

**SEE ADDENDUM**

FILED in ROWAN County, NC  
on Jun 27 2005 at 03:58:54 PM  
by: Bobbia M. Egnhardt  
Register of Deeds  
**BOOK 1039 PAGE 657**

*31*  
*104.00*

ID: B464 Issued Jun 27 2005  
\$1,275.00  
State of ROWAN  
North Carolina County  
Real Estate Excise Tax

**SPECIAL WARRANTY DEED**

Excise Tax: \$1,275.00 (10% of purchase price -- \$11,475.00 (90%) paid on Deed recorded  
Tax Parcel ID No. \_\_\_\_\_ in Cabarrus County on or about the date of this  
on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ By: \_\_\_\_\_  
Verified by recording County

Mail/Box to: Castle & Cooke Kannapolis, LLC, 10900 Wilshire Blvd., Suite 1600, Los Angeles, CA 90025, Attn: General Counsel

This instrument was prepared by: Mary J. Garnett, Esq.

Brief description for the Index: One Lake Circle Drive and 417 Glenn Avenue, Kannapolis, North Carolina

THIS DEED, made this the 21st day of June, 2005, by and between

**GRANTOR: FIELDCREST CANNON, INC.**, a Delaware corporation  
whose address is: 1701 N. Greenville Ave., Suite 700, Richardson, Texas 75081  
(herein referred to collectively as **Grantor**) and

**GRANTEE: CASTLE & COOKE KANNAPOLIS, LLC**, a Delaware limited liability company  
whose address is: 210 Oak Avenue, Kannapolis, North Carolina 28081  
(herein referred to collectively as **Grantee**)

**WITNESSETH:**

For valuable consideration from Grantee to Grantor, the receipt and sufficiency of which is hereby acknowledged, Grantor hereby gives, grants, bargains, transfers and conveys unto Grantee in fee simple, subject to the Exceptions and Reservations hereinafter provided, if any, the following described property (the "**Property**"), located in the City of Kannapolis, County of Cabarrus and in the County of Rowan, State of North Carolina, more particularly described as follows:

See Exhibit "A" attached hereto and made a part hereof.

TO HAVE AND TO HOLD unto Grantee, together with all privileges and appurtenances thereunto belonging, in fee simple, subject to the Exceptions and Reservations hereinafter and hereinabove provided, if any.

This conveyance is made subject to the following Exceptions and Reservations:

1. The matters set forth in Exhibit "B" attached hereto and made a part hereof.
2. Grantee may not, without the consent of Pillowtex Corporation or Reorganized Pillowtex (as defined in the

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Purchase Contract), as the case may be, sell, transfer or convey all or any portion of the Property in a single transaction or a series of related transactions, which individually or in the aggregate, relate to 50% or more of either the square footage or acreage of the Property, until the earlier to occur of (a) a Pillowtex Liquidated Damages Event (as defined in the Purchase Contract) and (b) June 30, 2006. As used in the preceding sentence, "Purchase Contract" means that certain Real Estate Purchase Contract dated as of December 15, 2004 by and among Grantor, Pillowtex Corporation, Grantee and Castle & Cooke North Carolina, LLC, as amended.

And Grantor hereby warrants that Grantor has done nothing to impair the title as received by Grantor and that Grantor will forever warrant and defend the title against the lawful claims of all persons claiming by, through or under Grantor, except for the Exceptions and Reservations hereinabove provided.

This conveyance is made pursuant to authorization given in the Order under 11 U.S.C. §§ 105(a), 363 and 365 authorizing Debtors (I) to enter into agreements for sale of the Debtors' Kannapolis, North Carolina property, free and clear of liens, claims and encumbrances, (II) to assume and assign certain unexpired leases, and (III) to consummate the transactions contemplated in connection therewith, entered on June 6, 2005 in Docket No. 1560 in the Pillowtex Corporation Chapter 11 Bankruptcy Proceeding (Case No. 03-12339 (PJW)) in the United States Bankruptcy Court, District of Delaware, a copy of which, without exhibits, is attached as Exhibit "C" and incorporated herein by reference.

All references to Grantor and Grantee as used herein shall include the parties as well as their heirs, successors and assigns, and shall include the singular, plural, masculine, feminine or neuter as required by context.

IN WITNESS WHEREOF, Grantor has executed this instrument as of the day and year first above written.

FIELDCREST CANNON, INC.

By: [Signature]  
Name: John F. Sterling  
Title: Vice President

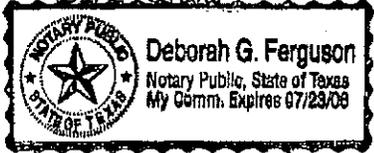
ACKNOWLEDGMENT

State of TEXAS - County of DALLAS

I, the undersigned Notary Public of the County and State aforesaid, certify that JOHN F. STERLING personally came before me this day and acknowledged that he is the VICE PRESIDENT of Fieldcrest Cannon, Inc., a Delaware corporation, and that by authority duly given and as the act of such entity, he signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and official stamp or seal, this 21<sup>ST</sup> day of JUNE, 2005.

My Commission Expires: 7/23/06  
(SEAL - STAMP)

[Signature]  
Notary Public



NORTH CAROLINA: ROWAN COUNTY  
The foregoing certificate of Deborah G. Ferguson N.P. of State of TX

is certified to be correct.  
Filed for registration this 27 day of June, 2005

Bobbie M. Earnhardt, Register of Deeds  
By: [Signature]  
Assistant, Deputy

EXHIBIT "A"

Description of Property

(see attached)

EXHIBIT "A"

CH2003-04627

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PARCEL 1:

