shall mean the chief executive officer, chief operating officer, chief financial officer or chief accounting officer of the Company, general counsel of the Company or any other officer of the Company involved principally in its financial administration or its controllership function.

"SECURITIES ACT" shall mean the Securities Act of 1933, as amended.

"SERIES" shall have the meaning specified in paragraph 1B.

"SERIES A CLOSING DAY" shall have the meaning specified in paragraph 2A.

"SERIES A NOTE(S)" shall have the meaning specified in paragraph 1A.

"SIGNIFICANT HOLDER" shall mean (i) during the Issuance Period, Prudential, and (ii) any other holder of at least 5% of the aggregate principal amount of the Notes of any Series from time to time outstanding.

"SUBSIDIARY" shall mean any corporation organized under the laws of any state of the United States of America, the Commonwealth of Puerto Rico, Canada, or any province of Canada, which conducts the major portion of its business in and makes the major portion of its sales to Persons located in the United States of America, the Commonwealth of Puerto Rico, or Canada, and all of the stock of every class of which, except directors' qualifying shares, shall, at the time as of which any determination is being made, be owned by the Company either directly or through Subsidiaries, and notwithstanding the foregoing shall include Crown Crafts International, Inc. and Hans Benjamin Furniture, Inc.

"SUBSTANTIAL STOCKHOLDER" shall mean (i) any Person owning, directly or indirectly, either individually or together with all other Persons to whom such Person is related by blood, adoption or marriage, stock of the Company (of any class having ordinary voting power for the election of directors) aggregating 5% or more of such voting power, or (ii) any Person related by blood, adoption or marriage to any Person described or coming within the provisions of clause (i) of this definition.

"TOTAL CAPITALIZATION" shall mean, at any time, the sum of (i) Consolidated Net Worth plus (ii) Consolidated Debt at such time.

"THIRD PARTY" shall mean all lessees, sublessees, and other users of the Property, excluding those users of the Property in the ordinary course of the Company's business (consistent with its practices on the date of this Agreement) and on a temporary basis.

36

"TRANSFEREE" shall mean any direct or indirect transferee of all or any part of any Note purchased by any Purchaser under this Agreement.

"VOTING STOCK" shall mean, with respect to any corporation, any shares of stock of such corporation whose holders are entitled under ordinary circumstances to vote for the election of directors of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

10C. ACCOUNTING PRINCIPLES, TERMS AND DETERMINATIONS.

All references in this Agreement to "GENERALLY ACCEPTED ACCOUNTING PRINCIPLES" shall be deemed to refer to generally accepted accounting principles in effect in the United States at the time of application thereof. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters hereunder shall be made, and all unaudited financial statements and certificates and reports as to financial matters required to be furnished hereunder shall be prepared, in accordance with generally accepted accounting principles, applied on a basis consistent with the most recent audited consolidated financial statements of the Company and its Subsidiaries delivered pursuant to clause (ii) of paragraph 5A or, if no such statements have been so delivered, the most recent audited financial statements referred to in clause (i) of paragraph 8B, subject in the case of, interim statements to normal year end adjustments and to the absence of footnotes.

11. MISCELLANEOUS.

11A. NOTE PAYMENTS. The Company agrees that, so long as any Purchaser shall hold any Note, it will make payments of principal of, interest on, and any Yield-Maintenance Amount payable with respect to, such Note, which comply with the terms of this Agreement, by wire transfer of immediately available funds for credit (not later than 12:00 noon, New York City local time, on the date due) to (i) the account or accounts of such Purchaser specified in the Purchaser Schedule attached hereto in the case of any Series A Notes, (ii) the account or accounts of such Purchaser specified in the Confirmation of Acceptance with respect to such Note in the case of any Shelf Note or (iii) such other account or accounts in the United States as such Purchaser may from time to time designate in writing, notwithstanding any contrary provision herein or in any Note with respect to the place of payment. Each Purchaser agrees that, before disposing of any Note, it will make a notation thereon (or on a schedule attached thereto) of all principal payments previously made thereon and of the date to which interest thereon has been paid. The Company agrees to afford the benefits of this paragraph 11A to any Transferee which shall have made the same agreement as the Purchasers have made in this paragraph 11A.

