

Form PTO-1594
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)
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RECORDATION FORM COVER SHEET TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Beaulieu Group LLC, a Georgia limited liability company

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

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

3. Nature of conveyance:

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

Execution Date: 11/18/2003

2. Name and address of receiving party(ies)

Name: Back Bay Capital Funding LLC, as Administrative Agent

Internal

Address: _____

Street Address: 40 Broad Street

City: Boston State: MA Zip: 02109

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- Other Limited Liability Company

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

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

A. Trademark Application No.(s) _____
See Schedule A

B. Trademark Registration No.(s) _____
See Schedule A

Additional number(s) attached Yes No

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

Name: Andrew Nash

Internal Address: Bingham McCutchen LLP

Street Address: 150 Federal Street

City: Boston State: MA Zip: 02110

6. Total number of applications and registrations involved: 70

7. Total fee (37 CFR 3.41).....\$ 1765.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: _____

DO NOT USE THIS SPACE

9. Signature.

Andrew Nash
Name of Person Signing

Andrew Nash
Signature

November 18, 2003
Date

Total number of pages including cover sheet, attachments, and document: 28

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

OP \$1765.00 76046347

Schedule A
to
Trademark Security Agreement

Dated as of November 18, 2003

Trademarks

None, except:

ARGONNE	2318598	15-Feb-00
BC	2285516	12-Oct-99
BC Design	2351513	23-May-00
BC Design	2351512	23-May-00
BEAULIEU	2615732	03-Sep-02
BEAULIEU	2716042	13-May-03

BEAULIEU	2550703	19-Mar-02
BEAULIEU	2605300	06-Aug-02
BEAULIEU COMMERCIAL	2348262	09-May-00
BOL YU	2499551	23-Oct-01
BOL YU	2436594	20-Mar-01
BOLYU	2285533	12-Oct-99
BOLYU	2285534	12-Oct-99
BOUNTIFUL BERBERS	2325870	07-Mar-00
C (and Design) (for Cambridge)	2640671	22-Oct-02
C Design	2759475	02-Sep-03

CALADIUM	1609880	14-Aug-90
CAMBRIDGE CARPETS	1371477	19-Nov-85
CDP (Stylized Letters)	615157	01-Nov-55
CONSORT	2750873	12-Aug-03
CONSORT and Design	2554100	26-Mar-02
CORONET	2512286	27-Nov-01
CORONET (and Crown Design)	2512297	27-Nov-01
CORONET (Stylized Letters)	789112	04-May-65
DIATRON	2315908	08-Feb-00
DURA-KID	2285127	12-Oct-99

DURAWEAR + PLUS (and Design)	2057764	29-Apr-97
EARTHGUARD	1989160	23-Jul-96
ECOPAD	2422088	16-Jan-01
HOEDOWN	2467801	10-Jul-01
LEAN AND MEAN	2306054	04-Jan-00
NATURE'S HOME FROM DESIGN ALLIANCE	2453179	22-May-01
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PRECISION PLUS	2559287	09-Apr-02
PRO FLOORING ASSOCIATION (and Design)	2021675	10-Dec-96

PRO FLOORING CREDIT (and Design)	2034114	28-Jan-97
PRO'S CHOICE	1294616	11-Sep-84
QP4 QUALITY PERFORMANCE PEOPLE PRODUCT PARTNERSHIPS and Design	2223932	16-Feb-99
REVIVE	2570698	21-May-02
ROYALIST	2292488	16-Nov-99
SILHOUETTES FROM DESIGN ALLIANCE	2492255	25-Sep-01
STAIN RANGER	2585905	25-Jun-02
STYLES FOR LIVING	2452123	15-May-01
SURE N' EASY	2329804	14-Mar-00

SURE N' EASY II	2329776	14-Mar-00
SURE-LOC	1734989	24-Nov-92
SURFACES	2493796	02-Oct-01
WORTHINGTON CARPET MILLS (and Design)	2133860	03-Feb-98