TRACT 1

BEGINNING AT A COMPUTED POINT IN THE CENTERLINE INTERSECTION OF MAIN STREET AND WEST FIRST STREET AND ALSO BEING S 40°34'24" W 4877.19' FROM N.C.G.S. MONUMENT KANNAPOLIS (N.C. GRID COORDINATES: N 843804.283, E 1519842.418, MAD 27) THENCE N 80°43'13" W, 17.85' TO A COMPUTED POINT IN THE CENTERLINE OF WEST FIRST STREET; THENCE WITH THE BACK OF CURB ALONG THE SOUTHWESTERLY SIDE OF LAKE CIRCLE DRIVE N 24°27'51" W, 309.40' TO A 1/2" IRON ROD, A COMMON CORNER WITH FIRST BAPTIST CHURCH AND ATLANTIC AMERICAN PROPERTIES; THENCE WITH THE LINE OF ATLANTIC AMERICAN PROPERTIES THE FOLLOWING FOUR CALLS: N 24°27'51" W, 341.06' TO A 1/2" IRON ROD; THENCE S 85°23'01" W, 201.04' TO A NAIL IN CAP; THENCE S 81°23'15" W, 320.34' TO A NAIL IN CAP; THENCE S 84°11'04" W, 173.89' TO A SPIKE, A COMMON CORNER WITH ATLANTIC AMERICAN PROPERTIES AND WATER COMPANY ACQUISITION CORPORATION; THENCE WITH WATER COMPANY ACQUISITION CORPORATION S 85°09'37" W, 28.11' TO A 1/2" IRON ROD, A COMMON CORNER WITH ATLANTIC AMERICAN PROPERTIES; THENCE WITH ATLANTIC AMERICAN PROPERTIES THE FOLLOWING THREE CALLS: S 84°57'10" W, 85.07' TO A 1/2" IRON ROD; THENCE S 84°57'10" W, 36.14' TO COMPUTED POINT IN THE CENTERLINE OF W "A" STREET; THENCE N 24°58'11" W, 143.14' TO A COMPUTED POINT IN THE CENTERLINE OF W "A" STREET AT ITS INTERSECTION WITH THE SOUTHERLY RIGHT OF WAY OF CHESTNUT STREET; THENCE WITH THE CENTERLINE OF W "A" STREET THE FOLLOWING SIX CALLS: N 24°29'41" W, 733.97' TO A COMPUTED POINT; THENCE N 34°40'13" W, 113.72' TO A COMPUTED POINT; THENCE N 49°45'08" W, 200.82' TO A COMPUTED POINT; THENCE N 40°35'15" W, 247.61' TO A COMPUTED POINT; THENCE N 32°58'50" W, 235.48' TO A COMPUTED POINT; THENCE N 25°37'07" W, 321.82' TO A COMPUTED POINT IN THE EASTERLY RIGHT OF WAY OF NORTH LOOP ROAD; THENCE WITH THE RIGHT OF WAY OF NORTH LOOP ROAD THE FOLLOWING FIVE CALLS: THENCE N 27°3'07" E, 24.89' TO A COMPUTED POINT; THENCE 591.04' ALONG A CURVE TO THE RIGHT OF RADIUS 535.48', A CHORD BEARING AND DISTANCE OF N 33°50'25" E, 561.49' TO COMPUTED POINT; THENCE N 65°27'44" E, 205.79' TO A COMPUTED POINT; THENCE 296.08' ALONG A CURVE TO THE RIGHT OF RADIUS 2827.29', A CHORD BEARING AND DISTANCE OF N 68°27'44" E, 295.94' TO A COMPUTED POINT; THENCE N 71°27'44" E, 337.01' TO A 1/2" IRON ROD, A COMMON CORNER WITH THE DATA CENTER TRACT; THENCE WITH THE DATA CENTER TRACT THE FOLLOWING SEVEN CALLS: S 31°57'34" E 148.83' TO A 1/2" IRON ROD; THENCE S 84°57'03" W 286.74' TO A 1/2" IRON ROD; THENCE S 25° 04'11" E 585.45'; THENCE N 65°06'19" E 356.55' TO A 1/2" IRON ROD; THENCE N 77°57'57" E 81.53' TO A 1/2" IRON ROD; THENCE N 84°58'51" E 321.34' TO 1/2" IRON ROD; THENCE N 25°03'51" W 894.58' TO 1/2" IRON ROD IN THE SOUTHERLY RIGHT OF WAY OF NORTH LOOP ROAD; THENCE WITH THE RIGHT OF WAY OF NORTH LOOP ROAD THE FOLLOWING FOUR CALLS: N 71°27'44" E 347.72' TO A COMPUTED POINT; THENCE 559.25' ALONG A CURVE TO THE RIGHT OF RADIUS 678.70', A CHORD BEARING AND DISTANCE OF S 84°55'55" E, 543.56' TO A COMPUTED POINT; THENCE S 81°19'34" E, 905.68' TO A COMPUTED POINT; THENCE 178.24' ALONG A CURVE TO THE LEFT OF RADIUS 753.70', A CHORD BEARING AND DISTANCE OF S 68°08'03" E, 177.82' TO A COMPUTED POINT IN THE CENTERLINE OF MAIN STREET; THENCE WITH THE CENTERLINE OF MAIN STREET THE FOLLOWING FOUR CALLS: S 28°03'56" W, 152.46' TO A COMPUTED POINT; THENCE S 28°46'53" W, 1732.13' TO A COMPUTED POINT; THENCE S 29°33'40" W, 503.84' TO A COMPUTED POINT; THENCE S 28°53'22" W, 84.17' TO A COMPUTED POINT; THENCE LEAVING MAIN STREET AND RUNNING THENCE WITH THE BOUNDARY OF VETERANS PARK THE FOLLOWING SEVENTEEN CALLS: N 72°38'01" W, 21.39' TO A 1/2" IRON ROD AT THE BACK OF CURB; THENCE N 72°38'01" W, 30.77' TO A COMPUTED POINT; THENCE N 51°16'54" W, 50.74' TO A COMPUTED POINT; THENCE N 35°13'29" W, 55.38' TO A COMPUTED POINT; THENCE N 26°05'59" W, 61.15' TO A COMPUTED POINT; THENCE N 17°15'18" W, 56.57' TO A COMPUTED POINT; THENCE N 13°47'54" W, 58.11' TO A COMPUTED POINT; THENCE N 8°02'58" W, 43.87' TO A 1/2" IRON ROD; THENCE N 73°11'03" W, 43.01' TO A 1/2" IRON ROD; THENCE S 19°43'58" W, 57.08' TO A COMPUTED POINT; THENCE S 13°07'14" W, 87.64' TO A COMPUTED POINT; THENCE S 37°25'52" W, 34.77' TO A COMPUTED POINT; THENCE S 77°15'42" E, 50.87' TO A COMPUTED POINT; THENCE S 10°51'05" E, 51.19' TO A COMPUTED POINT; THENCE S 13°45'24" E, 52.41' TO A COMPUTED POINT; THENCE S 19°34'34" E, 51.88' TO A COMPUTED POINT; THENCE S 24°27'51" E, 210.53' TO A COMPUTED POINT IN THE CENTERLINE OF MAIN STREET; THENCE WITH THE CENTERLINE OF MAIN STREET S 28°53'22" W, 40.33' TO THE BEGINNING CONTAINING 125.258 ACRES, MORE OR LESS.

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EXHIBIT "A" continued

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PARCEL 1 continued:

TRACT 3

BEGINNING AT A COMPUTED POINT IN NORTH MAIN STREET, SAID POINT BEING N 29°16'05" E 893.82' FROM THE CENTERLINE INTERSECTION OF NORTH MAIN STREET AND WEST FIRST STREET AND ALSO BEING S 43°12'47" W 3804.75' FROM N.C.G.S MONUMENT KANNAPOLIS (N.C. GRID COORDINATES: N 843604.263, E 1519642.418, NAD 27); THENCE N 28°46'53" E, 489.80' TO A COMPUTED POINT IN NORTH MAIN STREET, A COMMON CORNER WITH THE TRAIN DEPOT; THENCE S 61°07'01" E, 22.77' TO AN EXISTING IRON ROD; THENCE S 61°07'01" E, 139.50' TO A 1/2" IRON ROD; THENCE S 61°07'01" E, 47.24' TO A COMPUTED POINT IN THE SOUTHBOUND TRACK OF SOUTHERN RAILROAD; THENCE S 28°46'09" W, 489.98' TO A COMPUTED POINT IN SAID RAILROAD TRACK; THENCE N 61°01'15" W, 35.59' TO A 1/2" ROD THENCE; N 61°01'15" W, 126.39' TO A 1/2" ROD; THENCE N 61°01'15" W, 47.64' TO THE BEGINNING CONTAINING 2.358 ACRES, MORE OR LESS.

TRACT 5

BEGINNING AT A COMPUTED POINT IN NORTH MAIN STREET, A COMMON CORNER WITH THE TRAIN DEPOT, SAID POINT BEING N 29°03'20" E 1586.32' FROM THE CENTERLINE INTERSECTION OF NORTH MAIN STREET AND WEST FIRST STREET AND ALSO BEING S 48°21'54" W 3138.85' FROM N.C.G.S. MONUMENT KANNAPOLIS (N.C. GRID COORDINATES: N 643604.263, E 1519642.418; NAD 27) THENCE WITH NORTH MAIN STREET N 28°46'53"E, 1039.63' TO A COMPUTED POINT IN NORTH MAIN STREET, A COMMON CORNER WITH THE CITY OF KANNAPOLIS; THENCE S 59°24'31" E, 30.55' TO A 1/2" IRON ROD; THENCE S 59°24'31" E, 100.91' TO A 1/2" IRON ROD THENCE S 59°24'31" E, 78.64' TO A COMPUTED POINT IN THE SOUTHBOUND TRACK OF SOUTHERN RAILWAY; THENCE S 28°41'20" W, 896.02' TO A COMPUTED POINT IN SAID TRACK; THENCE S 28°46'09" W, 137.41' TO A COMPUTED POINT IN SAID TRACK; THENCE N 61°07'01" W, 46.95' TO A 1/2" IRON ROD; THENCE N 61°07'01" W, 132.37' TO A 1/2" IRON ROD; THENCE N 61°07'01" W, 30.15' FEET TO THE BEGINNING CONTAINING 4.969 ACRES, MORE OR LESS.