11B. EXPENSES. The Company agrees, whether or not the transactions contemplated hereby shall be consummated, to pay, and save Prudential, each Purchaser and any Transferee harmless against liability for the payment of, all out-of-pocket expenses arising in connection with such transactions, including (i) all document production and duplication charges and the fees and expenses of any special counsel engaged by the Purchasers or any Transferee in connection with this Agreement, the transactions contemplated hereby and any

subsequent proposed modification of, or proposed consent under, this Agreement, whether or not such proposed modification shall be effected or proposed consent granted, and (ii) the costs and expenses, including attorneys' fees, incurred by any Purchaser or any Transferee in enforcing (or determining whether or how to enforce) any rights under this Agreement or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement or the transactions contemplated hereby or by reason of any Purchaser's or any Transferee's having acquired any Note, including without limitation costs and expenses incurred in any bankruptcy

case. The obligations of the Company under this paragraph 11B shall survive the transfer of any Note or portion thereof or interest therein by any Purchaser or any Transferee and the payment of any Note.

11C. CONSENT TO AMENDMENTS. This Agreement may be amended, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the Company shall obtain the written consent to such amendment, action or omission to act, of the Required Holder(s) of the Notes of each Series except that, (i) with the written consent of the holders of all Notes of a particular Series, and if an Event of Default shall have occurred and be continuing, of the holders of all Notes of all Series, at the time outstanding (and not without such written consents), the Notes of such Series may be amended or the provisions thereof waived to change the maturity thereof, to change or affect the principal thereof, or to change or affect the rate or time of payment of interest on or any Yield-Maintenance Amount payable with respect to the Notes of such Series, (ii) without the written consent of the holder or holders of all Notes at the time outstanding, no amendment to or waiver of the provisions of this Agreement shall change or affect the provisions of paragraph 7A or this paragraph 11C insofar as such provisions relate to proportions of the principal amount of the Notes of any Series, or the rights of any individual holder of Notes, required with respect to any declaration of Notes to be due and payable or with respect to any consent, amendment, waiver or declaration, (iii) with the written consent of Prudential (and not without the written consent of Prudential) the provisions of paragraph 2B may be amended or waived (except insofar as any such amendment or waiver would affect any rights or obligations with respect to the purchase and sale of Notes which shall have become Accepted Notes prior to such amendment or waiver), and (iv) with the written consent of all of the Purchasers which shall have become obligated to purchase Accepted Notes of any Series (and not without the written consent of all such Purchasers), any of the provisions of paragraphs 2B and 3 may be amended or waived insofar as such amendment or waiver would affect only rights or obligations with respect to the purchase and sale of the Accepted Notes of such Series or the terms and provisions of such Accepted Notes. Each holder of any Note at the time or thereafter outstanding shall be bound by any consent authorized by this paragraph 11C, whether or not such Note shall have been marked to indicate such consent, but any Notes issued thereafter may bear a notation referring to any such consent. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein and in the Notes, the term "THIS AGREEMENT" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

11D. FORM, REGISTRATION, TRANSFER AND EXCHANGE OF NOTES; LOST NOTES. The Notes are issuable as registered notes without coupons in denominations of at least \$1,000,000, except as may be necessary to reflect any principal amount not evenly divisible

