

11-24-1999

3 SHEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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101207702

the attached original documents or copy thereof.

1. Name of conveying party(ies):

American Nonwovens Corporation

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

☐ Assignment☐ Merger☒ Security Agreement☐ Change of Name☐ Other _____

Execution Date: September 29, 1999

2. Name and address of receiving party(ies):

Name: General Electric Capital Corporation

Internal Address: _____

Attn: American Nonwovens Corporation

Account Manager

Street Address: 6100 Fairview Road, Suite 350

City: Charlotte State: NC ZIP: 28210

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

B. Patent No.(s)

5,296,289

5,475,903

5,928,973

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Carruthers & Roth, P.A.

Internal Address: Attn: Linda K. Sullivan

Street Address: 235 N. Edgeworth Street

City: Greensboro State: NC ZIP: 27401

6. Total number of applications and patents involved: 3

7. Total fee (37 CFR 3.41):..... \$ 120.00

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

11/24/1999 DNGUYEN 00000041 5296289

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120.00 OP

DO NOT USE THIS SPACE

9. 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.

Linda K. Sullivan

Name of Person Signing

Carruthers & Roth, P.A.

By: _____

Signature

11/11/99

Date

Total number of pages comprising cover sheet

11

PATENT
REEL: 010388 FRAME: 0456

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (this "Agreement"), is made and entered into this 29th day of September, 1999, between AMERICAN NONWOVENS CORPORATION, a Mississippi corporation (the "Borrower"), and GENERAL ELECTRIC CAPITAL CORPORATION, a New York corporation (the "Lender").

WITNESSETH:

WHEREAS, Borrower proposes to enter into a certain Loan and Security Agreement, dated of even date herewith (the Loan and Security Agreement, as it may hereafter be amended, modified, supplemented or restated from time to time, being herein called the "Loan Agreement"), with Lender pursuant to which Lender will make loans and extend credit to Borrower, all as more particularly described therein; and

WHEREAS, as a condition precedent to Lender's entering into the Loan Agreement and making loans and extending credit to Borrower pursuant thereto, Lender has required the execution of this Agreement by Borrower in favor of Lender.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Borrower agrees with Lender as follows:

1. Defined Terms. All capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Loan Agreement.

2. Grant of Security Interest. As security for the payment and performance of the Obligations, Borrower hereby assigns, grants, transfers and conveys to Lender, for security purposes, a security interest in and lien on all of Borrower's right, title and interest in, to and under the following property, in each case whether now existing or hereafter existing or in which the Borrower now has or hereafter acquires or develops an interest wherever the same may be located (the "Patent Collateral"):

(a) all letters patent of the U.S. or any other country, all registrations and recordings thereof, and all applications for letters patent of the U.S. or any other country, owned, held (whether pursuant to a license or otherwise) or used by Borrower in whole or in part, including all existing U.S. patents and patent applications of Borrower which are described in Schedule A attached hereto, as the same may be amended or supplemented pursuant hereto from time to time, and including all patent licenses held by Borrower (unless otherwise prohibited by any license or related licensing agreement under circumstances where the granting of the security interest would have the effect under applicable law of the termination or permitting termination of the license for breach and where the licensor, other than any affiliate of Borrower, has elected such termination remedy), together with all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and the inventions disclosed therein, and all rights corresponding thereto throughout the world, including the right to make, use,

lease, sell and otherwise transfer the inventions disclosed therein, and all proceeds thereof, including without limitation all license royalties and proceeds of infringement suits (collectively, the "Patents");

(b) all claims, causes of action and rights to sue for past, present and future infringement or unconsented use of any of the Patents and all rights arising therefrom and pertaining thereto;

(c) all general intangibles (as defined in the Code) and all intangible intellectual or other similar property of the Borrower of any kind or nature, whether now owned or hereafter acquired or developed, associated with or arising out of any of the Patents and not otherwise described above; and

(d) all proceeds of any and all of the foregoing Patent Collateral, including, without limitation, license royalties, rights to payment, accounts receivable, proceeds of infringement suits and all payments under insurance or any indemnity, warranty or guaranty payable by reason or loss or damage to or otherwise with respect to the foregoing Patent Collateral.

3. Representations, Warranties and Covenants of Borrower. Borrower represents, warrants and covenants that:

(a) The Patent Collateral is, to the best of its knowledge, subsisting and has not been judged invalid or unenforceable;

(b) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Patent Collateral, free and clear of any liens, charges and encumbrances; and

(c) Borrower has the unqualified right to enter into this Agreement and perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained.