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EXHIBIT "A" continued

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PARCEL 1 continued:

TRACT 6

BEGINNING AT A NEW IRON PIN AT THE SOUTHWEST CORNER OF LOT 31, BLOCK "D" OF KANNAPOLIS SUBDIVISION, NORTHWEST SECTION 4, BOOK OF MAPS PAGE 1688 OF THE ROWAN COUNTY REGISTER OF DEEDS AND IN THE EASTERLY EDGE OF OAK CIRCLE, AND RUNS THENCE N 70°39'32" E, 135.27', TO A 1/2" EXIST. IRON PIPE THE COMMON CORNER OF LOTS 30, 20, AND 23 OF SAID SUBDIVISION; THENCE S 24°32'19" E, 100.67', TO A NEW IRON PIN ON THE NORTHERLY RIGHT OF WAY LINE OF NORTH LOOP ROAD; THENCE S 71°27'44" W, 135.05', TO A MAGNETIC NAIL SET AT THE INTERSECTION OF THE NORTHERLY RIGHT WAY LINE OF NORTH LOOP ROAD AND THE EASTERLY RIGHT OF WAY OF OAK CIRCLE; THENCE N 24°43'39" W, 99.59', TO THE BEGINNING CONTAINING 0.309 ACRES / 13482 SQ. FT., MORE OR LESS.

TRACT 7

BEGINNING AT MAGNETIC NAIL SET ON THE NORTHERLY RIGHT OF WAY OF NORTH LOOP ROAD AT ITS INTERSECTION WITH THE EASTERLY RIGHT OF WAY OF ELM STREET AND ALSO BEING S 77°53'05" W, 4754.68' FROM N.C.G.S. MONUMENT KANNAPOLIS (N.C. GRID COORDINATES: N 643604.283, E 1519842.418, NAD 27) AND RUNS THENCE N 24°45'57" W, 116.24' TO A 1/2" IRON ROD; THENCE N 84°48'05" E, 60.09' TO A 5/8" IRON ROD; THENCE N 77°30'04" E, 377.28' TO A NEW IRON PIN, THE NORTHWEST CORNER OF LOT 8, BLOCK "A" OF KANNAPOLIS SUBDIVISION NORTHWEST SECTION, RECORDED IN BOOK OF MAPS PAGE 1688 OF THE ROWAN COUNTY REGISTER OF DEEDS; THENCE S 20°33'07" E, 63.93' TO A NEW IRON PIN ON THE NORTHERLY RIGHT OF WAY OF NORTH LOOP ROAD; THENCE WITH SAID RIGHT OF WAY THREE CALLS AS FOLLOWS: S 71°27'44" W, 91.90' TO A COMPUTED POINT; THENCE 303.93' ALONG A CURVE TO THE LEFT OF RADIUS 2902.29', A CHORD BEARING AND DISTANCE OF S 88°27'44" W, 303.79' TO A COMPUTED POINT; THENCE S 65°27'44" W, 29.40', TO THE BEGINNING CONTAINING 0.897 ACRES / 39088 SQ. FT., MORE OR LESS.

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## EXHIBIT "A" continued

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PARCEL 1 continued:

## TRACT 8

BEGINNING AT A MAGNETIC NAIL SET IN THE CENTERLINE INTERSECTION OF WEST "A" STREET AND WALNUT STREET AND RUNS THENCE WITH THE CENTERLINE OF WALNUT STREET S 65°17'22" W, 301.83' TO A MAGNETIC NAIL SET IN THE CENTERLINE OF WALNUT STREET AT THE LIMIT OF THE N.C.D.O.T. RIGHT OF WAY FOR WALNUT STREET; THENCE WITH THE N.C.D.O.T. RIGHT OF WAY FOR WALNUT STREET THE FOLLOWING FIVE CALLS: N 24°42'41" W, 28.00' TO A NEW IRON PIN; THENCE S 65°17'22" W 32.71' TO A NEW IRON PIN; THENCE 49.40' ALONG A CURVE TO THE RIGHT OF RADIUS 149.00', A CHORD BEARING AND DISTANCE OF S 74°47'15" W, 49.17' TO A NEW IRON PIN; THENCE S 84°17'09" W, 47.27' TO A NEW IRON PIN; THENCE N 53°00'14" W 40.20' TO A NEW IRON PIN ON THE EASTERLY RIGHT OF WAY OF NORTH LOOP ROAD; THENCE WITH THE RIGHT OF WAY OF NORTH LOOP ROAD TWO CALLS: 102.77' ALONG A CURVE TO THE RIGHT OF RADIUS 1108.42', A CHORD BEARING AND DISTANCE OF N 0°28'15" W, 102.73' TO A 1/2" IRON ROD; THENCE N 27°3'07" E, 868.88' TO A COMPUTED POINT ON SAID RIGHT OF WAY AT ITS INTERSECTION WITH THE FORMER LOCATION OF THE CENTERLINE OF WEST "A" STREET; THENCE THREE CALLS WITH WEST "A" STREET AS FOLLOWS: S 25°37'07" E, 321.82' TO A COMPUTED POINT; THENCE S 32°56'50" E, 235.48' TO A COMPUTED POINT; THENCE S 40°35'15" E, 228.80' TO THE BEGINNING CONTAINING 3.812 ACRES, MORE OR LESS.

## TRACT 9

BEGINNING AT A MAGNETIC NAIL SET IN THE CENTERLINE INTERSECTION OF WEST "A" STREET AND WALNUT STREET AND RUNS THENCE WITH THE CENTERLINE OF WEST "A" STREET THE FOLLOWING FOUR CALLS: S 40°35'15" E, 18.81' TO A COMPUTED POINT; S 49°45'06" E 200.82' TO A COMPUTED POINT; S 34°40'13" E, 113.72', TO A COMPUTED POINT; S 24°29'41" E 25.60' TO A MAGNETIC NAIL SET IN THE CENTERLINE INTERSECTION OF WEST "A" STREET AND JUNIPER STREET; THENCE WITH THE CENTERLINE OF JUNIPER STREET S 65°10'41" W 521.84' TO A MAGNETIC NAIL SET IN THE CENTERLINE OF JUNIPER STREET AT THE LIMIT OF THE N.C.D.O.T. RIGHT OF WAY FOR JUNIPER STREET; THENCE WITH SAID RIGHT OF WAY N 24°49'19" W 25.60' TO A 5/8" IRON ROD AT THE BACK OF CURB OF JUNIPER STREET, A COMMON CORNER WITH KANNAPOLIS LAND & DEVELOPMENT (DBK 4429, PG 1); THENCE WITH THE CURB LINE OF JUNIPER STREET N 63°09'11" E 188.58' TO A 5/8" IRON ROD AT THE BACK OF CURB, A COMMON CORNER WITH KANNAPOLIS LAND & DEVELOPMENT; THENCE WITH KANNAPOLIS LAND & DEVELOPMENT N 14°34'30" W 299.02' TO A DRILL HOLE IN THE CONCRETE CURB ON THE SOUTH SIDE OF WALNUT STREET; THENCE WITH THE CURB LINE OF WALNUT STREET S 65°18'50" W 128.75' TO A COMPUTED POINT ON THE CURB LINE OF WALNUT STREET AT THE LIMIT OF THE N.C.D.O.T. RIGHT OF WAY FOR WALNUT STREET; THENCE WITH SAID RIGHT OF WAY LIMIT N 24°42'41" W 18.10' TO A MAGNETIC NAIL SET IN THE CENTERLINE OF WALNUT STREET; THENCE WITH THE CENTERLINE OF WALNUT STREET N 65°17'22" E 301.83' TO THE BEGINNING CONTAINING 2.234 ACRES MORE OR LESS.