by \$1,000,000. The Company shall keep at its principal office a register in which the Company shall provide for the registration of Notes and of transfers of Notes. Upon surrender for registration of transfer of any Note at the principal office of the Company, the Company shall, at its expense, execute and deliver one or more new Notes of like tenor and of a like aggregate principal amount, registered in the name of such transferee or transferees. At the option of the holder of any Note, such Note may be exchanged for other Notes of like tenor and of any authorized denominations, of a like aggregate principal amount, upon surrender of the Note to be exchanged at the principal office of the Company. Whenever any Notes are so surrendered for exchange, the Company shall, at its expense, execute and deliver the Notes which the holder making the exchange is entitled to receive. Each installment of principal payable on each installment date upon each new Note issued upon any such transfer or exchange shall be in the same proportion to the unpaid principal amount of such new Note as the installment of principal payable on such date on the Note surrendered for registration of transfer or exchange bore to the unpaid principal amount of such Note. No reference need be made in any such new Note to any installment or installments of principal previously due and paid upon the Note surrendered for registration of transfer or exchange. Every Note

surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer duly executed, by the holder of such Note or such holder's attorney duly authorized in writing. Any Note or Notes issued in exchange for any Note or upon transfer thereof shall carry the rights to unpaid interest and interest to accrue which were carried by the Note so exchanged or transferred, so that neither gain nor loss of interest shall result from any such transfer or exchange. Upon receipt of written notice from the holder of any Note of the loss, theft, destruction or mutilation of such Note and, in the case of any such loss, theft or destruction, upon receipt of such holder's unsecured indemnity agreement, or in the case of any such mutilation upon surrender and cancellation of such Note, the Company will make and deliver a new Note, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Note.

11E. PERSONS DEEMED OWNERS; PARTICIPATIONS. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name any Note is registered as the owner and holder of such Note for the purpose of receiving payment of principal of and interest on, and any Yield-Maintenance Amount payable with respect to, such Note and for all other purposes whatsoever, whether or not such Note shall be overdue, and the Company shall not be affected by notice to the contrary. Subject to the preceding sentence, the holder of any Note may from time to time grant participations in all or any part of such Note to any Person on such terms and conditions as may be determined by such holder in its sole and absolute discretion.

11F. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT. All representations and warranties contained herein or made in writing by or on behalf of the Company in connection herewith shall survive the execution and delivery of this Agreement and the Notes, the transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any Transferee, regardless of any investigation made at any time by or on behalf of any Purchaser or any Transferee. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter.

39

11G. SUCCESSORS AND ASSIGNS. All covenants and other agreements in this Agreement contained by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto (including, without limitation, any Transferee) whether so expressed or not.

11H. INDEPENDENCE OF COVENANTS. All covenants hereunder shall be given independent effect so that if a particular action or condition is prohibited by any one of such covenants, the fact that it would be permitted by an exception to, or otherwise be in compliance within the limitations of, another covenant shall not avoid the occurrence of a Default or Event of Default if such action is taken or such condition exists.

11I. NOTICES. All written communications provided for hereunder (other than communications provided for under paragraph 2) shall be sent by first class mail or nationwide overnight delivery service (with charges prepaid) and (i) if to any Purchaser, addressed as specified for such communications in the Purchaser Schedule attached hereto (in the case of the Series A Notes) or the Purchaser Schedule attached to the applicable Confirmation of Acceptance (in the case of any Shelf Notes) or at such other address as any such Purchaser shall have specified to the Company in writing, (ii) if to any other holder of any Note, addressed to it at such address as it shall have specified in writing to the Company or, if any such holder shall not have so specified an address, then addressed to such holder in care of the last holder of such Note which shall have so specified an address to the Company and (iii) if to the Company, addressed to it at 1600 Riveredge Parkway, Suite 200, Atlanta, Georgia 30328, provided, however, that any such communication to the Company may also, at the option of the Person sending such communication, be delivered by any other means either to the Company at its address specified

above or to any Authorized Officer of the Company. Any communication pursuant to paragraph 2 shall be made by the method specified for such communication in paragraph 2, and shall be effective to create any rights or obligations under this Agreement only if, in the case of a telephone communication, an Authorized Officer of the party conveying the information and of the party receiving the information are parties to the telephone call, and in the case of a telecopier communication, the communication is signed by an Authorized Officer of the party conveying the information, addressed to the attention of an Authorized Officer of the party receiving the information, and in fact received at the telecopier terminal the number of which is listed for the party receiving the communication in the Information Schedule or at such other telecopier terminal as the party receiving the information shall have specified in writing to the party sending such information.

