

12-18-2000



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12/18/00

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

New

Resubmission (Non-Recordation)
Document ID # _____

Correction of PTO Error
Reel # _____ Frame # _____

Corrective Document
Reel # _____ Frame # _____

Conveyance Type

Assignment License

Security Agreement Nunc Pro Tunc Assignment

Merger
Effective Date
Month Day Year _____

Change of Name

Other _____

Conveying Party

Mark if additional names of conveying parties attached

Name Bretlin Inc.

Execution Date
Month Day Year
11022000

Formerly _____

Individual General Partnership Limited Partnership Corporation Association

Other _____

Citizenship/State of Incorporation/Organization Georgia

Receiving Party

Mark if additional names of receiving parties attached

Name SUNTRUST BANK, as Collateral Agent

DBA/AKA/TA _____

Composed of _____

Address (line 1) 303 Peachtree Street, NE

Address (line 2) 3rd Floor

Address (line 3) Atlanta

GA

30308

City

State/Country

Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other _____

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization Georgia

FOR OFFICE USE ONLY

12/20/2000 DNGUYEN 00000049 1995375

01 PD:481
02 PD:482

40.00 OP
75.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to the Patent and Trademark Office, Patent and Trademark Administration, Washington, D.C. 20231

REEL: 002196 FRAME: 0825

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="1995375"/>	<input type="text" value="2137206"/>	<input type="text"/>
<input type="text" value="1170350"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="1689133"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

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. Charges to deposit account are authorized, as indicated herein.

Deborah Corey

12/7/00

Name of Person Signing

Signature

Date Signed

**COLLATERAL ASSIGNMENT AND
SECURITY AGREEMENT (TRADEMARKS)**

THIS COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (TRADEMARKS) (this "*Agreement*"), dated as of November 2, 2000, by and between BRET LIN INC., a Georgia corporation (the "*Grantor*"), SUNTRUST BANK, a Georgia banking corporation, in its capacity as Collateral Agent (the "*Collateral Agent*") for itself and other lending institutions (the "*Lenders*") that are signatories to the Credit Agreement (as defined below).

W I T N E S S E T H:

WHEREAS, The Dixie Group, Inc., a Tennessee corporation (the "*Borrower*"), the Lenders, SunTrust Bank, as Administrative Agent, and Bank of America, N.A., as the Documentation Agent are parties to that Credit Agreement, dated as of March 31, 1998, as amended by that certain First Amendment to Credit Agreement, effective December 26, 1998, as amended by that certain Second Amendment to Credit Agreement, effective October 5, 2000 and by that certain Third Amendment to Credit Agreement, effective November 2, 2000 (as amended or modified, the "*Credit Agreement*");

WHEREAS, the Borrower has executed that certain Promissory Note in the amount of \$5,000,000 in favor of SunTrust Bank, formerly known as SunTrust Bank, Chattanooga, ("*SunTrust*") (as amended or modified, the "*SunTrust Note*");

WHEREAS, the Grantor owns certain trademarks which are registered in, or applications for registration which have been filed in, the United States Patent and Trademark Office, and rights under certain Trademark Licenses, all as more fully described on Schedule I attached hereto and by reference made part hereof; and

WHEREAS, the Grantor, the Borrower and certain of the Borrower's Subsidiaries have entered into a Security Agreement, dated as of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "*Security Agreement*"; capitalized terms used herein and not defined shall have the meanings ascribed to them in the Security Agreement) in favor of the Collateral Agent; and

WHEREAS, the Grantor is a direct or indirect wholly owned subsidiary of the Borrower and will derive direct and indirect economic benefit from the financial accommodations made available to the Borrower by the Lenders and SunTrust;

