

# TRADEMARK ASSIGNMENT

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
THE DIXIE GROUP, INC.		09/13/2011	CORPORATION: TENNESSEE
CANDLEWICK YARNS, LLC.		09/13/2011	LIMITED LIABILITY COMPANY: ALABAMA
FABRICA INTERNATIONAL, INC.		09/13/2011	CORPORATION: CALIFORNIA
MASLAND CARPETS, LLC		09/13/2011	LIMITED LIABILITY COMPANY: GEORGIA
C-KNIT APPAREL, INC.		09/13/2011	CORPORATION: TENNESSEE
RECEIVING PARTY DATA			
Name:	WELLS FARGO CAPITAL FINANCE, LLC		
Street Address:	1100 ABERNATHY ROAD		
Internal Address:	SUITE 1600		
City:	ATLANTA		
State/Country:	GEORGIA		
Postal Code:	30328		
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE		
PROPERTY NUMBERS Total: 9			
Property Type	Number	Word Mark	
Registration Number:	1189372		
Registration Number:	0149368	DIXIE	
Registration Number:	1933279	FABRICA	
Registration Number:	2010824	HARDWEAR	
Registration Number:	3380994	[M]2	
Registration Number:	0534999	MASLAND	
Registration Number:	3460656	OFFICE TO HOME	
Registration Number:	1251771	TOWER CARPETS	
Registration Number:	3565643	WHITESPACE	

TRADEMARK

900202835

REEL: 004629 FRAME: 0305

CH \$240.00 1189372

**CORRESPONDENCE DATA**

Fax Number: (678)553-2693  
Phone: 678-553-2692  
Email: gurveys@gtlaw.com

*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.*

Correspondent Name: Greenberg Traurig c/o Sheryl Gurvey  
Address Line 1: 3290 Northside Pkwy  
Address Line 2: Suite 400  
Address Line 4: ATLANTA, GEORGIA 30327

ATTORNEY DOCKET NUMBER:	103274.014100
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NAME OF SUBMITTER:	Sheryl Gurvey
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Signature:	/Sheryl Gurvey/
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Date:	09/22/2011
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**Total Attachments: 8**

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## TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Trademark Security Agreement"), dated as of September 13, 2011, by and among Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and WELLS FARGO CAPITAL FINANCE, LLC, a Delaware limited liability company ("WFCF"), in its capacity as agent for the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent").

### WITNESSETH:

WHEREAS, pursuant to that certain Credit Agreement dated as of even date herewith (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement") by and among THE DIXIE GROUP, INC., a Tennessee corporation ("Dixie"), CANDLEWICK YARNS, LLC, an Alabama limited liability company ("Candlewick"), FABRICA INTERNATIONAL, INC., a California corporation ("Fabrica"), MASLAND CARPETS, LLC, a Georgia limited liability company ("Masland"; together with Dixie, Candlewick and Fabrica, are referred to hereinafter each individually as a "Borrower", and individually and collectively, jointly and severally, as the "Borrowers"), the lenders party thereto from time to time (such Lenders, together with their respective successors and assigns in such capacity, each, individually, a "Lender" and, collectively, the "Lenders"), and Agent, the Lender Group has agreed to make certain financial accommodations available to the Borrowers from time to time pursuant to the terms and conditions thereof; and

WHEREAS, the members of the Lender Group are willing to make the financial accommodations to the Borrowers as provided for in the Credit Agreement, but only upon the condition, among others, that Grantors shall have executed and delivered to Agent, for the benefit of the Lender Group and the Bank Product Providers, that certain Security Agreement, dated as of September 13, 2011 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement"); and

WHEREAS, pursuant to the Security Agreement, Grantors are required to execute and deliver to Agent, for the benefit of Lender Group and the Bank Product Providers, this Trademark Security Agreement;

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

1. DEFINED TERMS. All initially capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement or, if not defined therein, in the Credit Agreement.

2. GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL. Each Grantor hereby unconditionally grants, assigns, and pledges to Agent, for the benefit of each member of the Lender Group and each of the Bank Product Providers, to secure the Secured Obligations, a continuing security interest (referred to in this Trademark Security Agreement as the "Security Interest") in all of such Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising (collectively, the "Trademark Collateral");

(a) all of its Trademarks and Trademark Intellectual Property Licenses to which it is a party including those referred to on Schedule I;

(b) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark Intellectual Property License; and

(c) all products and proceeds (as that term is defined in the Code) of the foregoing, including any claim by such Grantor against third parties for past, present or future (i) infringement or dilution of any Trademark or any Trademarks exclusively licensed under any Intellectual Property License, including right to receive any damages, (ii) injury to the goodwill associated with any Trademark, or (iii) right to receive license fees, royalties, and other compensation under any Trademark Intellectual Property License.

3. SECURITY FOR SECURED OBLIGATIONS. This Trademark Security Agreement and the Security Interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Trademark Security Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantors, or any of them, to Agent, the Lender Group, the Bank Product Providers or any of them, whether or not they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any Grantor.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interests granted to Agent, for the benefit of the Lender Group and the Bank Product Providers, pursuant to the Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the Security Interest in the Trademark Collateral 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. To the extent there is any inconsistency between this Trademark Security Agreement and the Security Agreement, the Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. If any Grantor shall obtain rights to any new trademarks, the provisions of this Trademark Security Agreement shall automatically apply thereto. Grantors shall give prompt notice in writing to Agent with respect to any such new trademarks or renewal or extension of any trademark registration. Without limiting Grantors' obligations under this Section, Grantors hereby authorize Agent unilaterally to modify this Trademark Security Agreement by amending Schedule I to include any such new trademark rights of each Grantor. Notwithstanding the foregoing, no failure to so modify this Trademark Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Trademark Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Trademark Security Agreement. Delivery of an executed counterpart of this Trademark Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Trademark Security Agreement. Any party delivering an executed counterpart of this Trademark Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Trademark Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Trademark Security Agreement.

7. CONSTRUCTION. This Copyright Security Agreement is a Loan Document. Unless the context of this Trademark Security Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including"

are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or". The words "hereof", "herein", "hereby", "hereunder", and similar terms in this Trademark Security Agreement refer to this Trademark Security Agreement as a whole and not to any particular provision of this Trademark Security Agreement. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Trademark Security Agreement to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts, and contract rights. Any reference herein to the satisfaction, repayment, or payment in full of the Secured Obligations shall mean the repayment in full in cash or immediately available funds (or, (a) in the case of contingent reimbursement obligations with respect to Letters of Credit, providing Letter of Credit Collateralization, and (b) in the case of obligations with respect to Bank Products (other than Hedge Obligations), providing Bank Product Collateralization) of all of the Secured Obligations (including the payment of any termination amount then applicable (or which would or could become applicable as a result of the repayment of the other Secured Obligations) under Hedge Agreements provided by Hedge Providers) other than (i) unasserted contingent indemnification Secured Obligations, (ii) any Bank Product Obligations (other than Hedge Obligations) that, at such time, are allowed by the applicable Bank Product Provider to remain outstanding without being required to be repaid or cash collateralized, and (iii) any Hedge Obligations that, at such time, are allowed by the applicable Hedge Provider to remain outstanding without being required to be repaid. Any reference herein to any Person shall be construed to include such Person's successors and permitted assigns. Any requirement of a writing contained herein shall be satisfied by the transmission of a Record.

**8. THE VALIDITY OF THIS TRADEMARK SECURITY AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA.**

**9. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS TRADEMARK SECURITY AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF FULTON, STATE OF GEORGIA; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. AGENT AND EACH GRANTOR WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 9.**

**10. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, AGENT AND EACH GRANTOR HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. AGENT AND EACH GRANTOR REPRESENT**

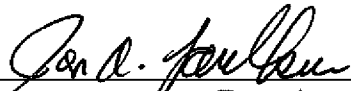
**THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS TRADEMARK SECURITY AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.**

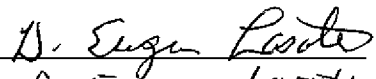
[Signature pages to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Trademark Security Agreement to be executed and delivered as of the date first above written.