11J. PAYMENTS DUE ON NON-BUSINESS DAYS. Anything in this Agreement or the Notes to the contrary notwithstanding, any payment of principal or of interest on, or Yield-Maintenance Amount payable with respect to, any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day. If the date for any payment is extended to the next succeeding Business Day by reason of the preceding sentence, the period of such extension shall be included in the computation of the interest payable on such Business Day.

40

11K. DESCRIPTIVE HEADINGS. The descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

11L. SATISFACTION REQUIREMENT. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to any Purchaser, to any holder of Notes or to the Required Holder(s), the determination of such satisfaction shall be made by such Purchaser, such holder or the Required Holder(s), as the case may be, in the sole and exclusive judgment (exercised in good faith) of the Person or Persons making such determination.

11M. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE INTERNAL LAW OF THE STATE OF NEW YORK.

11N. SEVERALTY OF OBLIGATIONS. The sales of Notes to the Purchasers are to be several sales, and the obligations of Prudential and the Purchasers under this Agreement are several obligations. No failure by Prudential or any Purchaser to perform its obligations under this Agreement shall relieve any other Purchaser or the Company of any of its obligations hereunder, and neither Prudential nor any Purchaser shall be responsible for the obligations of, or any action taken or omitted by, any other such Person hereunder.

11O. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

41

11P. BINDING AGREEMENT. When this Agreement is executed and delivered by the Company, and Prudential, it shall become a binding agreement between the Company, and Prudential. This Agreement shall also inure to the benefit of each Purchaser which shall have executed and delivered a Confirmation of Acceptance, and each such Purchaser shall be bound by this Agreement to the extent provided in such Confirmation of Acceptance.

Very truly yours,

CROWN CRAFTS, INC.

(CORPORATE SEAL)

By: /s/ Robert E. Schnelle

Robert E. Schnelle
Treasurer

The foregoing Agreement is hereby accepted as of the date first above written.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: /s/ Thomas Cecka

Vice President

42

PURCHASER SCHEDULE

<TABLE>
<CAPTION>

Aggregate Principal Amount of Notes to be Purchased	Note Denom- ination(s)
-----	-----

<S>	<C>	<C>
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	\$25,000,000	\$22,000,000
	\$3,000,000	

</TABLE>

- (1) All payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

Account No. 050-54-526 in the case of the promissory note in the original principal amount of \$22,000,000 and Account No. 000-01-159 in the case of the promissory note in the original principal amount of \$3,000,000

Morgan Guaranty Trust Company of New York
23 Wall Street
New York, New York 10015
(ABA No.: 021-000-238)

Each such wire transfer shall set forth the name of the Company, a reference to "7.27% Senior Notes due 2005, Security No. !Inv. 5202! in the case of the promissory note in the original principal amount of \$22,000,000 and Security No. !Inv. 5203! in the case of the promissory note in the original principal amount of \$3,000,000, and the due date and application (as among principal, interest and Yield-Maintenance Amount) of the payment being made.

- (2) Address for all notices relating to payments:

The Prudential Insurance Company of America
c/o Prudential Capital Group
Four Gateway Center

100 Mulberry Street
Newark, New Jersey 07102-4077

Attention: Investment Structure and Pricing

- (3) Address for all other communications and notices:

The Prudential Insurance Company of America
c/o Prudential Capital Group
1230 Peachtree Street, N.E.
Suite 2525
Atlanta, Georgia 30309

Attention: Managing Director

- (4) Recipient of telephone prepayment notices:

Manager, Investment Structure and Pricing
(201) 802-6429

- (5) Tax Identification No.: 22-1211670

INFORMATION SCHEDULE

AUTHORIZED OFFICERS FOR PRUDENTIAL

Catherine A. Cates
Robert R. Derrick
Walter E. DuPre
Prudential Capital Group
1230 Peachtree Street, N.E.
Suite 2525
Atlanta, Georgia 30309
Telephone: (404) 881-4400
Facsimile: (404) 881-4407

Thomas Cecka
Prudential Capital Group
Four Gateway Center
100 Mulberry Street
Newark, New Jersey 07102
Telephone: (201) 802-8286
Facsimile: (201) 802-6432

AUTHORIZED OFFICERS FOR THE COMPANY

Michael H. Bernstein
President and Chief Executive Officer

Paul A. Criscillis, Jr.
Vice President, Chief Financial Officer

Roger D. Chittum
Vice President, Law and Administration, Secretary

Robert E. Schnelle
Treasurer

Crown Crafts, Inc.
1600 Riveredge Parkway
Suite 200
Atlanta, Georgia 30328

Telephone: (770) 644-6400
Facsimile: (770) 644-6233

FORM OF SERIES A NOTE

CROWN CRAFTS, INC.

7.27% SENIOR SERIES A NOTE DUE 2005

No. _____
\$ _____

[Date]

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 October 12, 2005 with interest (computed on the basis of a 360-day year--30-day month) (a) on the unpaid balance thereof at the rate of 7.27%% per annum from the date hereof, payable quarterly on the 12th day of January, April, July and October in each year, commencing with the January, April, July or October next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of Yield Maintenance Amount and any overdue payment of interest, payable quarterly 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 (i) 9.27% or (ii) 2% over the rate of interest publicly announced by Morgan Guaranty Trust Company of New York from time to time in New York City as its Prime Rate.

Payments of principal, Yield Maintenance Amount, if any, and interest are to be made at the main office of Morgan Guaranty Trust Company of New York in New York City or at such other place as the holder 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 (herein called the "Notes") issued pursuant to a Note Purchase and Private Shelf Agreement, dated as of October 12, 1995 (herein called the "Agreement"), between the Company, on the one hand, 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, in certain cases without Yield Maintenance Amount and in other cases with the Yield Maintenance Amount specified in the Agreement.

A-1

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.

The Company agrees to make prepayments of principal of this Note on the dates and in the amounts specified in the Agreement.

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:

A-2

EXHIBIT A-2

FORM OF SHELF NOTE

CROWN CRAFTS, INC.

No. _____
ORIGINAL PRINCIPAL AMOUNT:
ORIGINAL ISSUE DATE:
INTEREST RATE:
INTEREST PAYMENT DATES:
FINAL MATURITY DATE:
PRINCIPAL PREPAYMENT DATES AND AMOUNTS:

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 the Final Maturity Date specified above] [, payable on the Principal Prepayment Dates and in the amounts specified above, and on the Final Maturity Date specified above in an amount equal to the unpaid balance of the principal hereof,] with interest (computed on the basis of a 360-day year -- 30-day month) (a) on the unpaid balance thereof at the Interest Rate per annum specified above, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of Yield Maintenance Amount and any overdue payment of interest, payable on each Payment Date 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 (i) 2% over the Interest Rate specified above or (ii) 2% over the rate of interest publicly announced by Morgan Guaranty Trust Company of New York from time to time in New York City as its Prime Rate.

Payments of principal, Yield Maintenance Amount, if any, and interest are to be made at the main office of Morgan Guaranty Trust Company of New York in New York City or at such other place as the holder 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 (herein called the "Notes") issued pursuant to a Private Shelf Agreement, dated as of October 12, 1995 (herein called the "Agreement"), between the Company and The Prudential Insurance Company of America and each Prudential Affiliate (as defined in the Agreement) which becomes party thereto, on the other hand, and is entitled to the benefits thereof.

This Note is subject to optional prepayment, in whole or from time to time in part, on the terms 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 thereof 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:

A-2-2

EXHIBIT B

FORM OF REQUEST FOR PURCHASE

CROWN CRAFTS, INC.

