

03-01-1999

U.S. Department of Commerce
Patent and Trademark Office
PATENT



3-1-99

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

Submission Type

☐ New

☐ Resubmission (Non-Recordation)
Document ID#

☐ Correction of PTO Error
Reel # Frame #

☐ Corrective Document
Reel # Frame #

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
 02 19 99

Name (line 1) Tubular Textile LLC

Name (line 2)

Second Party

Name (line 1)

Name (line 2)

Execution Date
Month Day Year

Receiving Party

☐ Mark if additional names of receiving parties attached

Name (line 1) Fleet Capital Corporation, as Agent

Name (line 2)

Address (line 1) One North Franklin

Address (line 2) Suite 3600

Address (line 3) Chicago IL

City State/Country Zip Code

☐ 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.)

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)

FOR OFFICE USE ONLY

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Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, **PATENT**

REEL: 9833 FRAME: 0868

Correspondent Name and Address

Area Code and Telephone Number 312-201-3941

Name Federal Research Corp

Address (line 1) 400 SEVENTH ST NW

Address (line 2) Suite 101

Address (line 3) Washington DC 20004

Address (line 4)

Pages

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

13

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)

09/208,231

5,669,155

5,666,704

4,484,364

5,794,317

4,598,444

5,125,034

5,724,689

5,655,275

4,882,819

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

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.

13

Fee Amount

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

Method of Payment:
Deposit Account

Enclosed ☒ 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.

Kristin Brozovic

Name of Person Signing

Kristin Brozovic

Signature

2/23/99

Date

Additional Patents :

4,192,045

5,016,329

5,664,818

PATENT MORTGAGE

THIS PATENT MORTGAGE (the "Mortgage") made as of this 19th day of February, 1999, by TUBULAR TEXTILE LLC, a Georgia limited liability company, having an office at Hargrave Road at I-85, Lexington, North Carolina 27293 ("Mortgagor") in favor of FLEET CAPITAL CORPORATION, a Rhode Island corporation, with an office at One North Franklin, Suite 3600, Chicago, Illinois, as agent ("Mortgagee").

WITNESSETH:

WHEREAS, Mortgagor, Mortgagee and certain financial institutions which are or may become parties thereto as lenders ("Lenders") are parties to a certain Loan and Security Agreement of even date herewith (the "Loan Agreement"), which Loan Agreement provides, among other things, (i) for Mortgagee and Lenders to, from time to time, extend credit to or for the account of Mortgagor and (ii) for the grant by Mortgagor to Mortgagee, of a security interest in substantially all of Mortgagor's assets, including, without limitation, the patents and patent applications of Mortgagor;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, Mortgagor agrees as follows:

1. Capitalized Terms. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.

2. Mortgage of Patents. To secure the complete and timely satisfaction of all of the Obligations, Mortgagor hereby grants, bargains, assigns, mortgages, creates a security interest in, pledges, transfers and conveys to Mortgagee, as and by way of a mortgage and security interest having priority over all other security interests, all of Mortgagor's right, title and interest in and to all of its now existing and hereafter created or acquired patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Exhibit A attached hereto and hereby made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, damages and payments now and hereafter due or payable under or with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a)-(d) of this Section 2, are sometimes hereinafter referred to individually as a "Patent" and, collectively, as the "Patents");

Upon the occurrence of an Event of Default, Mortgagee shall have the power, to the extent permitted by law, to sell the Patents.

3. Warranties, Representations and Covenants. Mortgagor warrants and represents to Mortgagee that:

(i) No Patents have been adjudged invalid or unenforceable or have been cancelled, in whole or in part, or are not presently subsisting;

(ii) Each of the Patents is valid and enforceable;

(iii) Mortgagor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, free and clear of any liens, charges and encumbrances, including, without limitation, licenses, shop rights and covenants by Mortgagor not to sue third persons;

(iv) Mortgagor has no notice of any suits or actions commenced or threatened with reference to the Patents; and

(v) Mortgagor has the right to execute and deliver this Mortgage and perform its terms.

4. Restrictions on Future Agreements. Mortgagor agrees that until the Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated, Mortgagor shall not sell or assign its interest in, or grant any license under, the Patents, or enter into any other agreement with respect to the Patents which is inconsistent with the Obligations under this Mortgage, without the prior written consent of Mortgagee, and Mortgagor further agrees that it shall not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would adversely affect the validity or enforcement of the rights transferred to Mortgagee under this Mortgage.

