

SCHEDULE 13D

(Rule 13d-101)

Information to be Included in Statements Filed Pursuant to Rule 13d-1(a) and  
Amendments Thereto Filed Pursuant to Rule 13d-2(a)

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

Under the Securities Exchange Act of 1934  
(Amendment No. \_\_\_\_)\*

Delta Apparel, Inc.  
(Name of Issuer)

Common Stock  
(Title of Class of Securities)

247368 10 3  
(CUSIP Number)

Minor H. Mickel, Post Office Box 6721, Greenville, SC 29606 (864) 271-7171  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

June 30, 2000  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report  
the acquisition that is the subject of this Schedule 13D, and is filing this  
schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box  
\_\_\_\_\_.

Note: Schedules filed in paper format shall include a signed original and five  
copies of the schedule, including all exhibits. See Rule 13d-7 for other parties  
to whom copies are to be sent.

\*The remainder of this cover page shall be filled out for a reporting person's  
initial filing on this form with respect to the subject class of securities, and  
for any subsequent amendment containing information which would alter  
disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed  
to be "filed" for the purpose of Section 18 of the Securities Exchange Act of  
1934 ("Act") or otherwise subject to the liabilities of that section of the Act  
but shall be subject to all other provisions of the Act (however, see the  
Notes).

<TABLE>  
<CAPTION>

SCHEDULE 13D

<S>      <C>

1 NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY)

Minor H. Mickel

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a) \_\_\_\_\_ (See Instructions)

(b) \_\_\_\_\_

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

00 See Note 1 in response to Item 5

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

US

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON

SOLE VOTING POWER

7 33,741

SHARED VOTING POWER

8 124,063 See response to Item 5b(v)

SOLE DISPOSITIVE POWER

9 33,741

SHARED DISPOSITIVE POWER

10 124,063 See response to Item 5b(v)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

157,804

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\*

(See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

6.8%

TYPE OF REPORTING PERSON\*

14 IN

</TABLE>

ITEM 1. SECURITY AND ISSUER

a. Title and class of equity securities:

Common Stock

b. Name and address of principal executive offices of Issuer:

Delta Apparel, Inc.  
3355 Breckinridge Blvd., Suite 100  
Duluth, GA 30096

ITEM 2. IDENTITY AND BACKGROUND

a. Name of filing person:

Minor H. Mickel

b. Residence Address:

415 Crescent Avenue  
Greenville, SC 29605

c. Principal occupation:

Private Investor

d. During the last five years, Mrs. Mickel has not been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

e. During the last five years, Mrs. Mickel has not been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction resulting in a final judgment, final decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

f. Citizenship:

United States of America

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

The shares of common stock of Delta Apparel, Inc. (the "Issuer") reported in this Schedule 13D were distributed on June 30, 2000 to the Reporting Person pursuant to the distribution of all shares of the Issuer's common stock (the "Shares") by Delta Woodside Industries, Inc. ("Delta Woodside") to the stockholders of Delta Woodside, including the Reporting Person. This distribution is more fully described in the Form 10/A, Amendment No. 4, filed with the Securities and Exchange Commission by the Issuer on June 8, 2000.

ITEM 4. PURPOSE OF TRANSACTION

At this time, Mrs. Mickel holds her Shares primarily for investment and has no plan or proposal which would result in:

- a. The acquisition by any person of additional securities of the Issuer, or the disposition of securities of the Issuer;
- b. An extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries;
- c. A sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries;
- d. Any change in the present board of directors or management of the Issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;
- e. Any material change in the present capitalization or dividend policy of the Issuer;
- f. Any other material change in the Issuer's business or corporate structure;
- g. Changes in the Issuer's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Issuer by any person;
- h. Causing a class of securities of the Issuer to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;
- i. A class of equity securities of the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act; or
- j. Any action similar to any of these enumerated above.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

- a. Aggregate number and percentage of class of securities beneficially owned by the filing person:

Number of Shares	Percentage
157,804	6.8%

Mrs. Mickel owns 33,741 shares of the Issuer's common stock directly. In addition, Mrs. Mickel owns one-fourth of the outstanding shares and is an officer and director of Micco Corporation, holder of 124,063 shares of common stock. Mrs. Mickel disclaims ownership of three-fourths of the shares owned by Micco Corporation.

