

01-26-2001



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

## Submission Type

☒

New

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Document ID#

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Correction of PTO Error

Reel #

Frame #

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## Conveyance Type

☒

Assignment

☒

Security Agreement

☐

License

☐

Change of Name

☐

Merger

☐

Other

U.S. Government

(For Use ONLY by U.S. Government Agencies)

☐

Departmental File

☐

Secret File

## Conveying Party(ies)

☐

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name (line 1)

The Dixie Group, Inc.

11 02 2000

Name (line 2)

## Second Party

Name (line 1)

Execution Date  
Month Day Year

Name (line 2)

## Receiving Party

☐

Mark if additional names of receiving parties attached

Name (line 1)

SunTrust Bank, as Collateral Agent

☐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 is attached.  
(Designation must be a  
separate document from  
Assignment.)

Name (line 2)

Address (line 1)

303 Peachtree Street NE

Address (line 2)

Address (line 3)

Atlanta

Georgia

30308

City

State/Country

Zip Code

## 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)

01/29/2001 AAHME1 00000004 4083085

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Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20503

REEL: 011449 FRAME: 0282

## Correspondent Name and Address

Area Code and Telephone Number (404) 572-2461

Name Deborah Corey c/o King &amp; Spalding

Address (line 1) 191 Peachtree Street

Address (line 2) Atlanta, Georgia 30303

Address (line 3)

Address (line 4)

## Pages

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

# 8

## Application Number(s) or Patent Number(s)

☐ Mark if additional numbers attached

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

## Patent Application Number(s)

## Patent Number(s)


4083085	4154052	4615495
4052321	4321788	4244692
4054715	4135034	4015314

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor.

Month Day Year

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## Patent Cooperation Treaty (PCT)

Enter PCT application number  
only if a U.S. Application Number  
has not been assigned.

PCT		PCT		PCT	
PCT		PCT		PCT	

## Number of Properties

Enter the total number of properties involved.

# 9

## Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$ 360.00

Method of Payment:  
Deposit AccountEnclosed ☒ 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:

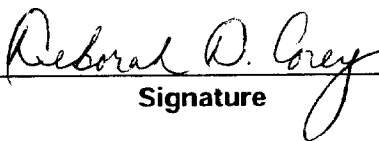
Yes ☒ No ☐

## 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 D. Corey

Name of Person Signing



Signature

1/8/01

Date

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

**THIS COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (PATENTS)** (this "***Agreement***"), dated as of November 2, 2000, by and between THE DIXIE GROUP, INC., a Tennessee corporation (the "***Grantor***") and 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 Grantor, 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 Grantor 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 and uses certain patents and patent licenses which are registered in, or applications for registration of which have been filed in, the United States Patent and Trademark Office, all as more fully described on Schedule I attached hereto and by reference made part hereof; and

**WHEREAS**, the Grantor and certain of the Grantor'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**, 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 Patents (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 Patent Licenses (as herein defined),

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whether presently existing or hereafter acquired or in which the Grantor now has or hereafter acquires 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 Secured Parties have required that the Grantor grant to the Collateral Agent, for its benefit and the ratable benefit of 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):

**“Patent License”** means any written agreement now or hereafter in existence granting to the Grantor any right to practice any invention on which a Patent is in existence, including, without limitation, the agreements listed on Schedule I attached hereto.

**“Patents”** means all of the following: (i) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or any other country, including, without limitation registrations, recordings and applications in the office or agency of the United States, any State thereof or any other country or any political subdivision thereof, including, without limitation, those referred to in Schedule I attached hereto, and (ii) all reissues, continuations, continuations-in-part or extensions thereof.

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 the Grantor’s right, title and interest in, to and under the following (collectively, the **“Property”**):

(a) each Patent now or hereafter owned by the Grantor or in which the Grantor now has or hereafter acquires rights and wherever located, including, without limitation, each Patent referred to in Schedule I hereto and any renewals of registrations thereof; and

(b) each Patent License now or hereafter held by the Grantor or in which the Grantor now has or hereafter acquires rights and wherever located, including, without limitation, the Patent 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 Patent or breach of Patent Licenses, if any, including, without limitation, any Patent or Patent License referred to in Schedule I hereto.