Reference is made to the Note Purchase and Private Shelf Agreement (the "Agreement"), dated as of October 12, 1995 between Crown Crafts, Inc. (the "Company"), The Prudential Insurance Company of America ("Prudential") and each Prudential Affiliate which becomes party thereto, on the other hand. Capitalized terms used and not otherwise defined herein shall have the respective meanings specified in the Agreement.

Pursuant to Paragraph 2B (4) of the Agreement, the Company hereby makes the following Request for Purchase.

1. Aggregate principal amount of the Notes covered hereby (the "Notes").....\$ _____
2. Individual specifications of the Notes:

<TABLE>
<S> <C> <C> <C>
Principal

Principal Amount(1)	Final Maturity Date	Prepayment Dates and Amounts	Interest Payment Period(2)
------------------------	---------------------------	------------------------------------	----------------------------------

</TABLE>

(1) Minimum principal amount of \$5,000,000.

(2) Specify quarterly or semi-annually.

1

3. Use of proceeds of the Notes:
4. Proposed day for the closing of the purchase and sale of the Notes:
5. The purchase price of the Notes is to be transferred to:

<TABLE>

<S> Name, Address and ABA Routing Number of Bank	<C> Number of Account
---	-----------------------------

</TABLE>

6. The Company certifies (a) that the representations and warranties contained in paragraph 8 of the Agreement are true on and as of the date of this Request for Purchase except to the extent of changes caused by the transactions contemplated in the Agreement and, (b) that there exists on the date of this Request for Purchase no Event of Default or Default.
7. The Issuance Fee to be paid pursuant to the Agreement will be paid by the Company on the closing date.

CROWN CRAFTS, INC.

By _____
Title:

Dated:

2

EXHIBIT C

CROWN CRAFTS, INC.

Reference is made to the Note Purchase and Private Shelf Agreement (the "Agreement"), dated as of October 12, 1995, between Crown Crafts, Inc. (the "Company"), The Prudential Insurance Company of America and each Prudential Affiliate which becomes a party thereto, on the other hand. All terms used herein that are defined in the Agreement have the respective meanings specified in the Agreement.

Pursuant to paragraph 2B(6) of the Agreement, an Acceptance with respect to the following Accepted Notes is hereby confirmed:

I. Aggregate principal amount \$ _____

- (A) (a) Name of Purchaser:
- (b) Principal Amount:
- (c) Final maturity date:
- (d) Principal installment dates and amounts:
- (e) Interest rate:
- (f) Interest payment period:

- (B) (a) Name of Purchaser:
- (b) Principal Amount:
- (c) Final maturity date:
- (d) Principal installment dates and amounts:
- (e) Interest rate:
- (f) Interest payment period:

[(C), (D).....: same information as to any other Purchaser]

II. Closing Day: _____

Dated: CROWN CRAFTS, INC.

By: _____
Title:

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA

By: _____
Vice President

[Signature block for each named purchaser other than Prudential]

EXHIBIT D-1

[FORM OF OPINION OF COMPANY'S COUNSEL]

[Letterhead of _____]

[Date of Closing]

Ladies and Gentlemen:

As _____ of CROWN CRAFTS, INC. (the "Company") I am familiar with the Note Purchase and Private Shelf Agreement, dated as of October 12, 1995 (the "Agreement") between the Company, on the one hand, and The Prudential Insurance Company of America and each Prudential Affiliate which becomes a party thereto, on the other hand, pursuant to which the Company has issued to you today its Senior Series A Notes in the aggregate principal amount of \$25,000,000 (the "Notes"). Capitalized terms used and not otherwise defined herein shall have the meanings provided in the Agreement. This letter is being delivered to you in satisfaction of the condition set forth in paragraph 3A(v) of the Agreement and with the understanding you are purchasing the Notes in reliance on the opinions expressed herein.

