

RE

10-21-2003

U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

10/20/03



102559108

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):  
**Malden Mills Industries, Inc.**  
  
Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and Address of receiving party(ies):  
Name: **General Electric Capital Corporation**  
**as collateral agent for the Term Lenders**  
  
Internal Address:  
  
Street Address: **201 High Ridge Road**  
  
City: **Stamford** State: **Connecticut**  
  
Country: **USA** ZIP: **06927-5100**  
  
Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:  
 Assignment  Merger  
 Security Agreement  Change of Name  
 Other - Security Agreement - Term Collateral Agent  
  
Execution Date: **October 17, 2003**

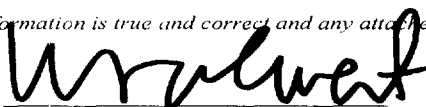
4. Application number(s) or patent number(s):  
If this document is being filed together with a new application, the execution date of the application is:  
  
A. Patent Application No.(s) **See Schedule I**  
B. Patent No.(s) **See Schedule I**

Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:  
  
Name: **SIDLEY AUSTIN BROWN & WOOD LLP**  
  
Internal Address: **Attn: Elisabeth A. Evert**  
  
Street Address: **717 North Harwood**  
**Suite 3400**  
  
City: **Dallas** State: **TX** ZIP: **75201-6507**

6. Total Number of applications and patents involved: **48**  
  
7. Total fee (37 CFR 3.41).....\$ **1920.00**  
**expedited service** **120.00**  
**\$2040.00**  
  
 Enclosed  
 Authorized to be charged to deposit account  
  
8. Deposit account number:  
**18-1260**  
(Attach duplicate copy of this page if paying by deposit account)

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.*  
  
**Elisabeth A. Evert**  **October 17, 2003**  
Name of Person Signing Signature Date

10/22/2003 6TON11 00000032 181260 09298722

01 FC:8021 1920.00 DA  
02 FC:8023 120.00 DA

Total number of pages including cover sheet 12

OMB No. 0651-0011 (exp. 4/94)

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Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

SCHEDULE I - PATENTS

MALDEN MILLS INDUSTRIES, INC. (U.S. Patents)

<u>Ref. No.</u>	<u>Type</u>	<u>Appl. Date</u>	<u>Appl. No.</u>	<u>Pat. Date</u>	<u>Pat. No.</u>	<u>Status</u>
002001	FCA	04/23/1999	09/298,722	08/29/2000	6,111,233	ISSUED
002002	DIV	09/02/1999	09/389,761	05/21/2002	6,389,681	ISSUED
020002	FCA	01/09/2003	10/339,083			PENDING
008001	CIP	12/21/1999	09/468,627	04/10/2001	6,215,111	ISSUED
003002	DIV	09/13/1999	09/395,326	12/12/2000	6,160,246	ISSUED
006001	CIP	06/12/2000	09/592,235	04/15/2003	6,548,789	ISSUED
013001	CIP	10/26/2000	09/697,100	04/16/2002	6,373,034	ISSUED
008002	DIV	10/31/2000	09/703,089	10/23/2001	6,307,189	ISSUED
024001	CIP	02/23/2001	09/791,237	07/02/2002	6,414,286	ISSUED
013002	DIV	03/22/2001	09/814,896	12/31/2002	6,501,055	ISSUED
027001	CIP	02/25/2002	10/082,465			PUBLISHED
006003	DIV	03/17/2003	10/390,248			PENDING
004001	CIP	05/03/1999	09/303,856			PENDING
025001	CIP	10/18/2001	09/982,720			PUBLISHED
029001	CIP	04/12/2002	10/122,024			PUBLISHED
007001	NEW	07/20/2000	09/619,937			PENDING
022002	CIP	01/23/2003	10/349,554			PENDING
021001	FCA	10/10/2001	09/974,371			PUBLISHED
010001	FCA	02/25/2002	10/082,820			PUBLISHED