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EXHIBIT "A" continued

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PARCEL 1 continued:

TRACT 10

BEGINNING AT A MAGNETIC NAIL SET IN THE CENTERLINE INTERSECTION OF WEST "A" STREET AND JUNIPER STREET AND RUNS THENCE WITH THE CENTERLINE OF WEST "A" STREET S 24°29'41" E, 316.17 FEET TO A COMPUTED POINT IN THE CENTERLINE OF WEST "A" STREET AT ITS INTERSECTION WITH THE NORTHERLY RIGHT OF WAY OF PINE STREET; THENCE WITH THE BACK OF CURB AND THE NORTHERLY RIGHT OF WAY OF PINE STREET S 65°10'45" W, 465.15 FEET TO A 5/8" EXIST. IRON ROD AT THE BACK OF CURB, A COMMON CORNER WITH THE CREDIT UNION; THENCE WITH THE CREDIT UNION LINE N 21°48'07" W, 290.96 FEET TO A DRILLHOLE IN THE CURB ON THE SOUTHERLY RIGHT OF WAY OF JUNIPER STREET; THENCE WITH THE SOUTHERLY RIGHT OF WAY OF JUNIPER STREET S 85°09'11" W, 70.02 FEET TO A COMPUTED POINT AT THE BACK OF CURB AT THE LIMIT OF THE N.C.D.O.T. RIGHT OF WAY FOR JUNIPER STREET; THENCE WITH SAID RIGHT OF WAY LIMIT N 24°49'19" W 25.83 FEET TO A MAGNETIC NAIL SET IN THE CENTERLINE OF JUNIPER STREET; THENCE WITH THE CENTERLINE OF JUNIPER STREET N 65°10'41" E 521.64 FEET TO THE BEGINNING CONTAINING 3.364 ACRES MORE OR LESS.

TRACT 11

BEGINNING AT A COMPUTED POINT IN THE CENTERLINE OF WEST "A" STREET AT ITS INTERSECTION WITH THE SOUTHERLY RIGHT OF WAY OF PINE STREET AND RUNS THENCE WITH THE CENTERLINE OF WEST "A" STREET S 24°29'41" E, 285.03' TO A COMPUTED POINT IN THE CENTERLINE OF WEST "A" STREET AT ITS INTERSECTION WITH THE NORTHERLY RIGHT OF WAY OF CHESTNUT STREET; THENCE WITH THE BACK OF CURB AND THE NORTHERLY RIGHT OF WAY OF CHESTNUT STREET S 65°07'58" W, 317.89' TO A 1/2" IRON ROD, A COMMON CORNER WITH CURB MOTORSPORTS; THENCE WITH THE LINE OF CURB MOTORSPORTS N 28°51'50" W, 285.47' TO A 1/2" IRON ROD AT THE BACK OF CURB IN THE SOUTHERLY RIGHT OF WAY OF PINE STREET; THENCE WITH THE SOUTHERLY RIGHT OF WAY OF PINE STREET N 65°10'45" E, 329.69' TO THE BEGINNING CONTAINING 2.120 ACRES, MORE OR LESS.

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EXHIBIT "A-1"

CH2003-04627

PARCEL 2:

BEGINNING at an existing iron rod located at the intersection of the western margin of the 60 foot right of way of Glenn Avenue and the northeastern corner of Lot 34 of the "J.W. Chiselm" property as shown on a map recorded in Book of Maps Page 422 of the Rowan Public Registry, and from that beginning point thence along the common boundaries of Lots 34 and 35 of the "J.W. Chiselm" property, N 79-01-44 W, 150.82 feet to an existing iron rod; thence S 13-06-24 W, 1079.99 feet to a set magnetic nail; thence N 87-05-06 W, 482.36 feet to a new iron rod; thence along the northern margin of the 60 foot right of way of West "C" Street along the arc of a circular curve to the left having a radius of 8211.24 feet, an arc distance of 270.47 feet, a chord bearing of N 58-28-24 W and a chord distance of 270.45 feet to an existing iron rod; thence along the eastern, northern and western boundaries of the property of Kannapolis Water Company the following courses and distances: (1) N 15-05-48 E, 160 feet to an existing iron rod; (2) N 83-03-24 W, 598.91 feet to a railroad spike; (3) S 08-52-23 W, 160 feet to an existing iron rod; thence continuing along the 60 foot right of way of West "C" Street along the arc of a circular curve to the left, having a radius of 8211.24 feet, an arc distance of 85.71 feet, a chord bearing of N 64-40-21 W and a chord distance of 85.71 feet to an existing iron rod; thence N 02-03-30 E, 324.55 feet to an existing iron rod; thence N 03-03-16 E, 181.05 feet to an existing granite monument; thence N 01-48-41 E, 329.81 feet to an existing granite monument; thence continuing along the same course 12.08 feet to the center line of Baker Creek, thence along the eastern boundary of the property of Water Company Acquisition Corporation (the City of Kannapolis) N 02-52-31 E, 48.87 feet to an existing iron rod; thence continuing along the same course 702.82 feet to an existing iron rod; thence continuing along the same course 478.99 feet to an existing iron rod; thence along the eastern margin of the right of way of Seaford Road, N 09-22-58 W, 137.38 feet to an existing iron pin; thence N 79-38-24 E, 179.78 feet to a computed point; thence N 10-21-08 W, 102.72 feet to an existing spike; thence N 37-48-41 E, 88.44 feet to an existing iron pin; thence N 50-32-46 E, 899.18 feet to an existing iron rod; thence N 87-30-55 E, 840.05 feet to an existing metal plate; thence S 87-08-25 E, 101.48 feet to an existing iron rod; thence continuing along the same course 47.18 feet to an existing iron rod; thence S 00-58-14 W, 29.52 feet to nail by an existing iron rod and continuing along the same course 829.63 feet to an existing iron rod; thence S 87-09-10 E, 829.72 feet to nail by an existing iron rod and thence continuing along the same course 4.88 feet to nail by an existing iron pin lying on the westerly right of way of Glenn Avenue; thence along the western margin of the Glenn Avenue right of way the following courses and distances: (1) S 01-41-26 E, 188.94 feet to an existing iron rod; (2) thence continuing in a southeasterly direction along the arc of a curve to the right having a radius of 89.53 feet, an arc distance of 127.45 feet, a chord bearing of S 35-17-38 W and a chord distance of 118.82 feet, to an existing iron rod; (3) S 71-59-14 W, 225.25 feet to an existing iron rod; (4) thence continuing in a southwesterly direction with the arc of a circular curve to the left having a radius of 240.56 feet, an arc distance of 249.85 feet, a chord bearing of S 42-11-41 W, and a chord distance of 238.77 feet to nail by an existing iron pin; (4) S 12-28-50 W, 898.90 feet to an existing iron rod; (5) S 71-41-19 E, 8.95 feet to an existing iron rod; (6) S 13-21-56 W, 229.48 feet to the point of beginning and containing 118.961 Acres, as shown on the survey entitled "Boundary Survey of 118.961 Acres Survey for Fieldcrest / Pilloatex" Job No. 90 01 33 prepared by Mel G. Thompson, R.L.S., dated January 10, 1998.

Record of Poor Quality Due to Condition of Original Document - G.S. 101-14

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EXHIBIT "B"

Exception Matters

(see attached)

EXHIBIT B  
EXCEPTIONS

1. INTENTIONALLY OMITTED

- 2. Taxes, dues and assessments for the year 2005, and subsequent years, not yet due and payable.
- 3. The correctness of the square footage/acreage computation contained in the description of the land is not insured.