In this connection, I have examined such certificates of public officials, certificates of officers of the Company and copies certified to my satisfaction of corporate documents and records of the Company and of other papers, and have made such other investigations, as I have deemed relevant and necessary as a basis for my opinion hereinafter set forth. I have relied upon such certificates of public officials and of officers of the Company with respect to the accuracy of material factual matters contained therein which were not independently established. With respect to the opinion expressed in paragraph 3 below, I have also relied upon the representation made by you in paragraph 9(ii) of the Agreement.

Based on the foregoing, it is my opinion that:

1. The Company is a corporation duly organized and validly existing in good standing under the laws of the State of Georgia. Each Subsidiary is a corporation duly organized and validly existing in good standing under the laws of its jurisdiction of incorporation. The Company and its Subsidiaries have the corporate power to carry on their respective businesses as now being conducted.

2. The Agreement and the Notes have been duly authorized by all requisite corporate action and duly executed and delivered by authorized officers of the Company, and are valid obligations of the Company, legally binding upon and enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3. It is not necessary in connection with the offering, issuance, sale and delivery of the Notes under the circumstances contemplated by the Agreement to register the Notes under the Securities Act or to qualify an indenture in respect of the Notes under the Trust Indenture Act of 1939, as amended.

4. The extension, arranging and obtaining of the credit represented by the Notes do not result in any violation of regulation G, T or X of the Board of Governors of the Federal Reserve System.

5. The execution and delivery of the Agreement and the Notes, the offering, issuance and sale of the Notes and fulfillment of and compliance with the respective provisions of the Agreement and the Notes do not conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its Subsidiaries pursuant to, or require any authorization, consent, approval, exemption, or other action by or notice to or filing with any court, administrative or governmental body or other Person (other than routine filings after the date hereof with the Securities and Exchange Commission and/or state Blue Sky authorities) pursuant to, the charter or by-laws of the Company or any of its Subsidiaries, any applicable law (including any securities or Blue Sky law), statute, rule or regulation or (insofar as is known to us after having

made due inquiry with respect thereto) any agreement (including, without limitation, any agreement listed in Schedule 8G to the Agreement), instrument, order, judgment or decree to which the Company or any of its Subsidiaries is a party or otherwise subject.

6. A Georgia state court or a federal court sitting in the State of Georgia would give effect to the choice of New York law contained in the Agreement.

Very truly yours,

EXHIBIT D-2

[FORM OF OPINION OF COMPANY'S COUNSEL]

[Letterhead of _____]

[Date of Closing]

[Name(s) and address(es) of purchaser(s)]

Ladies and Gentlemen:

As _____ of Crown Crafts, Inc. (the "Company") I am familiar with the Note Purchase and Private Shelf Agreement, dated as of October 12, 1995 (the "Agreement") between the Company, on the one hand, and The Prudential Insurance Company of America and each Prudential Affiliate which becomes a party thereto, on the other hand, pursuant to which the Company has issued to you today Senior Series ___ Notes of the Company in the aggregate principal amount of \$ _____ (the "Notes"). Capitalized terms used and not otherwise defined herein shall have the meanings provided in the Agreement. This letter is being delivered to you in satisfaction of the condition set forth in paragraph 3A(v) of the Agreement and with the understanding that you are purchasing the Notes in reliance on the opinions expressed herein.

In this connection, I have examined such certificates of public officials, certificates of officers of the Company and copies certified to my satisfaction of corporate documents and records of the Company and of other papers, and have made such other investigations, as I have deemed relevant and necessary as a basis for my opinion hereinafter set forth. I have relied upon such certificates of public officials and of officers of the Company with respect to the accuracy of material factual matters contained therein which were not independently established. With respect to the opinion expressed in paragraph 3 below, I have also relied upon the representation made by each of you in paragraph 9A of the Agreement.

Based on the foregoing, it is my opinion that:

1. The Company is a corporation duly organized and validly existing in good standing under the laws of the State of Georgia. Each Subsidiary is a corporation duly organized and validly existing in good standing under the laws of its jurisdiction of incorporation. The Company and its Subsidiaries have the corporate power to carry on their respective businesses as now being conducted.

