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ARD 1/31/08
documents or the new address(es) below.
of receiving party(ies)

To the director of the U. S. Patent and

1. Name of conveying party(ies)/Exec.

Dan River Inc.

Name: GMAC Commercial Finance LLC, as Administrative Agent

Internal
Address: _____

Execution Date(s) January 11, 2008

Additional names of conveying parties attached? Yes

No

Street Address: 1290 Avenue of the Americas

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Government Interest
- Executive Order 9424, confirmatory License
- Other _____

City: New York

State: NY

Country: USA

Zip: 10104

Additional names, addresses, or citizenship attached? Yes No

4. Application or patent number(s)

This document is being filed together with a new application.

A. Patent Application No. (s)
SEE SCHEDULE A ANNEXED HERETO

B. Patent No.(s)
SEE SCHEDULE A ANNEXED HERETO

Additional numbers attached? Yes No

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

Name: Otterbourg, Steindler, Houston & Rosen, P.C.

Internal Address: Attn: Cathleen A. Pellegrino, Legal

Assistant

Street Address: 230 Park Avenue

City: New York

State: NY

Zip: 10169

Phone Number: 212-905-3665

Fax Number: 212-682-6104

Email Address: cpellegrino@oshr.com

6. Total number of applications and registrations involved: 3

7. Total fee (37 CFR 1.21(h) & 3.41) **\$120.00**

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed
- None required (government interest not affecting title)

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____
Authorized User Name: 01/31/2008 DRYNE 00000049 6861520
01 FC:8821 120.00 OF

9. Signature: _____

Signature

1-30-08

Date

Kristin A. Hiensch
Name of Person Signing

Total number of pages including cover sheet, attachments, and document. 8

Documents to be recorded (including cover sheet) should be faxed to (703) 306-6995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

PATENTS AND APPLICATIONS

Patents Registrations:

U.S. Patent Registration No. 6,861,520 B1 Process for Chemically Bonding an Odor-Encapsulating Agent to Textiles and Textiles Formed by the Process. Owner – Dan River Inc., issued March 1, 2005

U.S. Patent Registration No. 7,109,324 Process for Chemically Bonding an Odor-Encapsulating Agent to Textiles and Textiles Formed by the Process. Owner – Dan River Inc., issued September 19, 2006

U.S. Design Patent No. US D465,922 Serial Number 29151649 Granted November 26, 2002 (Bag, preferably for Bedding/Ensemble). Owner – Dan River Inc.

Patent Applications:

None

COLLATERAL ASSIGNMENT OF PATENTS

COLLATERAL ASSIGNMENT OF PATENTS, dated as of January 11, 2008, by and between DAN RIVER INC., a Georgia corporation ("**Grantor**"), in favor of GMAC COMMERCIAL FINANCE LLC, as administrative agent for the Lenders ("**Agent**").

WITNESSETH:

WHEREAS, pursuant to that certain Loan and Security Agreement, dated as of the date hereof, by and among Grantor, Agent, and the Lenders party thereto (as from time to time amended, restated, supplemented or otherwise modified, the "**Loan Agreement**"), Agent and the Lenders have agreed to make Loans and to extend Letters of Credit for the benefit of Grantor; and

WHEREAS, pursuant to the Loan Agreement, Grantor is required to execute and deliver to Agent this Collateral Assignment of Patents.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and in the Loan Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. **DEFINED TERMS.** All capitalized terms used but not otherwise defined herein have the meanings given to them, respectively, in the Loan Agreement.

2. **GRANT OF SECURITY INTEREST IN PATENT COLLATERAL.** As collateral security for the payment and performance of the Obligations, Grantor hereby grants to Agent a continuing first priority security interest in, and lien upon, all of Grantor's now existing or hereafter acquired right, title and interest (including, without limitation, as licensor or licensee) in and to any patents and applications, registrations and recordings related thereto at any time heretofore or hereafter filed with the United States Patent and Trademark Office or similar domestic (federal or state) or foreign governmental office, agency or authority, including, without limitation, the patents and applications, registrations and recordings related thereto listed on Schedule A hereto, together with all rights and privileges arising under applicable law with respect to Grantor's use of any such patents and all reissues, divisions, continuations, extensions and renewals thereof (all of the foregoing being collectively referred to herein as the "**Patents**"); (b) all income, fees, royalties and other payments at any time due or payable to Grantor with respect to any Patents, including, without limitation, payments under all licenses at any time entered into by Grantor in connection therewith; (c) Grantor's right to sue for the past and present and future infringements thereof and all future infringements thereof; (d) all rights of Grantor corresponding thereto throughout the world; and (e) any and all other proceeds of any of the foregoing, including, without limitation, all damages and payments or claims by Grantor against third parties for past or future infringement of the Patents (all of the foregoing in this Paragraph 2, including the Patents, the "**Collateral**"). Notwithstanding anything in this Collateral Assignment of Patents to the contrary, the security interest granted by Grantor above shall not attach to, and the term "Collateral" shall not include, (i) any lease, license, contract,

property rights or agreement to which Grantor is a party or any of its rights or interests thereunder if and for so long as the grant of such security interest or lien shall constitute or result in (A) the abandonment, invalidation or unenforceability of any right, title or interest of Grantor therein or (B) a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract, property rights or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law or principles of equity), provided, however, that such security interest or lien shall attach immediately at such time as the condition causing such abandonment, invalidation or unenforceability shall be remedied and, to the extent severable, shall attach immediately to any portion of such lease, license, contract, property rights or agreement that does not result in any of the consequences specified in (A) or (B) above; and (ii) any of the outstanding equity interests of a Foreign Subsidiary.