- b. Number of Shares as to which there is:

- (i) Sole power to vote or to direct the vote:  
33,741
- (ii) Shared power to vote or to direct the vote:  
124,063
- (iii) Sole power to dispose or direct the disposition:  
33,741
- (iv) Shared power to dispose or direct the disposition:  
124,063

(v) Parties with whom stock powers are shared:

Mrs. Mickel is an officer, director and one-fourth owner of Micco Corporation, holder of 124,063 shares of Delta Apparel, Inc. Common Stock. Mrs. Mickel disclaims ownership of three-fourths of the shares owned by Micco Corporation.

Micco Corporation

The power to vote and to direct the disposition of 124,063 shares of common stock is shares with the other executive officers and directors of Micco Corporation. The other executive officers and directors of Micco Corporation are as follows:

BUCK A. MICKEL (Vice President and Director)  
Vice President, Micco Corporation  
Business Address:  
Post Office Box 6721  
Greenville, SC 29606

MINOR MICKEL SHAW (President and Director)  
President, Micco Corporation  
Business Address:  
Post Office Box 6721  
Greenville, SC 29606

CHARLES C. MICKEL (Vice President and Director)  
Vice President, Micco Corporation  
Business Address:  
Post Office Box 6721  
Greenville, SC 29606

The following gives certain information in regard to Micco Corporation:

- a. State of incorporation: South Carolina
- b. Principal business: Investments
- c. Address of principal business and office:  
Post Office Box 6721  
Greenville, SC 29606

During the last five years, neither Micco Corporation nor any of the above individuals has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction resulting in a final judgment, final decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws. Each of the foregoing individuals is a United States citizen.

- c. Description of transactions in the class of securities effected during the past sixty days:

None, other than the receipt of the shares as described in response to Item 3.

- d. Statement regarding right of any other person to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of such securities:

On April 30, 1999, Micco Corporation, of which Mrs. Mickel is an officer, director and one-fourth owner, pledged 170,000 shares of common stock of Delta Woodside to First Union National Bank as security for a line of credit in the amount of \$500,000. Additionally, on December 15, 1999, Micco Corporation pledged an additional 279,234 shares of common stock of Delta Woodside as security for the same line of credit. The bank has also accepted 44,923 shares of the Issuer's common stock received by Micco Corporation in the transaction described in the response to Item 3 above as collateral for this pledge. Under certain circumstances, the number of shares pledged by Micco Corporation may be changed. The consent of First Union National Bank must be obtained in order for Micco Corporation to dispose of the shares or to pledge such shares to any other entity.

Pursuant to Rule 13d-3(d)(3), the bank is not to be treated as beneficially owning any of the shares of common stock beneficially owned by Micco Corporation or Mr. Mickel.

- e. Statement regarding the date on which the reporting person ceased to be the beneficial owner of more than five percent of the class of securities:

Not applicable.

ITEM 6.

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Contracts, Arrangements, Understandings, or Relationships with Respect to Securities of Issuer:

Other than the relationships described in response to Item 5 above (which description is incorporated herein by reference) there are there are no contracts, arrangements, understandings or relationships (legal or otherwise) by any person or entity described in response to Item 2 with any person with respect to any securities of the Issuer, including but not limited to transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, put or calls, guarantees or profits, division of profits or loss, or the giving or withholding of proxies.

ITEM 7.

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Material to be Filed as Exhibits:

1. Security Agreement dated April 30, 1999 between Micco Corporation and First Union National Bank.
2. Letter Agreement dated November 22, 1999 between Micco Corporation, RSI Holdings, Inc. and First Union National Bank.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: July 10, 2000

/s/ Minor H. Mickel  
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Minor H. Mickel

SECURITY AGREEMENT

April 30, 1999

MICCO Corporation  
c/o Buck A. Mickel  
245 East Broad Street  
Suite A  
Greenville, South Carolina 29601  
(Individually and collectively "Debtor")

First Union National Bank  
55 Beattie Place  
Greenville, South Carolina 29602  
(Hereinafter referred to as "Bank")

