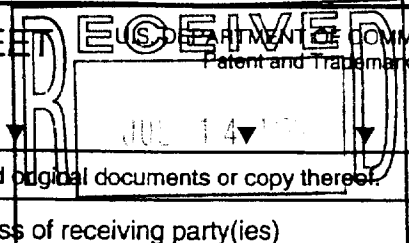


7-14-99

07-21-1999



COVER SHEET ONLY  
U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office



Tab settings  P  O  V

To the Honorable Commission.

101095904

and the attached original documents or copy thereof.

1. Name of conveying party(ies):

The Dixie Group, Inc.

- Individual(s)
- General Partnership
- Corporation-State Tennessee
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies)

Name: Cavalier Specialty Yarn Company USA

Internal Address:

Street Address: 40 Rex Avenue

City: Ranlo State: NC ZIP: 28054

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Delaware
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No

(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: May 27, 1999

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

369,408  
1,791,014

Additional numbers attached?  Yes  No

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

Name: Michael G. Kelber, Altheimer & Gray

Internal Address:

Street Address: 10 South Wacker Drive

City: Chicago State: IL ZIP: 60606

6. Total number of applications and registrations involved: 2

7. Total fee (37 CFR 3.41).....\$80.00

- Enclosed
- Authorized to be charged to deposit account

Please charge any additional fees or credit

8. Deposit account number:

011,156

(Attach duplicate copy of this page if paying by deposit account)

07/20/1999 DNGUYEN 00000348 369408

01 FC:481 40.00 DP  
02 FC:482 25.00 DP

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Michael G. Kelber

Name of Person Signing

Signature

07/20/1999 DNGUYEN 00000348 369408 \$15.00 CR  
24/199

Date

Total number of pages including cover sheet, attachments, and document: 4

TRADEMARK

**ASSIGNMENT OF TRADEMARKS**

**AND**

**THE UNITED STATES REGISTRATIONS  
(AND PENDING APPLICATIONS FOR REGISTRATION) THEREOF**

WHEREAS, THE DIXIE GROUP, INC., a Tennessee corporation ("ASSIGNOR"), acquired, adopted and used, and thereby owns, all rights, title and interests in and to the trademarks and United States registrations thereof, and United States applications for registration thereof, identified in Exhibit A attached hereto and by this reference incorporated herein (the "Marks", "Registrations" and "Applications", respectively), along with the goodwill of the businesses appurtenant to said Marks; and

WHEREAS, pursuant to that certain Asset Purchase Agreement entered into by and between ASSIGNOR, CAVALIER SPECIALTY YARN COMPANY USA, a Delaware corporation ("ASSIGNEE") and CAVALIER TEXTILES GROUP, Limited Partnership, a Quebec limited partnership, dated as of April 21, 1999, ASSIGNOR has agreed to assign to ASSIGNEE its entire rights, title and interests in and to the Marks, Registrations and Applications, and the goodwill appurtenant thereto; and

WHEREAS, in order to effectuate ASSIGNOR's assignment of its entire rights, title and interests in and to the Marks, Registrations and Applications, and the goodwill appurtenant thereto, to ASSIGNEE, as required by said Asset Purchase Agreement, ASSIGNOR is executing this instrument of assignment.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, ASSIGNOR does hereby sell, assign, convey and transfer to ASSIGNEE, its successors, assigns and legal representatives, its full and entire rights, title and interests in and to the Marks, Registrations and Applications identified in said Exhibit A, and the attendant goodwill symbolized by the Marks, the same to vest in ASSIGNEE, including, without limitation, the ownership of all causes of action for, and claims for damages by reason of, the infringement of the Marks, or any of them, which actions and claims arose prior to the date of execution hereof.

ASSIGNOR hereby represents and warrants that: (i) it is the sole owner of the Marks and the goodwill associated therewith, the Registrations thereof and the Applications relating thereto; (ii) the Registrations thereof were not obtained fraudulently or contrary to any provision of the trademark laws of the United States; (iii) the United States and foreign Registrations and Applications thereof are not the subject of any cancellation or opposition proceedings in the United States Patent or Trademark Office; (iv) it has granted no licenses to any other party to use the Marks in the United States; (v) no third party has asserted a claim of any ownership right, title or interest in the Marks, Registrations or Applications, or any other rights or interests therein which

are adverse to those of ASSIGNOR; and (vi) it is not a party to any prior agreement, nor has it made any informal commitment or reached any understanding, with any other person or legal entity relating to the Marks, Registrations and/or Applications which would be breached or otherwise violated by the foregoing assignment of the Marks, Registrations and Applications.

ASSIGNOR hereby agrees that ASSIGNEE shall have the right to record this instrument of assignment in the United States Patent and Trademark Office so as to establish ASSIGNEE as owner of record of the Marks, Registrations and Applications in the United States.

ASSIGNOR further agrees, at the request of ASSIGNEE and without charge or cost to ASSIGNEE, to: (i) execute and have executed any and all other documents of any kind whatsoever, and to provide whatever information may be required, to carry out the terms and intent of this Assignment; and (ii) fully cooperate with ASSIGNEE, as reasonably required, to enable ASSIGNEE to duly record this instrument of assignment with the United States Patent and Trademark Office so that ASSIGNEE's ownership of the Marks, Registrations and Applications is duly made of record in the United States.

IN WITNESS WHEREOF, ASSIGNOR has caused this instrument to be executed on the date indicated below.

THE DIXIE GROUP, INC. ("ASSIGNOR")

Dated: as of May 27, 1999

By:

*Gary A. Harmon*  
Name: *GARY A. HARMON*  
Title: *TREASURER*

**SCHEDULE A**

**Registered United States Trademarks**

<b>Mark</b>	<b>Country</b>	<b>Description</b>	<b>Reg. No.</b>	<b>Renewal Date</b>
Premier Rayon	U.S.	Rayon Yarn for use in Fabric or Apparel	369,408	7/25/99
Twinspun	U.S.	Yarns and Thread	1,791,014	8/31/03