WHEREAS, pursuant to the Security Agreement, the Grantor has assigned, conveyed, mortgaged, pledged, hypothecated and transferred to the Collateral Agent, for its benefit and the ratable benefit of the Lenders, the Documentation Agent and SunTrust (the "**Secured Parties**"), all of its right, title and interest in and to, and granted to the Collateral Agent, for its benefit and the ratable benefit of the Secured Parties, a security interest in, the property described therein, including, without limitation, (a) all of the Grantor's Trademarks (as herein defined), whether presently existing or hereafter acquired or arising, or in which the Grantor now has or hereafter acquires rights and wherever located; (b) all of the Grantor's Trademark Licenses (as herein defined), whether presently existing or hereafter acquired or in which the Grantor now has or hereafter acquire rights and wherever located; and (c) all products and proceeds any of the foregoing, as security for all of the Obligations; and

WHEREAS, as a condition precedent to the extension of such financial accommodations pursuant to the Credit Agreement and in furtherance of the Security Agreement, including, without limitation, for purposes of perfecting the security interests granted therein, the Lenders have required that the Grantor grant to the Collateral Agent, for its benefit and the ratable benefit of the Secured Parties, a security interest in and a collateral assignment of the Property (as herein defined);

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

8. For purposes of this Agreement and in addition to terms defined elsewhere in this Agreement, the following terms shall have the meanings herein specified (such meaning to be equally applicable to both the singular and plural forms of the terms defined):

"Trademark License" means any written agreement now or hereafter in existence granting to the Grantor any right to use any Trademark, including, without limitation, the agreements listed on Schedule I attached hereto.

"Trademarks" means all of the following: (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, including, without limitation, those listed on Schedule I attached hereto together with all the rights, benefits and privileges

derived therefrom and the goodwill of the business symbolized thereby, (ii) all renewals thereof and (iii) all proceeds of the foregoing.

9. As security for all of the Obligations, the Grantor hereby grants and conveys a security interest to the Collateral Agent, for its benefit and the ratable benefit of the Secured Parties, in, and collaterally assigns to the Collateral Agent, for its benefit and the ratable benefit of the Secured Parties, all of its right, title and interest in, to and under the following (collectively, the "**Property**"):

(a) each Trademark now or hereafter owned by the Grantor or in which the Grantor now has or hereafter acquires rights and wherever located and the goodwill of the business of the Grantor relating thereto or represented thereby, including, without limitation, each Trademark referred to in Schedule I hereto; and

(b) each Trademark License now or hereafter held by the Grantor or in which the Grantor now has or hereafter acquires rights, to the extent each of the Trademark Licenses does not prohibit assignment or the granting of a security interest in the rights thereunder, and wherever located, including, without limitation, the Trademark Licenses, if any, referred to in Schedule I hereto; and

(c) all products and proceeds of the foregoing, including, without limitation, any claim by the Grantor against third parties for past, present or future infringement of any Trademark or breach of Trademark Licenses, if any, including, without limitation, any Trademark or Trademark License referred to in Schedule I hereto.

Notwithstanding the foregoing or anything else contained in this Agreement to the contrary, the assignment set forth above shall not be effective as a transfer of title to the Property unless and until the Collateral Agent exercises the rights and remedies accorded to it under the Security Agreement and by law with respect to the realization upon its security interest in and collateral assignment of the Property, and until such time the Grantor shall own, and may use and enjoy the Property in connection with its business operations, and exercise all incidents of ownership, including, without limitation, enforcement of its rights and remedies with respect to the Property, but with respect to all Property being used in the Grantor's business, only in a manner consistent with the preservation of the current substance, validity, registration and the security interest and collateral assignment herein granted in such Property.

10. The Grantor does hereby further acknowledge and affirm that the representations, warranties and covenants of the Grantor with respect to the Property and the rights and remedies of the Collateral Agent with respect to the security interest in and collateral assignment of the

Property made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

11. This Agreement shall terminate upon termination of the Security Agreement. At any time and from time to time prior to such termination, the Collateral Agent may terminate its security interest in or reconvey to the Grantor any rights with respect to any or all of the Property. Upon termination of this Agreement and following a request from the Grantor, the Collateral Agent shall, at the expense of the Grantor, execute and deliver to the Grantor all deeds, assignments and other instruments as the Grantor may reasonably request (but without recourse or warranty by the Collateral Agent) in order to evidence such termination.