4. Restrictions on Future Agreements. Borrower agrees that, until all of the Obligations have been satisfied in full and the Loan Agreement has been terminated in writing, it will not without Lender's prior written consent, enter into any agreement which is inconsistent with Borrower's duties under this Agreement, and Borrower further agrees that it will 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 affect the validity and enforcement of the rights granted to Lender under this Agreement.

5. After-Acquired Patent Rights. If, before the Obligations have been satisfied in full, Borrower shall obtain rights to any new patentable inventions, or become entitled to the

benefit of any patent application or any patent for any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent, the provisions of paragraph 1 hereof shall automatically apply thereto, and Borrower shall give to Lender prompt notice thereof in writing. Borrower authorizes Lender to modify this Agreement by amending Schedule A to include any future patents and patent applications which are Patent Collateral under paragraph 1 hereof or this paragraph 5.

6. Borrower's Rights Prior to Event of Default. Unless and until there shall have occurred and be continuing an Event of Default (as defined in the Loan Agreement), Borrower shall continue to own, and may use and enjoy the Patent Collateral in connection with its business operations, but only in a manner consistent with the presentation of their current substance, validity and registration.

7. Remedies Upon Event of Default. If an Event of Default shall have occurred and be continuing, Lender shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and, specifically, those of a Lender under the Code. Notice of any sale or other disposition of the Patent Collateral shall be deemed reasonable and sufficient if given the Borrower at least ten (10) days before the time of any intended public or private sale or other disposition of any of the Patent Collateral is to be made.

8. Power of Attorney. Borrower hereby makes, constitutes and appoints Lender and any officer or agent of Lender as Lender may select as Borrower's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall occur and be continuing: to endorse Borrower's name on all applications, documents, papers and instruments necessary for Lender to use the Patent Collateral, or to grant or issue any exclusive or nonexclusive license under the Patent Collateral to anyone else as necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Patent Collateral to anyone else. Borrower 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 all of the Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated in writing.

9. Release of Security Interest. At such time as all of the Obligations shall have been satisfied and paid in full, Lender shall execute and deliver to Borrower all releases, termination statements, and other instruments as may be necessary or proper to release or reflect the release of Lender's security interest in the Patent Collateral.

10. Costs and Expenses. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining, or preserving the Patent Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Patent Collateral, shall be borne and paid by Borrower on demand by Lender and until

so paid shall be added to the amount of the Obligations and shall bear interest at the rate prescribed in the Loan Agreement.

11. Litigation and Proceedings.

(a) Borrower shall have the duty, through counsel acceptable to Lender, to prosecute diligently any patent application of the Patents pending as of the date of this Agreement or thereafter, other than those discontinued or abandoned in the ordinary course of business, until the Obligations shall have been paid in full, to make application on unpatented but patentable inventions, and to preserve and maintain all rights in patent applications and patents of the Patents in the ordinary course of business. Any expenses incurred in connection with such an application shall be borne by Borrower. Borrower shall not abandon any right to file a patent application, or any pending patent application or patent, other than those discontinued or abandoned in the ordinary course of business without the consent of Lender, which consent shall not be unreasonably withheld.

(b) Lender shall have the right, but shall in no way be obligated, to bring suit in its own name, as the holder of a security interest in the Patent Collateral, to enforce the Patents, and any license thereunder, in which event Borrower shall at the request of Lender do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Lender in aid of such enforcement and Borrower shall promptly, upon demand, reimburse and indemnify the Lender for all costs and expenses incurred in the exercise of its rights under this paragraph 11. Nothing herein shall be deemed to prohibit Borrower from bringing any such suit in its own name at any time that an Event of Default does not exist, if Lender declines to institute suit.

12. Lender May Perform. If Borrower fails to comply with any of its obligations hereunder, Lender may do so in Borrower's name or in Lender's name, but at Borrower's expense, and Borrower agrees to reimburse Lender in full for all expenses, including reasonable attorney's fees, incurred by Lender in prosecuting, defending or maintaining the Patents or Lender's interest therein pursuant to this Agreement.

13. Severability. The provisions of this Agreement 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 Agreement in any jurisdiction.