PARCEL 1 (PLANT #1):

- 4. Survey by Mal G. Thompson, P.L.S., dated May 1, 2002, last revised April 14, 2004, reveals the following:
  - (a) Right of way of North Street;
  - (b) Right of way of Maple Road;
  - (c) Ten (10) foot right of way to the City of Kannapolis;
  - (d) Title to portion of land located within right of way of Southern Railroad and rights of others to the use of the railroad tracks located therein.
  - (e) Sixty-eight (68) foot Duke Power easement with power lines located therein;
  - (f) Thirty-four (34) foot Duke Power right of ways;
  - (g) Riparian rights of others incident to the lake located on the land;
  - (h) Ten (10) foot utility easement (DB 4252, PG 29);
  - (i) Access easements;
  - (j) Fourteen (14) foot rail car storage easement;
  - (k) Ten (10) foot waterline easement (DB 1130, PG 164);
  - (l) Twenty (20) foot powerline easement; and
  - (m) Sanitary sewer easement.
- 5. Grant of Easement recorded in Book 622, Page 383, Cabarrus County Registry, and Book 631, page 551, Rowan County Registry.
- 6. Building restrictions lines, easements and other facts shown on map recorded in Plat Book 26, page 17, Cabarrus County Registry and Plat Book 9995, page 2368, Rowan County Registry.
- 7. Building restriction lines, easements and any other facts shown on map recorded in Plat Book 19, Page 97; Book 20, Page 6; Book 26, Page 17; Book 19, Page 100; and Book 20, page 1, Cabarrus County Registry; and in Book of Maps pages 1686, 1687, 1688, and 1689; and Book 9995, page 2368, Rowan County Registry.
- 8. Consent Decree entered in the Middle District of North Carolina, Salisbury Division, in a civil action entitled United States of America vs. Cannon Mills Company, CV: C-65-5-69, obligating Cannon Mills Company to rent or sell its rental houses on a racially non-discriminatory basis.
- 9. Subject to the right of way of the North Carolina Railroad.

THE FOLLOWING ITEMS ARE RECORDED IN ROWAN COUNTY:

- 10. Declaration of Easements and Restrictive Covenants recorded in Book 650, page 751.



11. Grant of Easement recorded in Book 720, page 369.
12. Grant of Easement recorded in Book 721, page 478.
13. Grant of Easement recorded in Book 721, page 479.
14. Grant of Easement recorded in Book 723, page 184.
15. Right(s) of Way to Lillian Knitting Mills for the purpose of constructing a sewer line recorded in Book 140, page 512.
16. Easement Agreement to the Town of China Grove, North Carolina for construction and operation of water/sewer lines, recorded in Book 191, page 299.
17. Easement for construction and operation of electrical transmission lines to Concord Telephone Company recorded in Book 219, page 552.
18. Easement for construction and operation of electrical transmission lines to Duke Power Company recorded in Book 229, page 590.
19. Easement(s) to Kannapolis Sanitary District for the construction and operation of public sewer systems, such easement being twenty (20) feet in width, recorded in Book 523, page 28.
20. Right-of-Way Agreement to the North Carolina Department of Transportation for construction of a portion of State Road No. 1139, such right of way being fifty (50) feet in width, recorded in Book 578, page 927.
21. Assignment of easements and encroachments to Duke Power Company recorded in Book 586, page 471.
22. Easement for construction and operation of electrical transmission lines to Duke Power Company recorded in Book 586, page 472.
23. Subject to all rights, privileges and easements regarding sidetracks of Southern Railway Company recorded in Deed Book 174, page 88.
24. Rights-of-way of Southern Railway Company, Southern Power Company and Concord Gas Company as noted in Book 145, page 209.
25. Right(s) of Way to Department of Transportation recorded in Book 620, page 819.
26. Easement(s) to Kannapolis Water Company from Cannon Mills Company recorded in Book 623, page 252.

THE FOLLOWING ITEMS ARE RECORDED IN CABARRUS COUNTY:

27. Right of Way Agreement recorded in Book 626, page 287.
28. Declaration of Easements and Restrictive Covenants recorded in Book 734, page 379.
29. Grant of Right of Way recorded in Book 817, page 360.
30. Grant of Right of Way recorded in Book 817, page 365.
31. Solid Waste Permit recorded in Book 930, page 83.

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32. Grant of Easement recorded in Book 1130, page 164.
33. Right of Way Agreements recorded in Book 1131, page 114 and Book 1131, page 116.
34. Memorandum of Lease recorded in Book 1569, page 211.
35. Easement Agreement recorded in Book 1569, page 215.
36. Memorandum of Option recorded in Book 1569, page 224.
37. Amendment to Easement Agreement recorded in Book 1752, page 283.
38. General Warranty Deed recorded in Book 734, page 315.
39. General Warranty Deed recorded in Book 734, page 330.
40. Non-Warranty Deed recorded in Book 734, page 343.
41. Assignment of Easement and Rights of Way recorded in Book 734, page 358.
42. Judgment of Dismissal and Distribution of Award recorded in Book 737, page 338.
43. Spur line right-of-way to Southern Railway Company recorded in Book 61, page 132; Book 66, page 375; and Book 85, pages 145 and 224.
44. Easements to Southern Power Company for substation sites at the mills of Cannon Mfg. Company and Norcroft Mills Company (now Cannon Mills Company and sometimes hereinafter referred to as CMC) recorded in Book 85, pages 145 and 146.
45. Right of Way Agreements between CMC and the Department of Transportation (formerly the State Highway Commission) recorded in Book 365, page 289; Book 536, page 370; Book 536, page 368; Book 518, page 567; Book 478, page 416; Book 478, page 419; Book 456, page 685; Book 443, page 411; Book 443, page 414; Book 422, page 208; Book 399, page 221; Book 383, page 23; Book 339, page 29; Book 292, page 471; and Book 356, page 639.
46. Easement(s) to the Board of Light and Water Commissioners of the City of Concord for Electric transmission line recorded in Book 262, page 274.
47. Utility Easements to Duke Power Company recorded in Book 266, page 554; Book 129, page 191; Book 139, page 11; Book 139, page 626; Book 139, page 201; Book 139, page 203; Book 145, page 429; Book 200, page 296; Book 194, page 67; Book 224, page 80; Book 231, page 274; Book 290, page 291; Book 312, page 151; Book 336, page 137; Book 404, page 450; Book 503, page 284; and Book 344, page 91.
48. Easement for the construction of an electrical transmission line to E. J. Rumble recorded in Book 102, page 635 and to W. G. Rumble in Book 111, page 54.
49. Easement for the construction of an electrical transmission line to Southern Power Company recorded in Book 102, page 540.
50. Assignment of easements and encroachments to Duke Power Company recorded in Book 503, page 610.