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, the Collateral Agent hereby grants to the Grantor the exclusive, nontransferable, royalty-free right and license under the Property for the Grantor's own benefit and account, so that the Grantor may use and enjoy the Property in connection with its business operations and exercise 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. The Grantor agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to the Grantor in this paragraph, except that the Grantor may sublicense the Property in the ordinary course of the Grantor's business but 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. Upon the exercise by the Collateral Agent of 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, the license granted under this paragraph to the Grantor shall terminate.

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 Patent (including any Patent application), whether under a Patent License or otherwise, 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 Patent. The Grantor authorizes the Collateral Agent to modify this Agreement by amending Schedule 1 to include any future Patents and Patent 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 Pages]

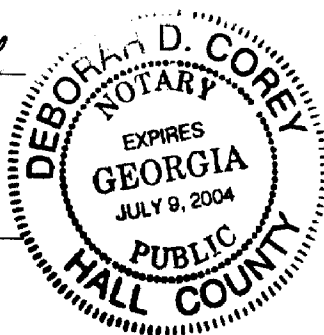
IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed under seal by its duly authorized officers as of the date first above written.

THE DIXIE GROUP, INC.

By: Gary A. Harmon  
Name:  
Title:

Signed, sealed and delivered  
this 2<sup>nd</sup> day of November, 2000

Deborah D. Corey  
Notary Public



My Commission expires:

Mark Harmon  
Witness

[Signature]  
Witness

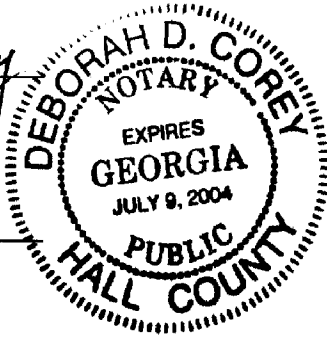
[Signature Page To Collateral Assignment of Patents]

SUNTRUST BANK, as Collateral Agent

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

Signed, sealed and delivered  
this 2<sup>nd</sup> day of November, 2000

Deborah D. Corey  
Notary Public



My Commission expires:

Mark Shuman  
Witness

Deborah D. Corey  
Witness

[Signature Page to Collateral Assignment of Patents]



**SCHEDULE I****THE DIXIE GROUP, INC.  
(Patents)**

<b>TITLE</b>	<b>OWNER</b>	<b>SERIAL/ PATENT NO.</b>	<b>FILING/ ISSUE DATE</b>	<b>STATUS</b>
Apparatus for blending and paralleling textile fibers	Dixie Yarns, Inc. assigned to The Dixie Group, Inc. (12/ __/00)	4,083,085	4/11/78	Issued
Automatic cleaning system for open-end spinning apparatus	Dixie Yarns, Inc. assigned to The Dixie Group, Inc. (12/ __/00)	4,154,052	5/15/79	Issued
Cylindrical package of low modulus, highly elastic yarn	Dixie Yarns, Inc. assigned to The Dixie Group, Inc. (12/ __/00)	4,615,495	10/7/86	Issued
Flame-retardant yarn or thread containing brominated ester of oleic or linoleic acid	Dixie Yarns, Inc. assigned to The Dixie Group, Inc. (12/ __/00)	4,052,321	10/4/77	Issued
Open end spinning apparatus	Dixie Yarns, Inc. assigned to The Dixie Group, Inc. (12/ __/00)	4,321,788	3/30/82	Issued
Process for manufacturing flame-retardant yarn	Dixie Yarns, Inc. assigned to The Dixie Group, Inc. (12/ __/00)	4,244,692	1/13/81	Issued

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Sewing thread containing a flame retardant lubricant	Dixie Yarns, Inc. assigned to The Dixie Group, Inc. (12/ __/00)	4,054,715	10/18/77	Issued
Sewing thread containing a flame retardant lubricant	Dixie Yarns, Inc. assigned to The Dixie Group, Inc. (12/ __/00)	4,135,034	1/16/79	Issued
Yarn tape deweaving method and apparatus	Dixie Yarns, Inc. assigned to The Dixie Group, Inc. (12/ __/00)	4,015,314	4/5/77	Issued