<u>Ref. No.</u>	<u>Type</u>	<u>Appl. Date</u>	<u>Appl. No.</u>	<u>Pat. Date</u>	<u>Pat. No.</u>	<u>Status</u>
012001	FCA	02/25/2002	10/082,855			PUBLISHED
052001	FCA	08/20/1999	09/378,344			PENDING
038001	NEW	04/17/1997	08/839,296	07/21/1998	5,783,277	ISSUED
039001	NEW	04/17/1997	08/837,380	10/06/1998	5,817,391	ISSUED
043001	NEW	06/02/1995	08/459,615	08/20/1996	5,547,733	ISSUED
044001	CON	05/23/2001	09/863,852			PUBLISHED
044002	DIV	01/13/2003	10/341,309			PUBLISHED
046001	CIP	09/26/1997	08/939,078	01/05/1999	5,855,125	ISSUED
047001	NEW	10/23/2001	10/047,939			PUBLISHED
048001	NEW	09/24/2001	09/963,127			PUBLISHED
053001	CIP	11/17/1998	09/193,208	07/04/2000	6,082,147	ISSUED
054001	CIP	04/07/2000	09/546,351	12/26/2000	6,164,095	ISSUED
055001	CON	01/26/1993	08/009,153	12/07/1993	5,268,212	ISSUED
056001	CIP	12/06/1993	08/163,021	11/15/1994	5,364,678	ISSUED
042001	NEW	03/19/1998	09/044,623	12/05/2000	6,156,406	ISSUED
041002	CON	12/10/1998	09/209,524	09/12/2000	6,116,059	ISSUED
041001	NEW	04/17/1997	08/839,297	04/27/1999	5,896,758	ISSUED
040002	CON	04/04/1994	08/221,659	05/09/1995	5,413,837	ISSUED
034002	CON	11/12/1999	09/438,241	03/13/2001	6,199,410	ISSUED
034001	NEW	08/12/1998	09/133,786	03/06/2001	6,196,032	ISSUED
037001	NEW	07/25/2000	09/624,660			PENDING
036001	CIP	01/22/1990	07/468,027	06/30/1992	5,126,182	ISSUED

051001	CIP	11/07/1991	07/788,913	04/20/1993	5,204,156	ISSUED
<b><u>Ref. No.</u></b>	<b><u>Type</u></b>	<b><u>Appl. Date</u></b>	<b><u>Appl. No.</u></b>	<b><u>Pat. Date</u></b>	<b><u>Pat. No.</u></b>	<b><u>Status</u></b>
033001	NEW	11/24/1992	07/981,321	09/06/1994	5,344,698	ISSUED
032001	NEW	05/23/1991	07/704,781	05/17/1994	5,312,667	ISSUED
031001	CIP	07/25/2000	09/624,824	08/05/2003	6,602,811	ALLOWED
030001	NEW	12/23/1998	09/219,920	02/27/2001	6,194,332	ISSUED
049001	NEW	09/14/1998	09/152,965	10/17/2000	6,131,419	ISSUED
062P01	NEW	04/09/2003	60/461,353			PENDING
064P01	NEW	04/29/2003	60/466,360			PENDING
070001	NEW	TBA	08/07/2003			PENDING

## PATENT SECURITY AGREEMENT

PATENT SECURITY AGREEMENT, dated as of October 17, 2003, among MALDEN MILLS INDUSTRIES, INC., a Delaware corporation ("Borrower"), ADS PROPERTIES CORP., a Delaware corporation ("ADS"), AES PROPERTIES CORP., a Delaware corporation ("AES"), MALDEN MILLS DISTRIBUTORS CORP., a Delaware corporation ("Malden Distributors"), MALDEN MILLS GMBH HOLDING, INC., a Delaware corporation ("Holdings") (Borrower, ADS, AES, Malden Distributors and Holdings being referred to collectively as "Grantors" and each individually as a "Grantor"), in favor of GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation, as collateral agent for the Term Lenders under the Credit Agreement (the "Term Collateral Agent").