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51. Easement to Duke Power Company recorded in Book 503, page 612; pursuant to which Duke Power Company was granted an easement to install, operate and repair electrical transmission and telephone lines for the portion of the Electric Distribution System located in Cabarrus County and conveyed by CMC to Duke Power Company under an "Agreement for Sale and Purchase of Electric Distribution System" dated January 12, 1979.
52. Ten-foot sanitary sewer easement to Kannapolis Sanitary District recorded in Book 370, page 336.
53. Easement(s) to Concord Telephone Company, Inc. for pole line construction along Highway 29A recorded in Book 243, page 446.
54. General Utility Easement to Concord Telephone Company, Inc. recorded in Book 126, page 554.
55. Substation leases for transmission line easements to Duke Power Company for Kannapolis Tie Station recorded in Book 344, page 56.
56. Substation leases for transmission line easements to Duke Power Company for Plant #1 - Mill #7 recorded in Book 350, page 557.
57. Substation leases for transmission line easements to Duke Power Company for Kannapolis Tie Station recorded in Book 425, page 577.
58. Substation leases for transmission line easements to Duke Power Company for Plant #1 recorded in Book 403, page 596.
59. Substation leases for transmission line easements to Duke Power Company for Plant #1 Bleachery recorded in Book 302, page 345.
60. Substation leases for transmission line easements to Duke Power Company for Kannapolis Plant recorded in Book 269, page 438.
61. Substation leases for transmission line easements to Duke Power Company for Plant #1 recorded in Book 224, page 460.
62. Substation leases and transmission line easements to Duke Power Company recorded in Book 209, page 439.
63. Right(s) of Way to the Department of Transportation recorded in Book 595, page 819.
64. Recorded map of record in Map Book 19, page 97, shows a Duke Power Company Easement along the rear lot lines of all lots in Blocks B and C of said map.
65. Easement(s) to Kannapolis Water Company from Cannon Mills Company recorded in Book 602, page 561.
66. Land Clearing and Inert Debris Landfill Notification recorded in Book 2343, page 297.
67. North Carolina Special Warranty Deed recorded in Book 4192, page 124.
68. Easement Agreement to the City of Kannapolis recorded in Book 4252, page 29.
69. Easement Agreement between Kannapolis Land & Development, LLC and Fieldcrest Cannon, Inc. recorded in Book 4429, page 13.

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- 69A. North Carolina Special Warranty Deed from Fieldcrest Cannon, Inc. to Kannapolis Land & Development, LLC, recorded in Book 4429, page 1, Cabarrus County Registry.
- 69B. Easements, setback lines and any other matters shown on plat recorded in Map Book 19, page 100, Cabarrus County Registry.

PARCEL 2 (WASTEWATER PLANT):

- 70. Right(s) of Way to City of Kannapolis recorded in Book 769, page 958 and Book 855, page 336.
- 71. Rights of others entitled to the continuous and uninterrupted flow of the Baker Creek bounding or crossing the land, as shown on survey.
- 72. This policy insures only the location of boundary lines as set out on that boundary survey by Mel G. Thompson, R.L.S., January 10, 1998, being the date of the survey. The existence and location of any improvements and easements are not insured. Said boundary survey reveals the following:
  - (a) Approximate location of the City of Kannapolis' thirty (30) inch water line easement(s);
  - (b) Building encroachment(s);
  - (c) Right of way of Westview Street; and
  - (d) Concrete drive encroachment.
- 73. Easement to the City of Kannapolis recorded in book 1032, page 98.

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EXHIBIT "C"

Sale Order

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(see attached)

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IN THE UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

In re:	)	Jointly Administered
PILLOWTEX CORPORATION, et al., <sup>1</sup>	)	Case No. 03-12339 (PJW)
Debtors.	)	Chapter 11
	)	Re: Docket Items 1223 and 1368

**ORDER UNDER 11 U.S.C. §§ 105(a), 363 AND 365 AUTHORIZING DEBTORS (I) TO ENTER INTO AGREEMENTS FOR SALE OF THE DEBTORS' KANNAPOLIS, NORTH CAROLINA PROPERTY, FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES, (II) TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES, AND (III) TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED IN CONNECTION THEREWITH**

Upon consideration of (1) the Motion, dated November 15, 2004 (the "Original Motion"),<sup>2</sup> of Pillowtex Corporation, debtor and debtor in possession in the above-captioned cases ("Pillowtex"), and its affiliated debtors and debtors in possession herein (collectively with Pillowtex, the "Debtors"), for an Order under Sections 105(a), 363, 365 and 1146(c) of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (as amended, the "Bankruptcy Code") authorizing (i) the sale by Fieldcrest Cannon, Inc., debtor and

<sup>1</sup> In addition to Pillowtex Corporation, the other debtors are Beacon Manufacturing Company, Encee, Inc., FC Online, Inc., FCC Canada, Inc., FCI Corporate LLC, FCI Operations LLC, Fieldcrest Cannon Financing, Inc., Fieldcrest Cannon Licensing, Inc., Fieldcrest Cannon Transportation, Inc., Fieldcrest Cannon, Inc., The Leshner Corporation, Opelika Industries, Inc., PTEX Holding Company, PTEX, Inc. and Tennessee Woolen Mills, Inc.

<sup>2</sup> Unless otherwise defined, capitalized terms used herein shall have the meaning ascribed to them in the Original Motion.

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debtor in possession in the above-captioned cases ("Fieldcrest"), of its real property and certain of its personal property located at One Lake Circle Drive, Kannapolis, North Carolina and 417 Glenn Avenue, Kannapolis, North Carolina (collectively, the "Property"), (ii) the assumption and assignment of certain real property leases related thereto, and (iii) the other transactions contemplated in connection therewith (collectively, with such sale and assumption and assignment, the "Transactions"), pursuant to the Real Estate Purchase Contract, dated as of November 15, 2004, among Fieldcrest, Pillowtex, Alpha Kannapolis LLC, a Delaware limited liability company (the "Manchester Bidder"), and Manchester Real Estate & Construction, LLC, a Delaware limited liability company; (2) the Joint Supplemental Motion, dated March 3, 2005 (the "Supplemental Motion" and together with the Original Motion, the "Motions"), of the Debtors and the Committee for an Order under Section 363(f)(4) of the Bankruptcy Code authorizing the sale of the Property by Fieldcrest to Castle & Cooke Kannapolis, LLC, a Delaware limited liability company (the "Buyer"), free and clear of any agreement to negotiate an easement with Velvet Demo, LLC, a South Carolina limited liability company ("Velvet Demo"); (3) the facts and issues of law presented during the course of the adversary proceeding [Adv. Proc. No. 05-50508] (the "Adversary Proceeding") brought by the Debtors and the Official Committee of Unsecured Creditors in the Debtors' Chapter 11 cases (the "Committee") under sections 105 and 363 of the Bankruptcy Code, Section 2201 of Title 28 of the United States Code, and Rules 6004, 7001, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), asserting various claims with respect to the First Amendment to the Amended and

Restated Asset Purchase Agreement (the "First Amendment"), dated October 24, 2003, between the Debtors and GGST LLC ("GGST"); and (4) the settlement (the "Settlement") between the Debtors, the Committee, GGST and Velvet Demo and consented to by the Buyer, as read into the record of the Trial (as defined below) and approved by this Court on May 26, 2005 upon the termination of the Trial resolving (i) the objections of Velvet Demo and GGST to the Motions and (ii) the claims asserted in the Adversary Proceeding; and the Court having entered an Order, dated August 20, 2003, approving certain global bidding procedures relating to the sale of the Debtors' assets and an Order, dated October 19, 2004, approving certain supplemental bidding procedures relating to the sale of the Property (collectively with such global bidding procedures, the "Bidding Procedures"); and due and adequate notice of the Motions and filings with this Court in the Adversary Proceeding having been given, and it appearing that the relief requested in the Motions is in the best interests of the Debtors, their estates, their creditors and other parties in interest; and a hearing on the Original Motion having been held on December 14, 2004 (the "Original Hearing"), a hearing on the Supplement Motion having been held on March 23, 2005 (the "Supplemental Hearing" and together with the Original Hearing, the "Hearings"), and a trial in the Adversary Proceeding having been held on May 25<sup>th</sup> and 26<sup>th</sup>, 2005 (the "Trial"), at which times all parties were offered an opportunity to be heard with respect to the Motions and the filings in the Adversary Proceeding, and the Court having considered (i) the Motions and the filings made with this Court in the Adversary Proceeding, (ii) any objections thereto, (iii) the arguments of counsel made, and the evidence proffered or adduced at the Hearings and at

the Trial and (iv) the Settlement; and after due deliberation thereon; and good cause appearing therefor;

**IT IS HEREBY FOUND AND DETERMINED THAT:<sup>3</sup>**

A. This Court has jurisdiction over the Motions pursuant to 28 U.S.C. §§ 157 and 1334(b). This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of these cases and the Motions in this district is proper under 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief sought in the Motions are Sections 105(a), 363 and 365 of the Bankruptcy Code, and Rules 2002, 6004, 6006 and 9014 of the Bankruptcy Rules.