For value received and to secure payment and performance of the Promissory Note executed by RSI Holdings, Inc. ("Borrower") dated of even date herewith, in the original principal amount of \$500,000.00, payable to Bank, and any extensions, renewals, modifications or novations thereof (the "Note"), this Security Agreement and the other Loan Documents, and any other obligations of Borrower to Bank however created, arising or evidenced, whether direct or indirect, absolute or contingent, now existing or hereafter arising or acquired, and whether or not evidenced by a Loan Document, including swap agreements (as defined in 11 U.S.C. Section 101), future advances, and all costs and expenses incurred by Bank to obtain, preserve, perfect and enforce the security interest granted herein and to maintain, preserve and collect the property subject to the security interest (collectively, "Obligations"), Debtor hereby grants to Bank a continuing security interest in and lien upon the following described property, whether now owned or hereafter acquired, and any additions, replacements, accessions, or substitutions thereof and all cash and non-cash proceeds and products thereof (collectively, "Collateral"):

All securities that are certificated and held in vault at Bank, described as follows: 170,000 shares of common stock, issued by Delta Woodside Industries, Inc., cusip number 247909 10 4. Shares are represented in certificate nos.: AC 2640 (20,000 shares); AC 2641 (20,000 shares); AC 2642 (20,000 shares); AC 2643 (20,000 shares); AC 2644 (20,000 shares); AC 2645 (20,000 shares); AC 2646 (20,000 shares); AC 2669 (10,000 shares); AC 2670 (10,000 shares); and AC 2671(10,000 shares).

Debtor hereby represents and agrees that:

**OWNERSHIP.** Debtor owns the Collateral. The Collateral is free and clear of all liens, security interests, and claims except those previously reported in writing to Bank, and Debtor will keep the Collateral free and clear from all liens, security interests and claims, other than those granted to Bank. All securities and security entitlements pledged as Collateral are fully paid and non-assessable and if certificated, have been delivered to Bank with unrestricted endorsements. All income, dividends, earnings and profits with respect to the Collateral shall be reported for state and federal income tax purposes as attributable to the Debtor and not Bank, and Third Party (as defined herein), Bank or any other person authorized to report income distributions, are authorized to issue IRS Forms 1099 indicating Debtor as the recipient of such income, earnings and profits.

**NAME AND OFFICES.** There has been no change in the name of Debtor, or the name under which Debtor conducts business, within the five years preceding the date hereof and Debtor has not moved its executive offices or residence within the five years preceding the date hereof except as previously reported in writing to

Bank.

**TITLE/TAXES.** Debtor has good and marketable title to Collateral and will warrant and defend same against all claims, Debtor will not transfer, sell, or lease Collateral (except as permitted herein). Debtor agrees to pay promptly all taxes and assessments upon or for the use of Collateral and on this Security Agreement. At its option, Bank may discharge taxes, liens, security interests or other encumbrances at any time levied or placed on Collateral. Debtor agrees to reimburse Bank, on demand, for any such payment made by Bank. Any amounts so paid shall be added to the Obligations.

**WAIVERS.** Debtor waives presentment, demand, protest, notice of dishonor, notice of default, demand for payment, notice of intention to accelerate, and notice of

acceleration of maturity. Debtor further agrees not to assert against Bank as a defense (legal or equitable), as a set-off, as a counterclaim, or otherwise, any claims Debtor may have against any seller or lessor that provided personal property or services relating to any part of the Collateral. Debtor waives all exemptions and homestead rights with regard to the Collateral. Debtor waives any and all rights to notice or to hearing prior to Bank's taking immediate possession or control of any Collateral, and to any bond or security which might be required by applicable law prior to the exercise of any of Bank's remedies against any Collateral. All rights of Bank and security interests hereunder, and all obligations of Debtor hereunder, shall be absolute and unconditional, not discharged or impaired irrespective of (and regardless of whether Debtor receives any notice of): (i) any lack of validity or enforceability of any Loan Document; (ii) any change in the time, manner or place of payment or performance, or in any term, of all or any of the Obligations or the Loan Documents or any other amendment or waiver of or any consent to any departure from any Loan Document; (iii) any exchange, release or non-perfection of any collateral, or any release of or modifications of the obligations of any guarantor or other obligor; (iv) any amendment or waiver of or consent to departure from any Loan Document or other agreement. To the extent permitted by law, Debtor hereby waives any rights under any valuation, stay, appraisal, extension or redemption laws now existing or which may hereafter exist and which, but for this provision, might be applicable to any sale or disposition of the Collateral by Bank; and any other circumstance which might otherwise constitute a defense available to, or a discharge of any party with respect to the Obligations.