## WITNESSETH:

WHEREAS, pursuant to that certain Credit Agreement dated as of the date hereof by and among the Borrower, General Electric Capital Corporation, as Administrative Agent for the Lenders, the Term Collateral Agent, the Revolving Collateral Agent, and Lenders (including all annexes, exhibits and schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement") and the Reorganization Plan, the Term Lenders have agreed to accept Terms Loans in partial satisfaction of the Borrower's obligations to such Lenders under the Pre-Petition Credit Agreement; and

WHEREAS, in order to induce (i) the Administrative Agent, the Term Collateral Agent and the Term Lenders to enter into the Credit Agreement and the other Loan Documents, and (ii) the Term Lenders to accept the Term Loans as provided for in the Credit Agreement, each Grantor has agreed to the Term Collateral Agent, for its benefit and the benefit of the Term Lenders, a continuing Lien on the Patent Collateral (as hereinafter defined) to secure the Term Loan Obligations and any Related Obligations;

NOW, THEREFORE, in consideration of the premises and 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 DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in Annex A thereto to the Credit Agreement.

2 GRANT OF SECURITY INTEREST IN PATENT COLLATERAL. To secure the prompt and complete payment, performance and observance of all of the Term Loan Obligations and Related Obligations, each Grantor hereby grants, assigns, conveys, mortgages, pledges, hypothecates and transfers to Term Collateral Agent, for its benefit and the benefit of the Term Lenders, a continuing Lien (subject only to Liens in favor of the Revolving Collateral Agent) in all of Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Patent Collateral"):

- (a) all of its Patents and Patent Licenses to which it is a party including those referred to on Schedule I hereto;
- (b) all reissues, continuations or extensions of the foregoing; and
- (c) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement or dilution of any Patent or any Patent licensed under any Patent License.

3        SECURITY AGREEMENT. The security interests granted pursuant to this Patent Security Agreement are granted in conjunction with the security interests granted to the Term Collateral Agent, on behalf of itself and Term Lenders, pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of the Term Collateral Agent with respect to the security interest in the Patent Collateral 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.

[signature page follows]

IN WITNESS WHEREOF, Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

**MALDEN MILLS INDUSTRIES, INC.,**  
as a Grantor

By: 

Name: David Orlofsky

Title: Vice President and Treasurer

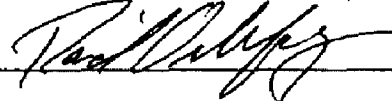
**ADS PROPERTIES CORP.,** as a Grantor

By: 

Name: David Orlofsky

Title: Vice President and Treasurer

**AES PROPERTIES CORP.,** as a Grantor

By: 

Name: David Orlofsky

Title: Vice President and Treasurer

**MALDEN MILLS DISTRIBUTORS  
CORP.,** as a Grantor

By: 

Name: David Orlofsky

Title: Vice President and Treasurer

Signature Page to Patent Security Agreement (Term Collateral Agent)

**MALDEN MILLS GMBH HOLDING,  
INC., as a Grantor**

By: 

Name: David Orlofsky

Title: Vice President and Treasurer

**GENERAL ELECTRIC CAPITAL  
CORPORATION, as Term Collateral  
Agent**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature Page to Patent Security Agreement (Term Collateral Agent)



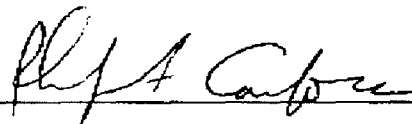
**MALDEN MILLS GMBH HOLDING,  
INC., as a Grantor**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**GENERAL ELECTRIC CAPITAL  
CORPORATION, as Term Collateral  
Agent**

By: 

Name: PHILIP E. CARFORA

**DULY AUTHORIZED SIGNATORY**

Title: \_\_\_\_\_

**SCHEDULE I  
TO  
PATENT SECURITY AGREEMENT  
PATENT REGISTRATIONS**

Mark Reg. No. Date

PATENT APPLICATIONS

PATENT LICENSES

Name of Agreement, Parties, Date of Agreement

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