

12-18-2000



101596248

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 Execution Date
Month Day Year

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City State/Country Zip Code

- Individual General Partnership Limited Partnership 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.)
- Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

FOR OFFICE USE ONLY

12/20/2000 DNGUYEN 00000048 1237477

01 FD:481 40.00 OP
02 FD:482 350.00 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) in TRADEMARK

REEL: 002196 FRAME: 0983

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)

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

RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

FORM PTO-1618C
Expires 06/30/99
OMB 0651-0027

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name Carriage Industries, Inc.

11022000

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization Georgia

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name SUNTRUST BANK, as Collateral Agent

DBA/AKATA

Composed of

Address (line 1) 303 Peachtree Street, NE

Address (line 2) 3rd Floor

Address (line 3) Atlanta

City

GA

State/Country

30308

Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

Citizenship/State of Incorporation/Organization Georgia

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 the Assignment.)

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)

1928006		
1544574		
2047525		
1564725		
1251771		
1612170		

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

THIS COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (TRADEMARKS) (this "**Agreement**"), dated as of November 2, 2000, by and between CARRIAGE INDUSTRIES, 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).

WITNESSETH:

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 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;

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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:

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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]

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.

CARRIAGE INDUSTRIES, INC.

By: Gary A. Harmon
Name:
Title:

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

Deborah D. Corey
Notary Public



My Commission expires:

Mark S. Brown
Witness

[Signature]
Witness

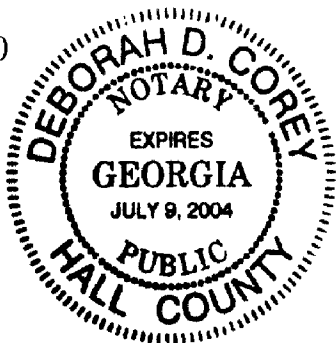
[Signature Page to Collateral Assignment of Trademarks]

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 Starn
Witness

[Signature]
Witness

[Signature Page to Collateral Assignment of Trademarks]

Schedule I

CARRIAGE INDUSTRIES, INC.

TRADEMARK
REEL: 002196 FRAME: 0992

TRADEMARK	OWNER	APPLICATION/ REGISTRATION NO.	SERIAL/ REGISTRATION DATE	STATUS
CARRIAGE CARPETS	Carriage Industries, Inc.	1237477	05/10/83	Registered
CARRIAGE CARPETS QUALITY YOU CAN STAND ON	Carriage Industries, Inc.	2014447	11/05/96	Registered
CARRIAGE TRANSPORT	Carriage Industries, Inc.	1430579	02/24/87	Registered
STAINTECH	Carriage Industries, Inc.	1856827	10/4/94	Registered
ACTIONFLEX (words & design)	Carriage Industries, Inc.	1816966	1/18/94	Registered
DANUBE E.S.P.	Carriage Industries, Inc.	1831429	04/19/94	Registered
ENGINEERED FOR SUPERIOR PERFORMANCE	Carriage Industries, Inc.	1838764	06/07/94	Registered

TRADEMARK	OWNER	APPLICATION/ REGISTRATION NO.	SERIAL/ REGISTRATION DATE	STATUS
FLEX-BAC (stylized letters)	Carriage Industries, Inc.	1380568	01/28/86	Registered
BRETLIN	Carriage Industries, Inc.	1667701	12/10/91	Registered
BRETLIN	Carriage Industries, Inc.	1928006	10/17/95	Registered
FUZZMASTER	Carriage Industries, Inc.	1544574	06/20/89	Registered
SPECIAL CARPET FOR SPECIAL PLACES	Carriage Industries, Inc.	2047525	03/25/97	Registered
SUNTRON	Carriage Industries, Inc.	1564725	11/7/89	Registered
TOWER CARPETS	Carriage Industries, Inc.	1251771	09/20/83	Registered
TRILON	Carriage Industries, Inc.	1612170	09/4/90	Registered

TRADEMARK

RECORDED: 12/18/2000

REEL: 002196 FRAME: 0993