2. The Agreement and the Notes have been duly authorized by all requisite corporate action and duly executed and delivered by authorized officers of the Company, and are valid obligations of the Company, legally binding upon and enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3. It is not necessary in connection with the offering, issuance, sale and delivery of the Notes under the circumstances contemplated by the Agreement to register the Notes under the Securities Act or to qualify an indenture in respect of the Notes under the Trust Indenture Act of 1939, as amended.

4. The extension, arranging and obtaining of the credit represented by the Notes do not result in any violation of regulation G, T or X of the Board of Governors of the Federal Reserve System.

5. The execution and delivery of the Agreement and the Notes, the offering, issuance and sale of the Notes and fulfillment of and compliance with the respective provisions of the Agreement and the Notes do not conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its Subsidiaries pursuant to, or require any authorization, consent, approval, exemption, or other action by or notice to or filing with any court, administrative or governmental body or other Person (other than routine filings after the date hereof with the Securities and Exchange Commission and/or state Blue Sky authorities) pursuant to, the charter or by-laws of the Company or any of its Subsidiaries, any applicable law (including any securities or Blue Sky law), statute, rule or regulation or (insofar as is known to us after having made due inquiry with respect thereto) any agreement (including, without limitation, any agreement listed in Schedule 8G to the Agreement), instrument, order, judgment or decree to which the Company or any of its Subsidiaries is a party or otherwise subject.

6. A Georgia state court or a federal court sitting in the State of Georgia would give effect to the choice of New York law contained in the Agreement.

Very truly yours,

Schedule 8A

Subsidiaries

<TABLE>
<CAPTION>

	Percent of Ownership ----- <C>	
<S> Benn Corp, a North Carolina corporation	100%	
Crown Crafts Home Furnishings, Inc., a New York corporation	100%	
Crown Crafts Home Furnishings of Illinois, Inc., a Delaware corporation	100%	
Crown Crafts Home Furnishings of California, Inc., a California corporation	100%	
Crown Crafts International, Inc., a Georgia corporation	100%	
G.W. Stores, Inc., a North Carolina corporation	100%	
Textile, Inc., a North Carolina corporation	100%	
Hans Benjamin Furniture, Inc., a South Carolina corporation	51%	

</TABLE>

Schedule 8G

Agreements Restricting Debt

1. \$15,000,000 Revolving Credit Facility between NationsBank, National Association (Carolinas) and Crown Crafts, Inc. dated August 25, 1995.
2. \$15,000,000 Revolving Credit Facility between Wachovia Bank of Georgia, N.A. and Crown Crafts, Inc. dated August 25, 1995.

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF CROWN CRAFTS FOR THE SIX MONTHS ENDED OCTOBER 1, 1995, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<MULTIPLIER> 1,000

<S>	<C>
<PERIOD-TYPE>	6-MOS
<FISCAL-YEAR-END>	MAR-31-1996
<PERIOD-START>	APR-03-1995
<PERIOD-END>	OCT-01-1995
<CASH>	437
<SECURITIES>	0
<RECEIVABLES>	31,165
<ALLOWANCES>	0
<INVENTORY>	58,622
<CURRENT-ASSETS>	93,981
<PP&E>	106,595
<DEPRECIATION>	33,364
<TOTAL-ASSETS>	171,342
<CURRENT-LIABILITIES>	26,418
<BONDS>	56,990
<COMMON>	9,049
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<OTHER-SE>	73,003
<TOTAL-LIABILITY-AND-EQUITY>	171,342
<SALES>	96,537
<TOTAL-REVENUES>	96,537
<CGS>	76,743
<TOTAL-COSTS>	76,743
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	1,213
<INCOME-PRETAX>	4,110
<INCOME-TAX>	1,536
<INCOME-CONTINUING>	2,574
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	2,574
<EPS-PRIMARY>	0.31
<EPS-DILUTED>	0

</TABLE>