

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY INTEREST
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CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Indian Summer Carpet Mills, Inc.		09/03/2004	CORPORATION: GEORGIA

RECEIVING PARTY DATA	
Name:	LaSalle Business Credit, LLC, as Agent
Street Address:	3060 Peachtree Rd.
Internal Address:	One Buckhead Plaza, Suite 890
City:	Atlanta
State/Country:	GEORGIA
Postal Code:	30305
Entity Type:	Limited Liability Company: DELAWARE

PROPERTY NUMBERS Total: 4		
Property Type	Number	Word Mark
Registration Number:	2277997	NORTHSTAR
Registration Number:	2285133	POLYFLEC
Registration Number:	2561532	BUCKSKIN PREMIER CUSHIONED BACKING SYSTEM CHEROKEE CARPET INDUSTRIES
Registration Number:	2628145	BUCKSKIN PLUS

CORRESPONDENCE DATA	
Fax Number:	(404)572-5149
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	(404) 572-3419
Email:	epolak@kslaw.com
Correspondent Name:	King & Spalding
Address Line 1:	191 Peachtree Street, 49th Floor
Address Line 2:	ATTN: Diane S. White
Address Line 4:	Atlanta, GEORGIA 30303

NAME OF SUBMITTER:	Diane S. White
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Total Attachments: 8

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TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Security Agreement") is made as of September 3, 2004, by Indian Summer Carpet Mills, Inc., a Georgia corporation ("Borrower"), in favor of LaSalle Business Credit, LLC ("LBC"), not individually but as agent for Standard Federal Bank National Association ("Lender") (LBC, acting in such capacity, herein called "Agent") with an office at One Buckhead Plaza, 3060 Peachtree Road, Suite 890, Atlanta, Georgia 30305.

Reference is made to that certain Loan and Security Agreement, dated as of even date, herewith, made among Borrower, Lender and Agent (as it may be amended or modified from time to time, the "Loan Agreement"). Capitalized terms used herein (including those terms set off by quotes above), but not expressly defined herein, shall have the meanings given to such terms in the Loan Agreement. The Loan Agreement provides (i) for Lender, from time to time, to make Revolving Loans to Borrower, and (ii) for the grant by Borrower to Agent of a security interest in all of Borrower's assets, including, without limitation, its trademarks and trademark applications as security therefor;

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, Borrower agrees as follows:

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

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Liabilities, Borrower hereby grants to Agent, and hereby reaffirms its prior grant to Agent pursuant to the Loan Agreement of, a continuing security interest in Borrower's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) in connection therewith, including, without limitation, the trademarks and applications listed on Schedule A attached hereto and made a part hereof and the trademarks, and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); all rights corresponding to any of the foregoing throughout the world and the goodwill of the Borrower's business connected with the use of and symbolized by the Trademarks.

3. Warranties and Representations. Borrower warrants and represents to Agent that:

(i) no Trademark has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Trademark been cancelled, in whole or in part and each such Trademark is presently subsisting;

(ii) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Trademark, free and clear of any liens, charges and encumbrances, including without limitation, shop rights and covenants by Borrower not to sue third persons, except for Permitted Liens and except as described in Annex I hereto;

(iii) Borrower has no notice of any suits or actions commenced or threatened with reference to any Trademark; and

(iv) Borrower has the unqualified right to execute and deliver this Security Agreement and perform its terms.

4. Restrictions on Future Agreements. Borrower agrees that until Borrower's Liabilities shall have been satisfied in full and the Loan Agreement shall have been terminated, Borrower shall not, without the prior written consent of Agent, sell or assign its interest in any Trademark or enter into any other agreement with respect to any Trademark which would affect the validity or enforcement of the rights transferred to Agent under this Security Agreement.

5. New Trademarks. Borrower represents and warrants that, based on a diligent investigation by Borrower, the Trademarks listed on Schedule A constitute all of the federally registered Trademarks, and federal applications for registration of Trademarks (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) now owned by Borrower. If, before Borrower's Liabilities shall have been satisfied in full or before the Loan Agreement has been terminated, Borrower shall (i) become aware of any existing Trademarks of which Borrower has not previously informed Agent, or (ii) become entitled to the benefit of any Trademarks, which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and Borrower shall give to Agent prompt written notice thereof. Borrower hereby authorizes Agent to modify this Security Agreement by amending Schedule A to include any such Trademarks.