C. As evidenced by the affidavits of service previously filed with the Court, and based on the representations of counsel at the Hearings: (i) adequate and sufficient notice of the Motions, the Hearings and the Transactions has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware or Orders of this Court; (ii) such notice was good, sufficient and appropriate under the particular circumstances; and (iii) no other or further notice of the Motions, the Hearings or the Transactions shall be required.

D. A reasonable opportunity to object or be heard with respect to the Motions and the relief requested therein has been afforded to all interested persons and entities.

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<sup>3</sup> Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.

E. The Debtors marketed the Property diligently and in good faith to secure the highest and best offer therefor through an open and complete sale process. In that regard, the Debtors sought bids for the Property as described in the Original Motion.

F. On December 10, 2004, the Debtors conducted an auction at which two Qualified Bidders, the Manchester Bidder and the Buyer participated. At the conclusion of the auction, the Debtors and the Committee determined that the Buyer's final bid of \$4,250,000 in cash plus a convertible promissory note in the principal amount of \$2,125,000 was the highest and best offer to purchase the Property. The terms of the sale of the Property to the Buyer and the other transactions contemplated in connection therewith are set forth in the Real Estate Purchase Contract, dated as of December 15, 2004 (as amended from time to time and collectively with (i) the Exhibits thereto and (ii) the Letter of Guarantee from Castle & Cooke, Inc. to Pillowtex, dated as of December 7, 2004, the "Real Estate Contract"), among Fieldcrest, Pillowtex, the Buyer and Castle & Cooke North Carolina, LLC. A copy of the Real Estate Contract is attached hereto as Exhibit A.

G. The terms and conditions set forth in the Real Estate Contract represent a fair and reasonable purchase price for the Property.

H. Approval of the Real Estate Contract and consummation of the Transactions at this time are in the best interests of the Debtors, their estates, their creditors and other parties in interest.

I. The Debtors have demonstrated both (i) good, sufficient and sound business purpose and justification and (ii) compelling circumstances for the Transactions pursuant to the applicable provisions of the Bankruptcy Code, including Sections 105(a) and 363.

J. The Real Estate Contract was negotiated, proposed and entered into by the parties thereto without collusion, in good faith and from arm's-length bargaining positions. None of the parties to the Real Estate Contract or their respective affiliates has engaged in any conduct that would cause or permit the Real Estate Contract to be avoided under Section 363(n) of the Bankruptcy Code.

K. The Buyer is an entity purchasing the Property in good faith within the meaning of Section 363(m) of the Bankruptcy Code and, as such, is entitled to the protections afforded thereby.

L. The consideration provided by the Buyer for the Property pursuant to the Real Estate Contract constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession or the District of Columbia.

M. Other than Hilco and Trenwith, there are no brokers involved in consummating the Transactions, and no brokers' commissions are due other than the fees payable to Hilco and Trenwith as described in the Original Motion.

N. Consistent with the terms of the Settlement, Velvet Demo and GGST have withdrawn their respective objections to the Motions with prejudice.

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND  
DECREED THAT:**

1. The Motions are granted, as provided herein.

2. All objections, responses and requests for continuances concerning the Motions or the relief requested therein are resolved in accordance with the terms of this Order and as set forth in the record of the Hearings, and those that have not been withdrawn, waived or settled, and all reservations of rights included in such objections, are overruled on the merits.

3. The Real Estate Contract and the Escrow Agreement, the Access Agreement, the Business Advisory & Funding Agreement and the Joint Venture Agreement (as such terms are defined in the Real Estate Contract) and each other agreement, document or instrument contemplated by any of the foregoing (collectively, the "Transaction Documents") and the Transactions (including, without limitation, the transfer of the Property by the Debtors to the Buyer, the payment of the fees of Hilco and Trenwith as provided in the Real Estate Contract and prior Orders of this Court, and the assumption of the Leases and their assignment to the Buyer) are approved and authorized under Sections 105(a), 363 and 365 of the Bankruptcy Code.

4. Each of the Debtors and (after the confirmation of a Chapter 11 plan in these cases) Reorganized Pillowtex are authorized (but not directed) to (i) enter into each of the Transaction Documents; (ii) sell the Property to the Buyer, assume the Leases and assign them to the Buyer, and consummate the other Transactions in accordance with the terms and conditions of the Transaction Documents (including, without limitation, surrender the Note (as such term is defined in the Real Estate Contract) for payment in accordance with the terms and conditions of the Real Estate Contract and the Note); and (iii) take such

other and further actions as may be necessary or appropriate to implement and consummate the Transactions and perform the Debtors' obligations under any of the Transaction Documents (including, without limitation, grant any consent under Section 9(C)(i) or 28(E) of the Real Estate Contract or Section 6.11 of the Joint Venture Agreement).

5. Pursuant to Section 365(f) of the Bankruptcy Code, the transfer of the Property by the Debtors and the assignment of the Leases to the Buyer vest the Buyer with good and indefeasible title to the Property and the Leases, free and clear of all liens, claims, encumbrances and interests other than those permitted under the Real Estate Contract (such liens, claims, encumbrances and interests other than those permitted under the Real Estate Contract, the "Interests"), including but not limited to the Interests identified on Exhibit B annexed hereto, and any Interests that existed prior to the Closing shall attach to the cash proceeds of the sale, in their order of priority with the same validity, force and effect that they had against the Property and the Leases, subject to any claims and defenses that the Debtors may possess with respect thereto (including, without limitation, the Debtors' rights to dispute any claim alleged to be secured by an Interest and whether such claim is secured by an Interest over such cash proceeds).

Notwithstanding anything to the contrary in the Motions, the Real Estate Contract or this Order, (i) the transfer of the Property to the Buyer shall be free and clear from any agreement of the Debtors, the Buyer, Castle & Cooke North Carolina, LLC or their respective affiliates to negotiate an easement with Velvet Demo or GGST under the First Amendment and (ii) the Transaction Documents shall be deemed amended as necessary

to conform with the terms of the Settlement and the Debtors and the Buyer shall cooperate to implement any such amendments.

6. Pursuant to the terms of the Final Order Pursuant to Sections 105, 361, 362 and 363(c) of the Bankruptcy Code and Rules 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (1) Authorizing Debtors to Use Cash Collateral, (2) Granting Liens and Priority Administrative Expense Status, (3) Modifying the Automatic Stay and (4) Authorizing Distributions of Certain Asset Sale Proceeds, dated December 8, 2003 (the "Cash Collateral Order"), the Debtors shall hold, in a segregated, interest-bearing account pending further Order of this Court (including, without limitation, any Order confirming a Chapter 11 plan in these cases), an amount of the cash proceeds of the sale of the Property not to exceed the amount of the claim (including accrued but unpaid interest and costs) secured (or alleged to be secured) by a Permitted Lien (as defined in the Cash Collateral Order) (or disputed Permitted Lien), but only to the extent that the amount of such claim (including accrued but unpaid interest and costs) is not included in the GGST Reserve Amount (as defined in the Cash Collateral Order), including, without limitation, an amount equal to \$2,290,444.34 plus interest and costs in respect of the claim alleged by Fluor Industrial Services, Inc. to be secured by a Permitted Lien on the Property, provided that the Debtors reserve the right to dispute the amounts of such claims and whether such claims are secured by Permitted Liens over such proceeds. Based on the claims that have been asserted to be secured by liens on the Property to date, and assuming that the claim asserted by Fluor Industrial Services, Inc. is determined to be secured by a valid, perfected and nonavoidable lien on the Property, the Debtors

believe that the cash proceeds from the sale of the Property would be sufficient to satisfy such claim.

