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Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

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Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

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Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01.

Other Events

On July 7, 2010, The Dixie Group, Inc. received confirmation of an interest rate swap agreement in the notional amount of \$25,000,000 beginning July 11, 2010 and ending May 11, 2013 establishing a fixed rate of 1.42%. This swap agreement is effective upon termination of the current \$25,000,000 notional amount swap which was at a rate of 2.38%.

Item 9.01

Financial Statements and Exhibits

(d)

Exhibits

(10.1)

Confirmation of terms and conditions of the Transaction entered into between The Dixie Group, Inc. and Bank of America, N.A.

(10.2)

Termination of current \$25,000,000 notional amount swap between The Dixie Group, Inc. and Bank of America, N.A.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 8, 2010

THE DIXIE GROUP, INC.

By: /s/ Jon A. Faulkner

Jon A. Faulkner

Chief Financial Officer