5. New Patents. Mortgagor represents and warrants that the Patents listed on Exhibit A constitutes all of the Patents now owned by Mortgagor. If, before the Obligations shall have been satisfied in full or before the Loan Agreement has been terminated, Mortgagor shall (i) obtain rights to any new patentable inventions, Patents, or (ii) become entitled to the benefit of any Patents or any improvement on any Patent, the provisions of this Mortgage above shall automatically apply thereto and Mortgagor shall give to Mortgagee prompt written notice thereof. Mortgagor hereby authorizes Mortgagee to modify this Mortgage by amending Exhibit A to include any such Patents.

6. Royalties; Term. The term of the mortgages granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents assigned hereunder, and (ii) the Obligations have been paid in full and the Loan Agreement has been terminated. Upon the occurrence of an Event of Default, Mortgagor agrees that the use by Mortgagee of all Patents shall be worldwide and without any liability for royalties or other related charges from Mortgagee to Mortgagor.

7. Grant of License to Mortgagor. Unless and until an Event of Default shall have occurred, Mortgagee hereby grants to Mortgagor the exclusive, nontransferable right and license to make, have made, use and sell the inventions disclosed and claimed in the Patents for Mortgagor's own benefit and account and for none other. Mortgagor agrees not to sell or assign its interest in, or (except for sublicenses entered into as part of Mortgagor's ordinary course of business) grant any sublicense under, the license granted to Mortgagor in this Section 7, without the prior written consent of Mortgagee. From and after the occurrence of an Event of Default, Mortgagor's license with respect to the Patents set forth in this Section 7 shall terminate forthwith, and Mortgagee shall have, in addition to all other rights and remedies given it by this Mortgage, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code (or such other applicable laws) as enacted in any of the jurisdictions in which the Patents may be located.

8. Mortgagee's Right to Inspect. Mortgagee shall have the right, at any time and from time to time during normal business hours, upon reasonable prior notice if no Default or Event of Default then exists, and prior to payment in full of the Obligations and termination of the Loan Agreement, to inspect Mortgagor's premises and to examine Mortgagor's books, records and operations.

9. Release of Mortgage. This Mortgage is made for collateral purposes only. Upon payment in full of the Obligations and termination of the Loan Agreement, Mortgagee shall execute and deliver to Mortgagor all deeds, assignments and other instruments, and shall take such other actions, as may be necessary or proper to re-vest in Mortgagor full title to the Patents, subject to any disposition thereof which may have been made by Mortgagee pursuant hereto or pursuant to the Loan Agreement.

10. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Mortgagor. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' and paralegals' fees and legal expenses, incurred by Mortgagee 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 Patents or in defending or prosecuting any actions or proceedings arising out of or related to the Patents shall be borne by and paid by Mortgagor on written demand by Mortgagee and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the then applicable rate as set forth in the Loan Agreement.

11. Duties of Mortgagor. Mortgagor shall have the duty (unless Mortgagor, in the exercise of its reasonable business judgment, determines that it is not necessary for the conduct of its business) (i) to prosecute diligently any patent applications pending as of the date hereof or thereafter until the Obligations shall have been paid in full, (ii) to make application on unpatented but patentable inventions, as appropriate, (iii) to preserve and maintain all rights in the Patents, and (iv) to ensure that the Patents are and

remain enforceable. Any expenses incurred in connection with Mortgagor's obligations under this Section 11 shall be borne by Mortgagor. Mortgagor shall not abandon any right to file a patent or abandon any pending patent application, or any other Patent without the written consent of Mortgagee, unless Mortgagor, in its reasonable business judgment determines that any of the foregoing is not necessary for the conduct of its business.

12. Mortgagee's Right to Sue. During the continuance of an Event of Default, Mortgagee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, and, if Mortgagee shall commence any such suit, Mortgagor shall, at the request of Mortgagee, do any and all lawful acts and execute any and all proper documents required by Mortgagee in aid of such enforcement and Mortgagor shall promptly, upon demand, reimburse and indemnify Mortgagee for all costs and expenses incurred by Mortgagee in the exercise of its rights under this Section 12.

13. Waivers. No course of dealing between Mortgagor and Mortgagee, nor any failure to exercise, nor any delay in exercising, on the part of Mortgagee, 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.

14. Severability. The provisions of this Mortgage 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 Mortgage in any jurisdiction.