7. Pursuant to this Court's Order Authorizing (I) Sale of Certain of the Assets of the Debtors Free and Clear of Liens, Claims, Encumbrances and Interests, (II) Procedures for the Subsequent Sale or Assumption and Assignment of the Debtors' Interest in Certain Real Property, Executory Contracts and Unexpired Leases and (III) Assumption of Certain Liabilities, dated October 7, 2003, the Debtors have deposited in a segregated, interest-bearing account an amount equal to all liabilities (including disputed liabilities) in respect of real property taxes and personal property taxes relating to the Property and attributable to any period ending on or prior to December 31, 2003. In addition, the Debtors shall deposit in the same account an amount equal to all liabilities (including disputed liabilities) in respect of real property taxes relating to the Property attributable to any period commencing after December 31, 2003 to the extent not already paid at Closing. The funds shall be held in such segregated, interest-bearing account pending further Order of this Court.

8. Except as expressly permitted or otherwise specifically provided by the Transaction Documents or this Order, all persons and entities (including, without limitation, all governmental, tax and regulatory authorities) holding Interests of any kind or nature whatsoever against or in the Debtors, the Property or the Leases as of the date hereof (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated) arising under or out of, in connection with, or in any way relating to, the Debtors, the Property, the Leases, the

transfer of the Property to the Buyer or the assignment of the Leases to the Buyer, are hereby forever barred, estopped and permanently enjoined from asserting such Interests against the Property, the Leases or the Buyer, its successors, designees or assigns or its property.

9. The Transactions are in the best interests of the Debtors, their estates, their creditors and other parties in interest.

10. The Debtors' previous execution and delivery of the Real Estate Contract and the Escrow Agreement are hereby authorized and ratified. Each of the Debtors and (after the confirmation of a Chapter 11 plan in these cases) Reorganized Pillowtex, and any of their respective officers, employees and agents, are authorized (but not directed) (i) to consummate, pursuant to the terms of the Transaction Documents, the sale of the Property to the Buyer, the assumption and assignment of the Leases and the other Transactions, and (ii) to negotiate, execute and deliver such other and further documents, and to take such other and further actions, in each case, as may be necessary or appropriate to implement and consummate the Transaction Documents, the Transactions and this Order (including, without limitation, granting any consent under Section 9(C)(i) or 28(E) of the Real Estate Contract or Section 6.11 of the Joint Venture Agreement).

11. The Transactions are being undertaken by the Buyer in good faith, as that term is used in Section 363(m) of the Bankruptcy Code, and the Buyer is entitled to the rights and protection granted thereby.

12. Unless a non-debtor party to a Lease filed an objection to the assumption and assignment of such Lease under the Transaction Documents on or before 4:00 p.m.

(Eastern Standard Time) on December 9, 2004 and served a copy of the objection on the Notice Parties, so that it was received by them no later than 4:00 p.m. (Eastern Standard Time) on the same day, such non-debtor party shall be deemed to have consented to the assumption and assignment of such Lease and shall be forever barred and estopped from asserting or claiming against the Debtors or the Buyer that any default exists, any cure amount is due, or any condition to the assumption and assignment of such Lease must be satisfied.

13. The Debtors are hereby authorized and directed to cure, at the Closing or as soon thereafter as practicable, any monetary defaults of the Debtors determined by the Court to have arisen or accrued under the Leases prior to the Closing (without giving effect to any acceleration clauses or any default provisions of the kind specified in Section 365(b)(2) of the Bankruptcy Code).

14. The transfer of the Property is in exchange for consideration being paid by the Buyer that constitutes reasonably equivalent value and fair consideration for the Property under the Bankruptcy Code and under the laws of the United States, any state, territory or possession thereof, or the District of Columbia.

15. This Order is and shall be binding upon and govern the acts of all entities including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents

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or instruments, or who may be required to report or insure any title or state of title in or to any of the Property.

16. Each and every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the Transaction Documents, the Transactions and this Order.

17. If any person or entity that has filed mortgages, financing statements or other documents or agreements evidencing Interests in the Property shall not have delivered to the Debtors prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all Interests which the person or entity has with respect to the Property, the Debtors are hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Property.

18. Except as otherwise expressly provided for in this Order, all persons and entities are enjoined from in any way pursuing the Buyer, Castle & Cooke North Carolina, LLC or their respective affiliates to recover any claim which such person or entity has against the Debtors or the Property, except with respect to any claim that may be asserted independently against the Buyer, Castle & Cooke North Carolina, LLC or their respective affiliates and that does not arise directly or indirectly from their dealings with the Debtors or the Transactions.

19. The Transaction Documents and any agreement, document or other instrument entered into in connection therewith may be modified, amended or supplemented by the parties thereto in a writing signed by such parties, and in accordance with the terms

thereof, without further Order of this Court, provided that any such modification, amendment or supplement does not have a material adverse effect on the Debtors' estates.

20. Nothing in this Order or the Real Estate Contract releases, nullifies or enjoins the enforcement of any liability to a governmental unit under police and regulatory statutes or regulations that any entity would be subject to as the owner or operator of property after the date of entry of this Order; provided, however, that the foregoing shall not serve to override, limit, release or nullify any approvals or waivers from any such governmental unit obtained by the Debtors or the Buyer either prior to or after the date of this Order.

21. The failure to specifically include any particular provisions of any of the Transaction Documents shall not diminish or impair the efficacy of such provision, it being the intent of the Court that the Transaction Documents and each and every provision, term and condition thereof, be authorized and approved in their entirety.

22. The Bankruptcy Court retains jurisdiction for the purpose of enforcing the provisions of, and any dispute related to, any of the Transaction Documents, any related agreement to which any of the Debtors is party and this Order.

23. This Order shall be effective immediately upon entry of same and the 10-day stay as provided for in Bankruptcy Rule 6004(g) and 6006(d) shall be, and hereby is, waived without further notice.



Hon. Peter J. Walsh  
United States Bankruptcy Judge

*pen 5*  
Dated: May, 2005

### Rowan County Assessor's Office Multiple Parcel Identification

PAR/TR 1 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
149		137						12

PAR/TR 1 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
149		127						12

PAR/TR 1 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
149		136						12

PAR/TR 1 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
149		355						12

PAR/TR 1 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
149		356						12

PAR/TR 1 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
149		357						12

PAR/TR 1 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
149		358						12

PAR/TR 1 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
149		359						12

PAR/TR 1 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
149		360						12

PAR/TR 1 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
149		124						12

PAR/TR 1 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
149		176						12

PAR/TR 1 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
149		175						12

PAR I.TR 6 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
148		146						12

PAR I.TR 7 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
148		089					C	12

PAR I.TR 7 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
148		090					C	12

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### Rowan County Assessor's Office Multiple Parcel Identification

**PAR**  
Tract/Lot 2 Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT
<b>142</b>		<b>016</b>						<b>12</b>

Tract/Lot \_\_\_\_\_ Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT

Tract/Lot \_\_\_\_\_ Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT

Tract/Lot \_\_\_\_\_ Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT

Tract/Lot \_\_\_\_\_ Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT

Tract/Lot \_\_\_\_\_ Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT

Tract/Lot \_\_\_\_\_ Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT

Tract/Lot \_\_\_\_\_ Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT

Tract/Lot \_\_\_\_\_ Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT

Tract/Lot \_\_\_\_\_ Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT

Tract/Lot \_\_\_\_\_ Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT

Tract/Lot \_\_\_\_\_ Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT

Tract/Lot \_\_\_\_\_ Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT

Tract/Lot \_\_\_\_\_ Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT

Tract/Lot \_\_\_\_\_ Parcel ID

MAP	S/M	PAR	S/P	U/IN	L/IN	C/C	PART	INT

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