NOTIFICATIONS. Debtor will notify Bank in writing at least 30 days prior to any change in: (i) Debtors chief place of business and/or residence; (ii) Debtor's name or identity; or (iii) Debtor's corporate/organizational structure. In addition, Debtor shall promptly notify Bank of any claims or alleged claims of any other person or entity to the Collateral or the institution of any litigation, arbitration, governmental investigation or administrative proceedings against or affecting the Collateral. Debtor will keep Collateral at the location(s) previously provided to Bank until such time as Bank provides written advance consent to a change of location. Debtor will bear the cost of preparing and filing any documents necessary to protect Bank's liens.

FINANCING STATEMENTS, POWER OF ATTORNEY. No financing statement (other than any filed by Bank or disclosed above) covering any Collateral is on file in any public filing office. On request of Bank, Debtor will execute one or more financing statements in form satisfactory to Bank and will pay all costs and expenses of filing the same or of filing this Security Agreement in all public filing offices, where filing is deemed by Bank to be desirable. Bank is authorized to file financing statements relating to Collateral without Debtor's signature where authorized by law. Debtor hereby constitutes and appoints Bank the true and lawful attorney of Debtor with full power of substitution to take any and all appropriate action and to execute any and all documents or instruments that may be necessary or desirable to accomplish the purpose and carry out the terms of this Security Agreement, including, without limitation; to complete, execute, and deliver Account Control Agreement(s) by Bank, Debtor and Third Party(s) required in connection herewith (individually and

collectively the "Control Agreement"), instructions to Third Party(s) regarding, among other things, control and disposition of any Collateral, and endorsements desirable for transfer or delivery of any Collateral, registration of any Collateral under applicable laws, retitling any Collateral, receipt, endorsement and/or collection of all checks and other orders for payment of money payable to Debtor with respect to Collateral. The foregoing power of attorney is coupled with an interest and shall be irrevocable until all of the Obligations have been paid in full. Neither Bank nor anyone acting on its behalf shall be liable for acts, omissions, errors in judgment, or mistakes in fact in such capacity as attorney-in-fact. Debtor ratifies all acts of Bank as attorney-in-fact. Debtor agrees to take such other actions as might be requested for the perfection, continuation and assignment, in whole or in part, of the security interests granted herein. If certificates, passbooks, or other documentation or evidence is/are issued or outstanding as to any of the Collateral, Debtor will cause the security interests of Bank to be properly protected, including perfection by notation thereon or delivery thereof to Bank. Upon Bank's request, Debtor will, at its own expense: (i) do all things determined by Bank to be desirable to register such Collateral or qualify for an exemption from registration, under the provisions of all applicable securities laws, and (ii) otherwise do or cause to be done all other acts and things as may be necessary to make the sale of the Collateral valid, binding and in compliance with applicable law.



STOCK, DIVIDENDS. If, with respect to any securities pledged hereunder, a stock dividend is declared, any stock split made or right to subscribe is issued, all the certificates for the shares representing such stock dividend, stock split or right to subscribe will be immediately delivered, duly endorsed, to the Bank as additional Collateral, and any cash or non-cash proceeds and products thereof, including investment property and security entitlements will be immediately delivered to Bank. Debtor acknowledges that such grant includes all investment property and security entitlements, now existing or hereafter arising, relating to such securities. In addition, Debtor agrees to execute such notices and instructions to securities intermediaries as Bank may reasonably request.

VALUE REQUIREMENT. The outstanding balance of the Obligations shall not exceed at any time 50.00% of the Fair Market Value of the securities pledged to Bank hereunder. If at any time the outstanding balance of the Obligations exceeds this percentage, Debtor shall, within 3 business days, either pledge and deliver additional securities or reduce the outstanding balance of the Obligations so that the outstanding balance of the Obligations does not exceed the stated percentage as of the close of business on the day immediately preceding such delivery or reduction. "Fair Market Value" means the value of the securities pledged hereunder based on the closing price per unit of any of the investment property which is a part of the Collateral as quoted or reported in The Wall Street Journal or, if not available, other customary publication of such information, plus the amount of any cash or other financial assets comprising the Collateral. If the Fair Market Value of any securities pledged hereunder cannot be determined by the foregoing procedure, the Fair Market Value of such Collateral shall be determined by the Bank by reference to such public information as may be available.