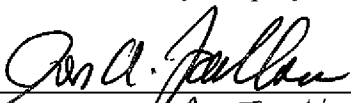
**GRANTORS:**

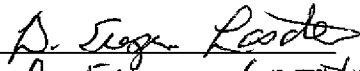
**THE DIXIE GROUP, INC.,**  
a Tennessee corporation

By:   
Name: Jon A. Faulkner  
Title: VP + CFO

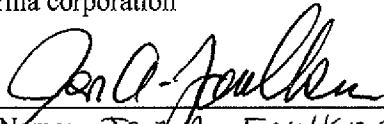
By:   
Name: D. Eugene Laster  
Title: Corporate Controller

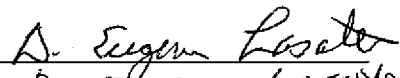
**CANDLEWICK YARNS, LLC.**  
an Alabama limited liability company

By:   
Name: Jon A. Faulkner  
Title: president

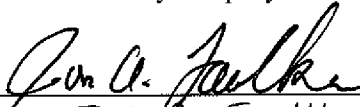
By:   
Name: D. Eugene Laster  
Title: VP Manager

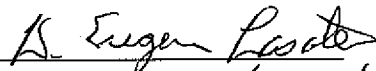
**FABRICA INTERNATIONAL, INC.,**  
a California corporation

By:   
Name: Jon A. Faulkner  
Title: President

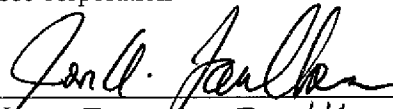
By:   
Name: D. Eugene Laster  
Title: VP Treasurer

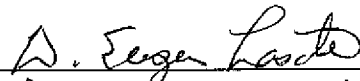
**MASLAND CARPETS, LLC,**  
a Georgia limited liability company

By:   
Name: John A. Faulkner  
Title: President

By:   
Name: D. Eugene Luster  
Title: VP Manager

**C-KNIT APPAREL, INC.,**  
a Tennessee corporation

By:   
Name: John A. Faulkner  
Title: President

By:   
Name: D. Eugene Luster  
Title: VP Manager



**AGENT:**

**WELLS FARGO CAPITAL FINANCE, LLC,**  
a Delaware limited liability company

By: 

Name: J. N. Thomas  
Title: Director

*Signature page to Trademark Security Agreement*

**TRADEMARK**  
**REEL: 004629 FRAME: 0313**

**SCHEDULE I**  
to  
**TRADEMARK SECURITY AGREEMENT**

**Trademark Registrations/Applications**

Country	Trademark	Reg. No.	Goods
Canada	Candle Logo	259,794	Yarns & Thread
U. S.	Candle Logo	1,189,372	Yarns & Thread
Canada	Candle Logo	273,658	Yarns & Thread
Canada	Colorfirst	567,108	Carpet, Runners, Carpet Tile, Entryway Mats
U. S.	Dixie	149,368	Yarns & Thread
U. S.	Fabrica	1,933,279	Carpets
U. S.	Hardwear	2,010,824	Carpet Backing, Moisture Barriers, Carpet
U. S.	[M] <sup>2</sup>	3,380,994	Carpet Tiles
U. S.	Masland	534,999	Carpets
U. S.	Office to Home	3,460,656	Carpet, Runners, Rugs, Mats
Canada	Silspun	486,410	Yarns & Thread
U. S.	Tower Carpets & Design	1,251,771	Carpets
U.S.	Whitespace	3,565,643	Carpets

**Trade Names**

None

**Common Law Trademarks**

None

**Trademarks Not Currently In Use**

None

**Trademark Licenses**

None