6. Term. The term of this Security Agreement shall extend until the payment in full of Borrower's Liabilities and the termination of the Loan Agreement. Borrower agrees that upon the occurrence of an Event of Default and the acceleration of the Liabilities pursuant to Section 16 of the Loan Agreement, the use by Agent of all Trademarks in connection with the enforcement of Agent's rights therein or in the other Collateral pursuant to the Loan Agreement and the Other Agreements shall be without any liability for royalties or other related charges from Agent to Borrower.

7. Product Quality. Borrower agrees to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable business practices. Upon the occurrence of an Event of Default and the acceleration of the Liabilities pursuant to Section 16 of the Loan Agreement, Borrower agrees that Agent, or a conservator appointed by Agent, shall have the right in connection with the enforcement of Agent's rights in the Trademarks or in the other Collateral pursuant to the Loan Agreement and the Other Agreements to establish such additional product quality controls as Agent, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower under the Trademarks.

8. Release of Security Agreement. This Security Agreement is made for collateral purposes only. Upon payment in full of Borrower's Liabilities and termination of the Loan Agreement, Agent shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Loan Agreement.

9. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Borrower. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Agent in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Trademarks or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks shall be borne by and paid by Borrower and until paid shall constitute Liabilities.

10. Duties of Borrower. Borrower shall have the duty (i) to file and prosecute diligently any trademark applications pending as of the date hereof or hereafter, as commercially reasonable, until Borrower's Liabilities shall have been paid in full and the Loan Agreement has been terminated, (ii) to preserve and maintain all rights in the Trademarks, as commercially reasonable and (iii) to ensure that the Trademarks are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with Borrower's Liabilities under this Section 10 shall be borne by Borrower.

11. Agent's Right to Sue. After the occurrence and during the continuance of an Event of Default, Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Agent shall commence any such suit, Borrower shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents required by Agent in aid of such enforcement and Borrower shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Agent in the exercise of its rights under this Section 11.

12. Waivers. No course of dealing between Borrower and Lender or Agent, nor any failure to exercise, nor any delay in exercising, on the part of Agent or Lender, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder

preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. Severability. The provisions of this Security 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 thereof, 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 Security Agreement in any jurisdiction.

14. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney; Effect on Loan Agreement. All of Agent's rights and remedies with respect to the Trademarks, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Borrower hereby authorizes Agent upon the occurrence of an Event of Default and the acceleration of the Liabilities pursuant to Section 16 of the Loan Agreement, to make, constitute and appoint any officer or agent of Agent as Agent may select, in its sole discretion, as Borrower's true and lawful attorney-in-fact, with power to (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Trademarks, (ii) take any other actions with respect to the Trademarks as Agent deems to be in the best interest of Agent or Lender, (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, and (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until Borrower's Liabilities shall have been paid in full and the Loan Agreement shall have been terminated. Borrower acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Agent under the Loan Agreement but rather is intended to facilitate the exercise of such rights and remedies. Agent shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Loan 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 Illinois.

16. Binding Effect; Benefits. This Security Agreement shall be binding upon Borrower and its respective successors and assigns, and shall inure to the benefit of Agent and its successors, nominees and assigns.

17. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and applicable federal law.

18. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

19. Further Assurances. Borrower agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Agent shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein.

20. Survival of Representations. All representations and warranties of Borrower contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Loan Agreement.

IN WITNESS WHEREOF, Borrower has duly executed this Trademark Security Agreement as of the date first written above.

“Borrower”

INDIAN SUMMER CARPET MILLS, INC.,
a Georgia corporation

By: Harold Hair
Name: Harold Hair
Title: President

ACKNOWLEDGMENT

STATE OF GEORGIA)
) SS
COUNTY OF FULTON)

I, Diane White, a Notary Public in and for and residing in said County and State, do hereby certify that Harold Hair, President of Indian Summer Carpet Mills, Inc., a Georgia corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed and delivered said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation, partnership or other entity described therein for the uses and purposes therein set forth.

Given under my hand and notarial seal on September 3, 2004.



Diane White
Notary Public

SCHEDULE A

TRADEMARK REGISTRATIONS AND APPLICATIONS

US REG CERT #	REGISTERED TRADEMARK	DATE REGISTERED
2,277,997	Northstar	9/14/1999
2,285,133	Polyflec	10/12/1999
2,561,532	Buckskin Premier Cushioned Backing System Cherokee Carpet Industries & Design	4/16/2002
2,628,145	Buckskin Plus	10/1/2002
Pending	Family Friendly Carpets	