NO TRADING OF COLLATERAL. Until a Default occurs, Debtor shall have the right to vote the securities pledged hereunder; provided, however, Debtor may not sell, transfer, exchange for other property or cash ("Trade") or otherwise exercise rights with respect to such Collateral without the prior written consent of the Bank. Any consent pursuant to this paragraph shall be in Bank's sole discretion.

COLLATERAL DUTIES. Bank shall have no custodial or ministerial duties to perform with respect to Collateral pledged except as set forth herein; and by way of explanation and not by way of limitation, Bank shall incur no liability for any of the following: (i) loss or depreciation of Collateral (unless caused by its willful misconduct or gross negligence), (ii) failure to present any paper for payment or protest, to protest or give notice of nonpayment, or any other notice with respect to any paper or Collateral, (iii) failure to ascertain, notify

Debtor of, or take any action in connection with any conversion, call, redemption, retirement or any other event relating to any of the Collateral, or failure to notify any party hereto that Collateral should be presented or surrendered for any such reason. Debtor acknowledges that Bank is not an investment advisor or insurer with respect to the Collateral; and Bank has no duty to advise Debtor of any actual or anticipated changes in the value of the Collateral.

TRANSFER OF COLLATERAL. Bank may assign its rights in Collateral or any part thereof to any assignee who shall thereupon become vested with all the powers and rights herein given to Bank with respect to the property so transferred and delivered, and Bank shall thereafter be forever relieved and fully discharged from any liability with respect to such property so transferred, but with respect to any property not so transferred, Bank shall retain all rights and powers hereby given.

INSPECTION, BOOKS AND RECORDS. Debtor will at all times keep accurate and complete records covering each item of Collateral, including the proceeds therefrom. Bank, or any of its agents, shall have the right, at intervals to be determined by Bank and without hindrance or delay, to inspect, audit, and examine the Collateral and to make extracts' from the books, records, journals, orders, receipts, correspondence and other data relating to Collateral, Debtor's business or any other transaction between the parties hereto. Debtor will at its expense furnish Bank copies thereof upon request.

CROSS COLLATERALIZATION LIMITATION. As to any other existing or future consumer purpose loan made by Bank to Debtor, within the meaning of the Federal Consumer Credit Protection Act, Bank expressly waives any security interest granted herein in Collateral that Debtor uses as a principal dwelling and household goods.

ATTORNEYS' FEES AND OTHER COSTS OF COLLECTION. Debtor shall pay all of Bank's

reasonable expenses incurred in enforcing this Security Agreement and in preserving and liquidating Collateral, including but not limited to, reasonable arbitration, paralegals', attorneys' and experts' fees and expenses, whether incurred with or without the commencement of a suit, trial, arbitration, or administrative proceeding, or in any appellate or bankruptcy proceeding.

DEFAULT. If any of the following occurs, a default ("Default") under this Security Agreement shall exist: (i) the failure of timely payment or performance of any of Obligations or a default under any Loan Document; (ii) any breach of any representation or agreement contained or referred to in this Security Agreement or other Loan Document; (iii) any loss, theft, substantial damage, or destruction of Collateral not fully covered by insurance, or as to which insurance proceeds are not remitted to Bank within 30 days of the loss; (iv) any sale, lease, or encumbrance of any Collateral not specifically permitted herein without prior written consent of Bank; (v) the making of any levy, seizure, or attachment on or of Collateral which is not removed within 10 days; (vi) the death of, appointment of guardian for, dissolution of, termination of existence of, loss of good standing status by, appointment of a receiver for, assignment for the benefit of creditors of, or commencement of any bankruptcy or insolvency proceeding by or against Debtor, its Subsidiaries or Affiliates ("Affiliate" shall have the meaning as defined in 11 U.S.C. Section 101; and "Subsidiary" shall mean any corporation of which more than 50% of the issued and outstanding voting stock is owned directly or indirectly by Debtor), if any, or any general partner of or the holder(s) of the majority ownership interests in Debtor or any party to the Loan Documents; (vii) any default or breach by a Third Party of any provision contained in any Control Agreement executed in connection with any of the Collateral; or (viii) any attempt to terminate, revoke, rescind, modify, or violate the terms of this Security Agreement or any Control Agreement without the prior written consent of Bank.