14. Modification. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 5 hereof.

15. Binding Effect; Benefits. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

16. Notices. All notices, requests and demands to or upon a party hereto, to be effective, shall be in writing and shall be sent by certified or registered mail, return receipt requested, by personal delivery against receipt, by overnight courier or by facsimile transmission and, unless expressly provided herein, shall be deemed to have been validly served, given or delivered immediately when delivered against receipt, three (3) Business Days after deposit in the mail, postage prepaid, or, in the case of facsimile transmission, when received (if on a Business Day and, if not received on a Business Day, then on the next Business Day after receipt), addressed as follows:

(i) If to the Secured

Party, at:

General Electric Capital Corporation
6100 Fairview Road, Suite 350
Charlotte, North Carolina 28210
Attn: American Nonwovens Corporation Account Manager
Telephone: 704-553-4155
Facsimile: 704-553-4150

(ii) If to the Borrower, at:

American Nonwovens Corporation
221 Fabritek Drive
Columbus, Mississippi 39704
Attn: William V. Martin, President
Telephone: 601-327-0745
Facsimile: 601-327-8317

or to such other address as each party may designate for itself by notice given in accordance with this Section 16. Any written notice or demand that is not sent in conformity with the provisions hereof shall nevertheless be effective on the date that such notice is actually received by the noticed party.

17. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NORTH CAROLINA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE, WITHOUT REGARD TO THE PRINCIPLES THEREOF REGARDING CONFLICTS OF LAWS, AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.


18. SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL. (A) BORROWER HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN NORTH CAROLINA SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN BORROWER AND LENDER PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS; PROVIDED, THAT LENDER AND BORROWER ACKNOWLEDGE THAT ANY APPEALS

FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF NORTH CAROLINA; AND FURTHER PROVIDED, THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE LENDER FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO COLLECT THE OBLIGATIONS, TO REALIZE ON ANY SECURITY FOR THE OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF LENDER. BORROWER EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND BORROWER HEREBY WAIVES ANY OBJECTION WHICH IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS. BORROWER HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO BORROWER OR SUCH CREDIT PARTY AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF BORROWER'S ACTUAL RECEIPT THEREOF OR THREE (3) DAYS AFTER DEPOSIT IN THE U.S. MAIL, PROPER POSTAGE PREPAID.

(B) THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE BETWEEN LENDER AND BORROWER ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THE LOAN DOCUMENTS OR THE TRANSACTIONS RELATED THERETO.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first above written.

AMERICAN NONWOVENS CORPORATION

By: 
William V. Martin, President

GENERAL ELECTRIC CREDIT CORPORATION

By: _____
Title: _____

FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF NORTH CAROLINA; AND FURTHER PROVIDED, THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE LENDER FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO COLLECT THE OBLIGATIONS, TO REALIZE ON ANY SECURITY FOR THE OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF LENDER. BORROWER EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND BORROWER HEREBY WAIVES ANY OBJECTION WHICH IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS. BORROWER HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO BORROWER OR SUCH CREDIT PARTY AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF BORROWER'S ACTUAL RECEIPT THEREOF OR THREE (3) DAYS AFTER DEPOSIT IN THE U.S. MAIL, PROPER POSTAGE PREPAID.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first above written.

AMERICAN NONWOVENS CORPORATION

By: _____
William V. Martin, President

GENERAL ELECTRIC CREDIT CORPORATION

By: P. J. P. P.
Title: SVP

STATE OF Mississippi

COUNTY OF Lowndes

I, Sherry L. Birtley, a Notary Public of the County and State aforesaid, certify that WILLIAM V. MARTIN personally appeared before me this day and acknowledged that he is xxxxxxxxxxxx President of AMERICAN NONWOVENS CORPORATION, a Mississippi corporation, and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by herself/himself as its xxxxxxxxxxxx President.

WITNESS my hand and official stamp or seal, this 24 day of September, 1999.

Sherry L. Birtley
Notary Public

My Commission Expires: 9/23/2001

STATE OF NC

COUNTY OF Mecklenburg

I, Tracy K. Adams, a Notary Public of the State and County aforesaid, certify that Peter B. Cooney personally appeared before me this day and acknowledged that he is Sr. Vice President of GENERAL ELECTRIC CREDIT CORPORATION, a New York corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed by him/her in the corporation's name and sealed with its corporate seal

WITNESS my hand and official stamp or seal, this 23rd day of September, 1999.

Tracy K. Adams
Notary Public

My Commission Expires: 9/29/2003

**SCHEDULE A TO
PATENT SECURITY AGREEMENT**

Patents

<u>Patent</u>	<u>Patent Number</u>	<u>Date of Patent</u>
Stretchable spun bonded nonwoven web and method	5,296,289	March 22, 1994
Composite nonwoven fabric and method	5,475,903	December 19, 1995
Nonwoven needle punch fabric and articles produced therefrom	5,928,973	July 27, 1999