12. If at any time before the termination of this Agreement in accordance with Section 4, the Grantor shall obtain or acquire rights to any new Trademark or Trademark License, the provisions of Section 2 shall automatically apply thereto and the Grantor shall comply with the terms of the Security Agreement with respect to such new Trademark or Trademark License. The Grantor authorizes the Collateral Agent to modify this Agreement by amending Schedule 1 to include any future Trademarks and Trademark Licenses covered by Section 2 or by this Section 5.

13. The Grantor further agrees that (a) neither the Collateral Agent nor any Secured Party shall have any obligation or responsibility to protect or defend the Property and the Grantor shall at its own expense protect, defend and maintain the same in accordance with the terms and conditions set forth in the Security Agreement and in accordance with its prudent business judgment, (b) the Grantor shall forthwith advise the Collateral Agent promptly in writing upon detection of infringements of any of the Property being used in the Grantor's business and (c) if the Grantor fails to comply with the requirements of the preceding clause (a), the Collateral Agent or any Secured Party may do so in the Grantor's name or in its own name, but in any case at the Grantor's expense, and the Grantor hereby agrees to reimburse the Collateral Agent and the Secured Parties for all expenses, including attorneys' fees, incurred by the Collateral Agent and the Secured Parties in protecting, defending and maintaining the Property.

14. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF GEORGIA, EXCEPT TO THE EXTENT THAT PERFECTION (AND THE EFFECT OF PERFECTION AND NONPERFECTION) AND CERTAIN REMEDIES MAY BE GOVERNED BY THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF GEORGIA.

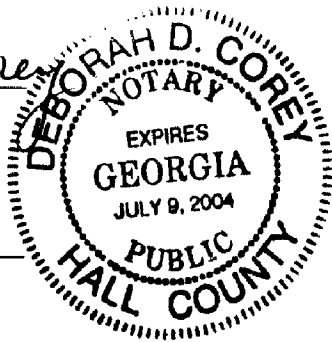
[Signatures on following page]

SUNTRUST BANK
as Collateral Agent

By: Bradley J. Staples
Name: Bradley J. Staples
Title: Director

Signed, sealed and delivered
this 2nd day of November, 2000

Deborah D. Corey
Notary Public



My Commission expires:

Mark S. Brown
Witness

Gregory P. [Signature]
Witness

[Signature Page to Collateral Assignment of Trademarks]

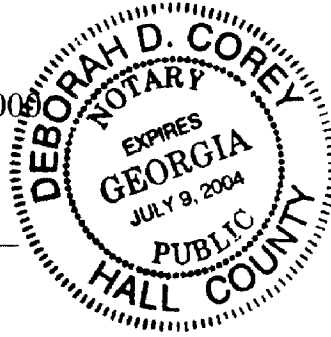
IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed under seal by its duly authorized officers as of the date first above written.

BRETLIN, INC.

By: Gary M. Harmon
Name: _____
Title: _____

Signed, sealed and delivered
this 2nd day of November, 2003

Deborah D. Corey
Notary Public



My Commission expires: _____

Mark Starn
Witness

[Signature]
Witness

[Signature Page to Collateral Assignment of Trademarks]

BRET LIN INC.

TRADEMARK	OWNER	APPLICATION/ REGISTRATION NO.	SERIAL/ REGISTRATION DATE	STATUS
ARTIST ORIGINALS	Bretlin, Inc.	1995375	08/20/96	Registered
NEW OASIS	General Felt Industries, Inc. and Bretlin, Inc.	1170350	09/22/81	Registered
VEELOK (words only)	General Felt Industries, Inc. and Bretlin, Inc.	1689133	05/26/92	Registered
VEELOK (stylized letters)	General Felt Industries, Inc. and Bretlin, Inc.	2137206	02/17/98	Registered