REMEDIES ON DEFAULT (INCLUDING POWER OF SALE). If a Default occurs, all of the Obligations shall be immediately due and payable, without notice and Bank shall have all the rights and remedies of a secured party under the Uniform Commercial Code. Without limitation thereto, Bank shall have the following rights and remedies: (i) to take immediate possession of Collateral, without notice or resort to legal process, and for such purpose, to enter upon any premises on which Collateral or any part thereof may, be situated and to remove the same therefrom, or, at its option, to render Collateral unusable or dispose of said Collateral on Debtor's premises; (ii) to require Debtor to assemble the Collateral and make it available to Bank at a place to be designated by Bank; (iii) to exercise its right of set-off or bank lien as to any monies of Debtor deposited in accounts of any nature maintained by Debtor with Bank or affiliates of Bank, without advance notice, regardless of whether such accounts are general or special; (iv) to dispose of Collateral, as a unit or in parcels, separately or with any real property interests also securing the Obligations, in any county or place to be selected by Bank, at either private or public sale (at which public sale Bank may be the purchaser) with or without having the Collateral physically present at said sale. In addition to the foregoing, Bank shall be authorized to: notify Third Party to terminate immediately any trading, other rights or entitlements with respect to the Collateral and any distributions from the Collateral; transfer into Bank's name or the name of its nominee, all or any part of the Collateral; receive all interest, dividends, and other proceeds of the Collateral; notify any person obligated on any Collateral of the security interest of Bank therein and require such person to make payment directly to Bank; demand, sue for, collect or receive the Collateral and any proceeds thereof, and/or make any settlement or compromise as Bank deems desirable with respect to any Collateral; and exercise any voting, conversion, registration, purchase or other rights of an owner, holder or entitlement holder of the Collateral. Debtor agrees that Bank may exercise its rights under this Security Agreement without regard for the actual or potential tax consequences to Debtor under federal or state law and without regard to any instructions or directives given Bank by Debtor.

Any notice of sale, disposition or other action by Bank required by law and sent to Debtor at Debtor's address shown above, or at such other address of Debtor as may from time to time be shown on the records of Bank, at least 5 days prior to such action, shall constitute reasonable notice to Debtor. Notice shall be deemed given or sent when mailed postage prepaid to Debtor's address as provided herein. Bank shall be entitled to apply the proceeds of any sale or other disposition of the Collateral, and the payments received by Bank with respect to any of the Collateral, to Obligations in such order and manner as Bank may determine. Collateral that is subject to rapid declines in value and is customarily sold in recognized markets may be disposed of by Bank in a

recognized market for such collateral without providing notice of sale. Debtor waives any and all requirements that the Bank sell or dispose of all or any part of the Collateral at any particular time, regardless of whether Debtor has requested such sale or disposition.

REMEDIES ARE CUMULATIVE. No failure on the part of Bank to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Bank or any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any right, power or remedy. The remedies herein provided are cumulative and are not exclusive of any remedies provided by law, in equity, or in other Loan Documents.

MISCELLANEOUS. (i) Amendments and Waivers. No waiver, amendment or modification of any provision of this Security Agreement shall be valid unless in writing and signed by Debtor and an officer of Bank. No waiver by Bank of any Default shall operate as a waiver of any other Default or of the same Default on a future occasion. (ii) Assignment. All rights of Bank hereunder are freely assignable, in whole or in part, and shall inure to the benefit of and be enforceable by Bank, its successors, assigns and affiliates. Debtor shall not assign its rights and interest hereunder without the prior written consent of Bank, and any attempt by Debtor to assign