15. Modification. This Mortgage 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.

16. Cumulative Remedies; Power of Attorney; Effect on Loan Agreement. All of Mortgagee's rights and remedies with respect to the Patents, 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. Upon the occurrence of an Event of Default, Mortgagor hereby authorizes Mortgagee to make, constitute and appoint any officer or agent of Mortgagee as Mortgagee may select, in its sole discretion, as Mortgagor's true and lawful attorney-in-fact, with power to (i) endorse Mortgagor's name on all applications, documents, papers and instruments necessary or desirable for Mortgagee in the use of the Patents, or (ii) take any other actions with respect to the Patents as Mortgagee deems to be in its best interest, or (iii) grant or issue any exclusive or non-exclusive license under the Patents to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents to anyone. Mortgagor 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 the Obligations shall have been paid in full and the Loan Agreement, including any amendments thereto, has been terminated. Mortgagor acknowledges and agrees that this Mortgage is not intended to limit or restrict in any way the rights and remedies of Mortgagee under the Loan Agreement but rather is intended to facilitate the exercise of such rights and remedies. Mortgagee shall have, in addition to all other rights and remedies given it by the terms of this Mortgage 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 (or such other applicable law) as enacted in any jurisdiction in which the Patents may be located.

17. Binding Effect; Benefits. This Mortgage shall be binding upon Mortgagor and its respective successors and permitted assigns, and shall inure to the benefit of Mortgagee, its successors, nominees and assigns.

18. Governing Law. This mortgage shall be governed by and construed in accordance with the internal laws of the State of Illinois.

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

20. Further Assurances. Mortgagor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Mortgagee shall reasonably request from time to time in order to carry out the purpose of this Mortgage and agreements set forth herein.

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

IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage in favor of Mortgagee as of the date first written above.

TUBULAR TEXTILE LLC

By Michael Santoni
Michael Santoni, Assistant Secretary

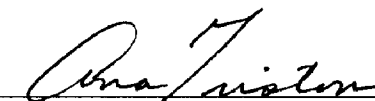
AGREED AND ACCEPTED
as of the Date First Written Above

FLEET CAPITAL CORPORATION, as
Agent

By Kevin Sullivan
Its Vice President

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The foregoing Patent Mortgage was executed and acknowledged before me this 19th day of February, 1999, by Michael Santoni, personally known to me to be the Assistant Secretary of Tubular Textile LLC, a Georgia limited liability corporation, on behalf of such corporation.



Notary Public



My Commission expires:

3-24-99

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The foregoing Patent Mortgage was executed and acknowledged before me this
19th day of February, 1999, by Kevin Sullivan, personally known to me to be the
Vice President of Fleet Capital Corporation, a Rhode Island corporation, on behalf of such
corporation.



Ana Tristan
Notary Public

My Commission expires:
3-24-99

AFTER FILING RETURN THIS INSTRUMENT TO:

Karen Ruth Bieber, Esq.
Goldberg, Kohn, Bell, Black,
Rosenbloom & Moritz, Ltd.
Suite 3700
55 East Monroe
Chicago, Illinois 60603

EXHIBIT A

PATENTS				
Country	Description	Patent No.	Issue Date	Status
U.S.	Suction Drum System For Processing Web Material Particularly Knitted Fabrics	5,669,155 1	09/23/97	Reg.
U.S.	Non-Marking Spreader for Tubular Knitted Fabric	5,794,317 2	08/18/98	Reg.
U.S.	Method and Apparatus for Treating Knitted Fabric	5,724,689 3	03/10/98	Reg.
U.S.	Heating System for Compressive Shrinkage Machines	09/208,231 4	12/09/98	Pending
U.S.	Detwisting Mechanism for Fabric Processing Line	5,666,704 5	09/16/97	Reg.
U.S.	Spreader - Propeller Apparatus for Tubular Knitted Fabric	4,598,444 (expired 7/8/98) 6	07/08/86	Reg.
U.S.	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	5,655,275 7	08/12/97	Reg.
U.S.	Method for Drying Tubular Knitted Fabric: High Velocity Gas Flow	4,484,369 8	11/27/84	Reg.
U.S.	Method and Apparatus for Analyzing Fabric Conditions	5,125,034 9	06/23/92	Reg.
U.S.	Pak-Nit II (Method)	4,882,819	11/28/89	Reg.

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Received: 2/18/99 4:40PM;

FEB 18 '99 17:00 FR

202 785 0888 -> GOLDBERG, KOHN et al; Page 8

202 785 0888 TO 8062#068800#188# P.06/10

PATENTS				
Country	Invention	Patent No.	Date	Status
U.S.	Adjustable Spreader for Tubular Knitted Fabric	11 4,192,045 (dead)	03/11/80	Reg.
U.S.	Pak-Nit II (Apparatus)	12 5,016,329	05/21/91	Reg.

U.S. Fabric Distributor 5,644,818 07/08/97 Reg.

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