Unregistered Trademarks

None, except: Beaulieu of America

Trademark Applications

None, except:

B BEAULIEU HOME FASHIONS and Design	76045347	10-May-00
B BEAULIEU HOME FASHIONS and Design	76045345	10-May-00
COMFORTESSE	76384857	18-Mar-02
COMMERCIAL INSITES	76045362	10-May-00

COMMERCIAL SOLUTIONS	76045344	10-May-00
CONTOURS BY BEAULIEU	76256557	14-May-01
FLOOR ESSENTIALS BY BEAULIEU	76203615	02-Feb-01
ILOC	76384858	18-Mar-02
PERMASOFT	76389023	01-Apr-02
PERMASOFT PLUS	76389022	01-Apr-02
CAMBRIDGE and Design	76218258	01-Mar-01
HOLLYTEX	78226969	18-Mar-03
INVENTORY SHOPPER	78183942	12-Nov-02
LUXURYBAC	78304682	24-Sept-04
MAGIC FRESH (and Design)	78260264	10-Jun-03
CLASSIC LUXURY	78214589	13-Feb-03
EVOLINK	78215078	14-Feb-03
EVOLINK (and Design)	78220012	28-Feb-03
HOLLYTEX ULTIMATE PERFORMANCE	76450807	12-Sep-02
MAGIC FRESH	76468460	12-Nov-02
PERMASHIELD	76389024	01-Apr-02

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("Agreement") is made as of November 18, 2003 by and between Beaulieu Group, LLC, a Georgia limited liability company (the "Borrower"), and Back Bay Capital Funding LLC as administrative agent (the "Administrative Agent") for the "Lenders" (as defined below).

WHEREAS, the Borrower, the financial institutions from time to time parties thereto (each a "Lender" and collectively the "Lenders"), Back Bay Capital Funding LLC, as administrative agent, are parties to a certain Term Loan and Security Agreement dated as of November 18, 2003 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"). Capitalized terms used herein and not otherwise defined are used herein as defined in the Loan Agreement;

WHEREAS, the Borrower, the financial institutions party thereto, Bank of America, N.A., as collateral and administrative agent (the "Senior Lien Agent"), and Fleet Capital Corporation, as syndication agent, are parties to a certain Amended and Restated Loan and Security Agreement, dated as of November 18, 2003 (as amended, restated, supplemented or otherwise modified from time to time, the "Bank of America Loan Agreement");

WHEREAS, the Borrower, the Senior Lien Agent, the Administrative Agent, Beaulieu Trucking, LLC and the pledgors named on the signatures pages thereto, are entering into a certain Intercreditor Agreement dated as of November 18, 2003 (as amended, restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement"); and

WHEREAS, it is a condition precedent to the Lenders' making any loans to the Borrower under the Loan Agreement that the Borrower execute and deliver to the Lenders a trademark agreement in substantially the form hereof;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower agrees as follows:

1. Defined Terms.

a. Unless otherwise defined herein, each capitalized term used herein that is defined in the Loan Agreement shall have the meaning specified for such term in the Loan Agreement.

b. The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and paragraph references are to this Agreement unless otherwise specified.

c. All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Incorporation of Premises. The premises set forth above are incorporated into this Agreement by this reference thereto and are made a part hereof.

3. Incorporation of the Loan Agreement. The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.

4. Security Interest in Trademarks and Licenses. To secure the complete and timely payment, performance and satisfaction of all of the "Obligations" under and as defined in the Loan Agreement and the Borrower's obligations and liabilities hereunder (collectively, the "Liabilities"), the Borrower hereby grants to the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests except for the liens granted to the Senior Lien Agent pursuant to the Bank of America Loan Agreement, with power of sale to the extent permitted by applicable law and the Intercreditor Agreement, all of the Borrower's now owned or existing and hereafter acquired or arising:

(i) trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including, without limitation, the trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications listed on Schedule A attached hereto and made a part hereof, together with any good will connected with and symbolized by any such trademarks, trademark applications, service marks, registered service marks, service mark applications, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (c) the right to sue for past, present and future infringements and dilutions thereof, and (d) all of the Borrower's rights corresponding thereto throughout the world, including, without limitation, the rights to all products and proceeds of the foregoing (all of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications, together with the items described in clauses (a)- (d) in this paragraph 4(i), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and

(ii) rights under or interest in any trademark license agreements or service mark license agreements with any other party, whether the Borrower is a licensee or licensor under any such license agreement, including, without limitation, those trademark license agreements and service mark license agreements listed on Schedule B attached hereto and made a part hereof and all products and proceeds thereof, together with any goodwill connected with and symbolized by any such trademark license agreements or service mark license agreements, and the right to prepare for sale and sell any and all Inventory now or hereafter owned by the Borrower and now or hereafter covered by such licenses

(all of the foregoing are hereinafter referred to collectively as the "Licenses"); provided, that notwithstanding the foregoing, the Borrower shall not be deemed to have assigned hereunder any License including, without limitation, those listed on Schedule B, under which the Borrower is licensee, if such assignment would result in breach or termination of the applicable license agreement.

5. Restrictions on Future Agreements. The Borrower will not, without the Administrative Agent's prior written consent, which consent shall not be unreasonably withheld or delayed, enter into any agreement which is inconsistent with this Agreement, and the Borrower further agrees that it will not take any action, and will use commercially reasonable efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any respect affect the validity or enforcement of the rights transferred to the Administrative Agent under this Agreement or the rights associated with those Trademarks or Licenses.

6. New Trademarks and Licenses. The Borrower represents and warrants that, except for such Trademarks and Licenses as shall not be used or usable in the Borrower's business or as shall not otherwise have any material value, (a) the Trademarks listed on Schedule A, collectively, include all of the trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications now owned by the Borrower, (b) the Licenses listed on Schedule B, collectively, include all of the trademark license agreements and service mark license agreements pursuant to which the Borrower is the licensee or licensor thereunder, and (c) no other liens, claims or security interests in such Trademarks and Licenses have been granted by the Borrower to any Person other than the Administrative Agent, except for such liens, claims and security interests as have been disclosed in the Loan Agreement and schedules thereto. If, prior to the termination of this Agreement, the Borrower shall (i) obtain rights to any new trademarks, registered trademarks, trademark applications, service marks, registered service marks or service mark applications having any material value, (ii) become entitled to the benefit of any trademarks, registered trademarks, trademark applications, trademark licenses, trademark license renewals, service marks, registered service marks, service mark applications, service mark licenses or service mark license renewals having any material value, whether as licensee or licensor, or (iii) enter into any new trademark license agreement or service mark license agreement having any material value, the provisions of paragraph 4 above shall automatically apply thereto. The Borrower shall give to the Administrative Agent written notice of events described in clauses (i), (ii) and (iii) of the preceding sentence within 30 days after the end of each fiscal quarter. The Borrower hereby authorizes the Administrative Agent to modify this Agreement unilaterally (x) by amending Schedule A to include any future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications and by amending Schedule B to include any future trademark license agreements and service mark license agreements, which are Trademarks or Licenses under paragraph 4 above or under this paragraph 6 and (y) by filing, in addition to and not in substitution for this Agreement a duplicate original of this Agreement containing on Schedule A or Schedule B thereto, as the case may be, such future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, and trademark license agreements and service mark license agreements.

7. **Royalties.** The Borrower hereby agrees that the use by the Administrative Agent of the Trademarks and the Licenses as authorized hereunder in connection with the exercise of its remedies under paragraph 15 or pursuant to Section 10.2 of the Loan Agreement shall be coextensive with the Borrower's rights under the Trademarks and the Licenses and with respect thereto and without any liability for royalties or other related charges from the Administrative Agent or the Lenders to the Borrower.