without Bank's prior written consent is null and void. Any assignment shall not release Debtor from the Obligations. This Security Agreement shall be binding upon Debtor, and the heirs, personal representatives, successors, and assigns of Debtor. (iii) Applicable Law; Conflict Between Documents. This Security Agreement shall be governed by and construed under the law of the state named in the address of the Bank first shown above without regard to that state's conflict of laws principles. If any terms of this Security Agreement conflict with the terms of any commitment letter or loan proposal, the terms of this Security Agreement shall control. (iv) Jurisdiction. Debtor irrevocably agrees to non-exclusive personal jurisdiction in the state in which the office of Bank as stated above is located. (v) Severability. If any provision of this Security Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective but only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Security Agreement, (vi) Notices. Any notices to Debtor shall be sufficiently given, if in writing and mailed or delivered to the address of Debtor shown above or such other address as provided hereunder; and to Bank, if in writing and mailed or delivered to Bank's office address shown above or such other address as Bank may specify in writing from time to time. In the event that Debtor changes Debtor's mailing address at any time prior to the date the Obligations are paid in full, Debtor agrees to promptly give written notice of said change of address by registered or certified mail, return receipt requested, all charges prepaid. (vii) Captions. The captions contained herein are inserted for convenience only and shall not affect the meaning or interpretation of this Security Agreement or any provision hereof. The use of the plural shall also mean the singular, and vice versa. (viii) Joint and Several Liability. If more than one party has signed this Security Agreement, such parties are jointly and severally obligated hereunder. (ix) Binding Contract. Debtor by execution and Bank by acceptance of this Security Agreement, agree that each party is bound by all terms and provisions of this Security Agreement. (x) Loan Documents. The term "Loan Documents" refers to all documents, whether now or hereafter existing, executed in connection with the Obligations and may include, without limitation and whether executed by Debtor or others, commitment letters, loan agreements, guaranty agreements, confirmations, deposit or other similar agreements, other security agreements, letters of credit, instruments, financing statements, mortgages, deeds of trust, deeds to secure debt, and any amendments or supplements (excluding swap agreements as defined in 11 U.S.C. Section 101). (xi) Issuer. The term "Issuer" means a person who creates a share, participation or other interest in its property or in an enterprise, or undertakes an obligation that is an uncertificated security, including a mutual fund, or who directly or indirectly creates a fractional interest in its rights or property which is represented by a security certificate. (xii) Securities Intermediary. The term "Securities Intermediary" means any bank, custodian, broker or other person that in the ordinary course of its business maintains accounts similar to the Account described herein or securities accounts for others and is acting in that capacity. (xiii) Third Party. The term "Third Party" means each and every issuer or Securities Intermediary having, holding, issuing, or otherwise owing some or all of the Collateral to the Debtor. Certain terms used herein, including, "financial asset," "investment property," and "securities entitlements," shall have the meanings ascribed thereto in the 1994 revisions to Article 8 and

Article 9 of the Uniform Commercial Code proposed by the American Law Institute and the National Conference of Commissioners on Uniform State Laws.

ARBITRATION. Upon demand of any party hereto, whether made before or after institution of any judicial proceeding, any claim or controversy arising out of or relating to the Loan Documents between parties hereto (a "Dispute") shall be resolved by binding arbitration conducted under and governed by the Commercial Financial Disputes Arbitration Rules (the "Arbitration Rules") of the American Arbitration Association (the "AAN") and the Federal Arbitration Act. Disputes may include, without limitation, tort claims, counterclaims, a dispute as to whether a matter is subject to arbitration, claims brought as class actions, or claims arising from documents executed in the future. A judgment upon the award may be entered in any court having jurisdiction. Notwithstanding the foregoing, this arbitration provision does not apply to disputes under or related to swap agreements. Special Rules. All arbitration hearings shall be conducted in the city named in the address of Bank

first stated above. A hearing shall begin within 90 days of demand for arbitration and all hearings shall conclude within 120 days of demand for arbitration. These time limitations may not be extended unless a party shows cause for extension and then for no more than a total of 60 days. The expedited procedures set forth in Rule 51 et seq. of the Arbitration Rules shall be applicable to claims of less than \$1,000,000.00. Arbitrators shall be licensed attorneys selected from the Commercial Financial Dispute Arbitration Panel of the AAA. The parties do not Waive applicable Federal or state substantive law except as provided herein. Preservation and Limitation of Remedies. Notwithstanding the preceding binding arbitration provisions, the parties agree to preserve, without diminution, certain remedies that any party may exercise before or after an arbitration proceeding is brought. The parties shall have the right to proceed in any court of proper jurisdiction or by self-help to exercise or prosecute the following remedies, as applicable: (i) all rights to foreclose against any real or personal property or other security by exercising a power of sale or under applicable law by judicial foreclosure including a proceeding to confirm the sale; (ii) all rights of self-help including peaceful occupation of real property and collection of rents, set-off, and peaceful possession of personal property; (iii) obtaining provisional or ancillary remedies including injunctive relief, sequestration, garnishment, attachment, appointment of receiver and filing an involuntary bankruptcy proceeding; and (iv) when applicable, a judgment by confession of judgment. Any claim or controversy with regard to any party's entitlement to such remedies is a Dispute. Waiver of Exemplary Damages. The parties agree that they shall not have a remedy of punitive or exemplary damages against other parties in any Dispute and hereby waive any right or claim to punitive or exemplary damages they have now or which may arise in the future in connection with any Dispute whether the Dispute is resolved by arbitration or judicially. Waiver of Jury Trial. THE PARTIES ACKNOWLEDGE THAT BY AGREEING TO BINDING ARBITRATION THEY HAVE IRREVOCABLY WAIVED ANY RIGHT THEY MAY HAVE TO JURY TRIAL WITH REGARD TO A DISPUTE.