3. **LOAN AND SECURITY AGREEMENT.** The security interests granted pursuant to this Collateral Assignment of Patents are granted in conjunction with, and not in limitation of, the security interests granted to Agent pursuant to the Loan Agreement. Agent and Grantor hereby acknowledge and affirm that the rights and remedies of Agent with respect to the security interest in the Patents and other Collateral made and granted hereby are more fully set forth in, and subject to the terms and conditions of, the Loan Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

4. **TERMINATION AND RELEASE.** Upon payment in full in cash of the Obligations in accordance with the provisions of the Loan Agreement and the expiration or termination of the Commitments, the security interest granted hereby shall terminate and all rights to the Patents and other Collateral shall revert to Grantor or any other Person entitled thereto. At such time, Agent shall execute and deliver, and authorize the filing of, appropriate termination and release statements or other documents to terminate and release such security interests.

5. **COUNTERPARTS.** This Collateral Assignment of Patents may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Collateral Assignment of Patents shall become effective when Agent has received counterparts bearing the signatures of all parties hereto. Delivery of a signature page of this Collateral Assignment of Patents by telecopy or email shall be effective as delivery of a manually executed counterpart hereof.

6. **GOVERNING LAW.** THIS COLLATERAL ASSIGNMENT OF PATENTS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

[Signature Page Follows]

IN WITNESS WHEREOF, Grantor has caused this Collateral Assignment of Patents to be executed and delivered by its duly authorized officer as of the date first set forth above.

DAN RIVER INC.

By: Michael Ho
Title: President and Chief Executive Officer
Address: 2291 Memorial Drive
Danville, Virginia 24541
Attn: Chief Financial Officer
Facsimile: 434-799-7276

ACCEPTED AND ACKNOWLEDGED BY:

GMAC COMMERCIAL FINANCE, LLC, as Agent

By: _____
Name: _____
Title: _____

Signature Page to Collateral Assignment of Patents

PATENT
REEL: 020442 FRAME: 0613

IN WITNESS WHEREOF, Grantor has caused this Collateral Assignment of Patents to be executed and delivered by its duly authorized officer as of the date first set forth above.

DAN RIVER INC.

By: _____
Title: _____
Address: 2291 Memorial Drive
Danville, Virginia 24541
Attn: Chief Financial Officer
Facsimile: 434-799-7276

ACCEPTED AND ACKNOWLEDGED BY:

GMAC COMMERCIAL FINANCE, LLC, as Agent

By: *Andrew Logan*
Name: ANDREW ROBIN
Title: SVP

Signature Page to Collateral Assignment of Patents

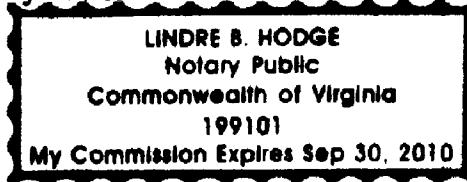
ACKNOWLEDGMENT OF GRANTOR

STATE OF VIRGINIA)
CITY _____) ss.
COUNTY OF DANVILLE)

On this _____ day of January, 2008, before me personally came Michael Flatow, to me known, who, being by me duly sworn, did depose and say that he is the President and CEO of DAN RIVER INC., the corporation described in, and which executed the foregoing instrument, and that he is authorized to execute said instrument on behalf of said corporation.

Lindre B. Hodge

Notary Public



Acknowledgement Page to Collateral Assignment of
Patents

SCHEDULE A

to

Collateral Assignment of Patents

PATENTS AND APPLICATIONS

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U.S. Design Patent No. US D465,922 Serial Number 29151649 Granted November 26, 2002 (Bag, preferably for Bedding/Ensemble). Owner – Dan River Inc.

Patent Applications:

None

OTTERBOURG, STEINDLER, HOUSTON & ROSEN, P.C.

230 PARK AVENUE
NEW YORK, NY 10169-0075

CATHLEEN A. PELLEGRINO
CPELLEGRINO@OSHR.COM

TELEPHONE: (212) 661-9100
TELECOPIER: (212) 682-6104

January 30, 2008

VIA FEDERAL EXPRESS

U.S. Patent and Trademark Office
Assignment Division
2900 Crystal Drive
Suite 9C10
Arlington, Virginia 22202

Re: GMAC Commercial Financial LLC with Dan River Inc.

Dear Madam/Sir:

We enclose the following document:

- Recordation Form Cover Sheet - Patents Only - with Collateral Assignment of Patents, dated January 11, 2008, by Dan River Inc. and GMAC Commercial Financial LLC ("GMAC").

Also enclosed is a check in the amount of \$120.00 payable to the Commissioner of Patents and Trademarks.

Please record the Collateral Assignment of Patents and GMAC's security interest in the patents of Dan River Inc. In addition, kindly have the enclosed extra copy of this letter date-stamped as proof of filing and return it to us in the enclosed pre-paid, self addressed envelope.

If you have any questions or comments, please call us collect at (212) 661-9100.

U.S. Patent and Trademark Office

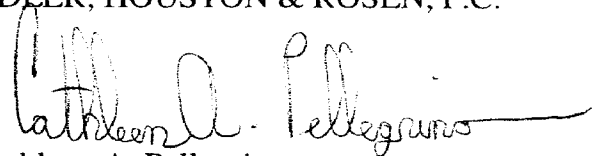
January 30, 2008

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Thank you for your attention to this matter.

Sincerely yours,

OTTERBOURG, STEINDLER, HOUSTON & ROSEN, P.C.

A handwritten signature in cursive script that reads "Cathleen A. Pellegrino". The signature is written in black ink and is positioned above the printed name and title.

Cathleen A. Pellegrino

Legal Assistant

Enclosures

cc: Evan A. Pilchik, Esq.
Kristin A. Hiensch, Esq.