8. **Right to Inspect; Further Assignments and Security Interests.** Subject to the confidentiality obligations set forth in Section 5.6 of the Loan Agreement, the Administrative Agent may at all reasonable times (and at any time when an Event of Default exists) have access to, examine, audit, make copies (at the Borrower's expense) and extracts from and inspect the Borrower's premises and examine the Borrower's books, records and operations relating to the Trademarks and the Licenses, including, without limitation, the Borrower's quality control processes; provided, that in conducting such inspections and examinations, the Administrative Agent shall use reasonable efforts not to unnecessarily disturb the conduct of the Borrower's ordinary business operations. From and after the occurrence and during the continuance of an Event of Default, the Borrower agrees that the Administrative Agent, or a conservator appointed by the Administrative Agent, shall have the right to establish such reasonable additional product quality controls as the Administrative Agent or such conservator, in its sole and absolute judgment, may deem necessary to assure maintenance of the quality of products sold by the Borrower under the Trademarks and the Licenses or in connection with which such Trademarks and Licenses are used. The Borrower agrees not to sell or assign its respective interests in the Trademarks or the Licenses without the prior and express written consent of the Administrative Agent which consent will not be unreasonably withheld, provided, that nothing contained in this clause shall be deemed to prohibit the entering into by the Borrower of licensing agreements with respect to which the Borrower is the licensor, on commercially reasonable terms. The Borrower shall maintain the quality of its products to a sufficient degree to maintain the validity of the Trademarks.

9. **Nature and Continuation of the Administrative Agent's Security Interest; Termination of the Administrative Agent's Security Interest.** This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks and Licenses and shall remain in full force and effect until the payment in full of the Liabilities and termination of the Loan Agreement. Upon payment in full in cash of all of the Liabilities and termination of the Loan Agreement, this Agreement shall terminate and the Administrative Agent shall promptly execute and deliver to the Borrower, at the Borrower's expense, all termination statements and other instruments as may be necessary or proper to terminate the Administrative Agent's security interest in the Trademarks and the Licenses, subject to any disposition thereof which may have been made by the Administrative Agent pursuant to this Agreement or the Loan Agreement.

10. **Duties of the Borrower.** The Borrower shall exercise commercially reasonable judgment in determining whether to: (i) prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date

hereof or hereafter until the termination of this Agreement, and (ii) make application for trademarks or service marks. The Borrower further agrees (a) except to the extent desirable in the Borrower's reasonable business judgment, not to abandon any Trademark or License, and (b) to use its commercially reasonable efforts to maintain in full force and effect the Trademarks and the Licenses that are or shall be necessary or economically desirable in the operation of the Borrower's business. Any expenses incurred in connection with the foregoing shall be borne by the Borrower.

11. Administrative Agent's Right to Sue. Subject to the Intercreditor Agreement, from and after the occurrence and during the continuance of an Event of Default, the Administrative Agent shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks and the Licenses and, if the Administrative Agent shall commence any such suit, the Borrower shall, at the request of the Administrative Agent, do any and all lawful acts and execute any and all proper documents required by the Administrative Agent in aid of such enforcement. The Borrower shall, upon demand, promptly reimburse the Administrative Agent for all costs and expenses incurred by the Administrative Agent in the exercise of its rights and this paragraph 11 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for the Administrative Agent).

12. Waivers. The Administrative Agent's failure, at any time or times hereafter, to require strict performance by the Borrower of any provision of this Agreement shall not waive, affect or diminish any right of the Administrative Agent thereafter to demand strict compliance and performance therewith nor shall any course of dealing between the Borrower and the Administrative Agent have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of the Borrower contained in this Agreement shall be deemed to have been suspended or waived by the Administrative Agent unless such suspension or waiver is in writing signed by an officer of the Administrative Agent and directed to the Borrower specifying such suspension or waiver.

13. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part hereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

14. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in paragraphs 4 and 6 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney. From and after the occurrence and during the continuance of an Event of Default, and the giving by the Administrative Agent of notice to the Borrower of the Administrative Agent's intention to enforce its rights and claims

against the Borrower, the Borrower hereby irrevocably designates, constitutes and appoints the Administrative Agent (and all Persons designated by the Administrative Agent in its sole and absolute discretion) as the Borrower's true and lawful attorney-in-fact, and authorizes the Administrative Agent and any of the Administrative Agent's designees, in the Borrower's or the Administrative Agent's name, from and after the occurrence and during the continuance of an Event of Default, to, subject to the Intercreditor Agreement, (i) endorse the Borrower's name on all applications, documents, papers and instruments necessary or desirable for the Administrative Agent in the use of the Trademarks or the Licenses, (ii) assign, pledge, convey or otherwise transfer title in or dispose of any or all of the Trademarks or the Licenses to anyone on commercially reasonable terms, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks or, to the extent permitted, under the Licenses, to anyone on commercially reasonable terms, and (iv) take any other actions with respect to the Trademarks or the Licenses as the Administrative Agent deems in its own or Lenders' best interest. The Administrative Agent shall take no action pursuant to subparagraphs (i), (ii), (iii) or (iv) of this paragraph 15 without taking like action with respect to the entire goodwill of the Borrower's business connected with the use of, and symbolized by, such Trademarks and Licenses. The Borrower hereby ratifies all that such attorney in good faith shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the Liabilities shall have been paid in full in cash and the Loan Agreement shall have been terminated. The Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Administrative Agent or the Lenders under the Loan Agreement, but rather is intended to facilitate the exercise of such rights and remedies.

Subject to the Intercreditor Agreement, the Administrative Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks or the Licenses may be located or deemed located. Subject to the Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default and the election by the Administrative Agent to exercise any of its remedies under the Uniform Commercial Code with respect to the Trademarks and Licenses, the Borrower agrees to assign, convey and otherwise transfer title in and to the Trademarks and the Licenses to the Administrative Agent or any transferee of the Administrative Agent and to execute and deliver to the Administrative Agent or any such transferee all such agreements, documents and instruments as may be necessary, in the Administrative Agent's determination, to effect such assignment, conveyance and transfer. All of the Administrative Agent's rights and remedies with respect to the Trademarks and the Licenses, whether established hereby, by the Loan Agreement, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, subject to the Intercreditor Agreement, exercise any of the rights and remedies provided in this Agreement, the Loan Agreement and any other Loan Document.

16. Successors and Assigns. This Agreement shall be binding upon the Borrower and their successors and assigns, and shall inure to the benefit of each of the

Administrative Agent and the Lenders and its successors and assigns. The Borrower's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession to the extent that any of the foregoing are considered to be a successor or assign of the Borrower; provided, however, that the Borrower shall not voluntarily assign or transfer its rights or obligations hereunder without the Administrative Agent's prior written consent.

17. **Governing Law.** This Agreement is intended to take effect as a sealed instrument and shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the internal laws (as opposed to conflicts of law provisions, provided that issues with respect to Article 9 of the Uniform Commercial Code may give effect to applicable choice or conflict of law rules set forth in Article 9 the Uniform Commercial Code) and decisions of the Commonwealth of Massachusetts.

18. **Notices.** All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Loan Agreement.

19. **No Duty of Care.** Except as set forth in Section 5.6 of the Loan Agreement, neither the Administrative Agent nor any Lender shall have any duty with respect to the Trademarks or the Licenses, other than to act in good faith with respect thereto; provided, however, that neither the Administrative Agent nor any Lender shall take any action which may cause any goodwill of the Borrower's business connected with the use of, and symbolized by, any Trademark to become separated or disassociated with such Trademark so as to affect adversely such Trademark's validity. Without limiting the generality of the foregoing, neither the Administrative Agent nor any of the Lenders shall be under any obligation to take any steps necessary to preserve rights in the Trademarks or the Licenses against any other parties, but may do so at its option, and all reasonably incurred expenses in connection therewith shall be for the sole account of the Borrower and shall be added to the Liabilities secured hereby.