IN WITNESS WHEREOF, Debtor, on the day and year first written above, has caused this Security Agreement to be executed under seal.

MICCO Corporation  
Taxpayer Identification Number: 57-0551217

CORPORATE  
SEAL

By: /s/ Buck A. Mickel 4/30/99

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Buck A. Mickel, Vice President

November 22, 1999

RSI Holdings, Inc.  
28 East Court Street  
Greenville, SC 29601

Attn: Buck A. Mickel, President

Re: Revolving Credit Line in amount of Five-hundred Thousand Dollars (\$500,000.00).

Dear Mr. Mickel:

Reference is made to that certain LOAN AGREEMENT dated as of April 30, 1999 (the "Agreement") between RSI Holdings, Inc. (the "Borrower"), MICCO Corporation (the "Guarantor") and First Union National Bank (the "Bank"). The Agreement and all other documents executed and delivered in connection therewith are collectively referred to herein as the "Loan Documents". All capitalized terms used but not defined herein shall have the meanings assigned in the Loan Documents.

The Agreement provides:

TANGIBLE NET WORTH. Borrower shall at all times maintain a Tangible Net Worth of at least One Thousand Dollars and No Cents (\$1,000.00). "Tangible Net Worth" shall mean total assets minus total liabilities. For purposes of this computation, the aggregate amount of any intangible assets of Borrower including without limitation, goodwill, franchises, licenses, patents, trademarks, trade names, copyrights, service marks, and brand names, shall be subtracted from total assets, and total liabilities shall include subordinated debt.

The Bank has determined that the Borrower has violated the above-referenced provision due to the following: Failure to maintain the required Minimum Tangible Net Worth of at least One Thousand Dollars and No Cents (\$1,000.00). At Borrower's fiscal year end August 31, 1999, Borrower's Tangible Net Worth is reported to be negative Fifty-four Thousand Dollars (-\$54,000.00).

The Borrower has requested the Bank's waiver, and the Bank does hereby waive the Borrower's default under this provision, subject to Borrower's execution of and return of this letter. This waiver is limited to the default recited above, as of Borrower's fiscal year end 1999, and shall not be construed to be a waiver of any subsequent default under the referenced provision, or of any existing or future defaults under any other provision of any Loan Document.

The Borrower, by signature below, represents and warrants that there exist no defaults or event of default under the Loan Documents other than those specifically waived herein, that the Loan Documents are in full force and effect, and that Borrower does not have any defenses to its obligations under the Loan Documents nor any claims against Bank.

Please evidence your acceptance of the terms of this waiver by signing and returning to the Bank a copy of this letter bearing original authorized signature of each of the parties indicated.

Very Truly Yours,  
FIRST UNION NATIONAL BANK

BY: /s/ Brian W. English

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Brian W. English  
Vice President and Portfolio Manager

ACCEPTED AND AGREED TO:

RSI Holdings, Inc.

By: /s/ Buck A. Mickel

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Buck A. Mickel  
President & CEO

Date: 11/24/99

ACKNOWLEDGED:

MICCO Corporation, Guarantor

By: /s/ Buck A. Mickel

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Buck A. Mickel  
Vice President

Date: 11-24-99

cc: Joseph F. Ogburn, Treasurer, RSI Holdings, Inc.  
Charles Cecil, SVP, First Union National Bank  
David Sheinutt, SVP, First Union National Bank