20. **Paragraph Titles.** The paragraph titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

21. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

22. **Intercreditor Agreement.** The representations, warranties and covenants of Borrower hereunder, and the rights and remedies of the Administrative Agent hereunder, are subject to the provisions of the Intercreditor Agreement and the rights of the Senior Lien Agent therein.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement
s of the day and year first written above.

BEAULIEU GROUP, LLC

By: 

Name: Carl M. Bouckaert

Title: Chairman and Chief Executive Officer

By: 

Name: Marie T. Bouckaert

Title: Executive Vice President

BACK BAY CAPITAL FUNDING LLC, as
Administrative Agent

By: _____

Name:

Title:

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement
s of the day and year first written above.

BEAULIEU GROUP, LLC

By: _____
Name: Carl M. Bouckaert
Title: Chairman and Chief Executive Officer

By: _____
Name: Marie T. Bouckaert
Title: Executive Vice President

**BACK BAY CAPITAL FUNDING LLC, as
Administrative Agent**

By:  _____
Name: Kristan M. O'Connor
Title: Director

Schedule A
to
Trademark Security Agreement
Dated as of November 18, 2003

Trademarks

one, except:

Trademark	Registration No.	Registration Date
ARGONNE	2318598	15-Feb-00
BC	2285516	12-Oct-99
BC Design	2351513	23-May-00
BC Design	2351512	23-May-00
BEAULIEU	2615732	03-Sep-02
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BOLYU	2285533	12-Oct-99
BOLYU	2285534	12-Oct-99
BOUNTIFUL BERBERS	2325870	07-Mar-00
C (and Design) (for Cambridge)	2640671	22-Oct-02
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[REDACTED]		
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PERMASOFT	76389023	01-Apr-02
PERMASOFT PLUS	76389022	01-Apr-02
CAMBRIDGE and Design	76218258	01-Mar-01
HOLLYTEX	78226969	18-Mar-03
INVENTORY SHOPPER	78183942	12-Nov-02
LUXURYBAC	78304682	24-Sept-04
MAGIC FRESH (and Design)	78260264	10-Jun-03
CLASSIC LUXURY	78214589	13-Feb-03
EVOLINK	78215078	14-Feb-03
EVOLINK (and Design)	78220012	28-Feb-03
HOLLYTEX ULTIMATE PERFORMANCE	76450807	12-Sep-02
MAGIC FRESH	76468460	12-Nov-02
PERMASHIELD	76389024	01-Apr-02

Schedule B
to
Trademark Security Agreement

Dated as of November 18, 2003

Licenses

None, except:

1. License Agreement dated March 31, 2003, between the Borrower and Laura Ashley Limited
2. License Agreement dated April 26, 2003, between the Borrower and F. Schumacher & Co.

STATE OF GEORGIA)
) SS
COUNTY OF FULTON)

The foregoing Trademark Security Agreement was executed and acknowledged before me as of this 10th day of November, 2003, by Carl M. Bouckaert, personally known to me to be the Chairman and Chief Executive Officer of BEAULIEU GROUP, LLC, a Georgia limited liability company, on behalf of such company.



Ingrid Romano
Notary Public

My commission expires: June 25, 2006

STATE OF GEORGIA)
) SS
COUNTY OF FULTON)

The foregoing Trademark Security Agreement was executed and acknowledged before me as of this 17th day of November, 2003, by Marie T. Bouckaert, personally known to me to be the Executive Vice President of BEAULIEU GROUP, LLC, a Georgia limited liability company, on behalf of such company.

(SEAL)


Notary Public Notary Public, Cobb County, Georgia
My Commission Expires Nov. 19, 2003
My commission expires: _____

COMMONWEALTH OF MASSACHUSETTS)
) SS
COUNTY OF SUFFOLK)

The foregoing Trademark Security Agreement was executed and acknowledged before me as of this 13th day of November, 2003, by Kristan M. O'Connor, personally known to me to be a Director of Back Bay Capital Funding LLC, on behalf of such company.

(SEAL)



Notary Public

My commission expires: December 13, 2007