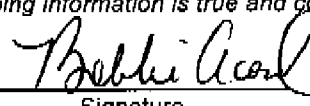


| Form PTO-1595 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings ⇨ ⇨ ⇨ ▼ ▼ ▼ ▼ ▼ ▼ ▼ | | RECORDATION FORM COVER SHEET PATENTS ONLY | | U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office | |
|---|--|--|--|---|--|
| To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof. | | | | | |
| 1. Name of conveying party(ies): <u>JPS Elastomerics Corp.</u> Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | 2. Name and address of receiving party(ies) Name: <u>Wachovia Bank, National Association</u> Internal Address: _____ _____ Street Address: <u>191 Peachtree Street, NE,</u> <u>30th Floor</u> City: <u>Atlanta</u> State: <u>GA</u> Zip: <u>30303</u> Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| 3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other: _____ Execution Date: <u>April 5, 2004</u> | | | 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) <u>None.</u> B. Patent No.(s) <u>5,229,197, 5,447,006, 5,523,352</u> Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| 5. Name and address of party to whom correspondence concerning document should be mailed: Name: <u>Elizabeth G. Hartnett</u> Internal Address: <u>Parker, Hudson,</u> <u>Rainer & Dobbs, LLP</u> _____ Street Address: <u>285 Peachtree Center Avenue</u> <u>1500 Marquis Two Tower</u> City: <u>Atlanta</u> State: <u>GA</u> Zip: <u>30303</u> | | | 6. Total number of applications and patents involved: <u>3</u> 7. Total fee (37 CFR 3.41).....\$ <u>120</u> <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: <u>502831</u> (Attach duplicate copy of this page if paying by deposit account) | | |
| DO NOT USE THIS SPACE | | | | | |
| 9. Statement and signature. <i>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.</i> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <u>Bobbi Acord, Esq.</u> Name of Person Signing </div> <div style="width: 30%; text-align: center;">  Signature </div> <div style="width: 30%; text-align: right;"> <u>04/08/04</u> Date </div> </div> <div style="text-align: right; margin-top: 10px;"> Total number of pages including cover sheet, attachments, and documents: <u>9</u> </div> | | | | | |

Mail documents to be recorded with required cover sheet information to:
 Commissioner of Patents & Trademarks, Box Assignments
 Washington, D.C. 20231

CH \$120.00 502831 5229197

PATENT SECURITY AGREEMENT

This **PATENT SECURITY AGREEMENT** (this "Agreement") is made this 5th day of April, 2004, between **JPS ELASTOMERICS CORP.**, a Delaware corporation having its principal place of business at 555 North Pleasantburg Drive, Suite 202, Greenville, South Carolina 29607 (the "Company"), and **WACHOVIA BANK, NATIONAL ASSOCIATION**, a national banking association having an office at 191 Peachtree Street, N.E., 30th Floor, Atlanta, Georgia 30303 ("Bank").

Recitals:

The Company desires to obtain loans and other financial accommodations from Bank pursuant to that certain Amended and Restated Loan and Security Agreement dated the date hereof, among the Company, the other borrowers named therein and Bank (as at any time amended, the "Loan Agreement").

Bank is willing to make loans and other financial accommodations to the Company from time to time pursuant to the terms of the Loan Agreement, provided that the Company executes this Agreement.

NOW, THEREFORE, for Ten Dollars (\$10.00) in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company hereby agrees with Bank as follows:

1. Capitalized terms used herein (including those used in the Recitals hereto), unless otherwise defined, shall have the meanings ascribed to them in the Loan Agreement.

2. To secure the prompt payment and performance of the Indebtedness, the Company hereby grants, assigns and pledges to Bank, a continuing security interest in and Lien upon all of the following property of the Company, whether now existing or hereafter created or acquired (the "Patent Collateral"):

(a) the entire right, title and interest of the Company in and to the patent applications and patents listed in Exhibit A attached hereto (as the same may be amended from time to time), and all re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof, including, without limitation, the right to sue for past, present and future infringements and rights corresponding thereto throughout the world (all of the foregoing being herein collectively referred to as the "Patents"); and

(b) All proceeds of the foregoing (such as, by way of example, license royalties and proceeds of infringement suits).

3. The Company covenants with and warrants to Bank that:

(a) The Patents are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) The Company is now and shall continue to be 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 other than Permitted Liens;

(c) The Company has the unqualified right to enter into this Agreement and perform its terms and, to the extent it deems reasonably necessary, 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; and

(d) The Company has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents and has made, and will continue to make, all appropriate filings with the United States Patent and Trademark Office to maintain the Patents in existence, including, without limitation, filing all necessary documents with the United States Patent and Trademark Office for each Patent to maintain it without loss of protection therefor.

4. Until all of the Indebtedness has been satisfied in full and the Loan Agreement has been terminated, the Company shall not enter into any license agreement relating to any of the Patents with any Person except non-exclusive licenses to customers of the Company in the regular and ordinary course of the Company's business as presently conducted and for reasonable and customary compensation, and shall not become a party to any agreement with any Person that is inconsistent with the Company's obligations under this Agreement.

5. If, before the Indebtedness shall have been satisfied in full, the Company shall obtain rights to any new patentable inventions, or become entitled to the benefit of any patent application or 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 2 shall automatically apply thereto and the Company shall give to Bank prompt notice thereof in writing.

6. The Company irrevocably authorizes and empowers Bank to modify this Agreement by amending Exhibit A to include any future patents and patent applications within the definition of Patents under paragraph 2 or paragraph 5 hereof.

7. The Company hereby grants to Bank, and its employees and the right upon prior notice to the Company, and subject only to any obligations of confidentiality to which the Company, its employees and agents are then subject with respect thereto, to visit the Company's plants and facilities at which any patented inventions are located or which manufacture, inspect or store products made under any of the Patents and to inspect the products and quality control records relating thereto at reasonable times during regular business hours.

8. Upon the occurrence and during the continuance of an Event of Default, Bank shall have, in addition to all other rights and remedies given it by this Agreement, all rights and remedies under applicable law and all rights and remedies of a secured party under the Code. Without limiting the generality of the foregoing, Bank may immediately, without demand of performance and without other notice (except as described in the next sentence, if required by applicable law) or demand whatsoever to the Company, each of which the Company hereby expressly waives, and without advertisement (except as otherwise provided by applicable law), collect directly any payments due the Company in respect of the Patent Collateral, or sell at public or private sale or otherwise realize upon the whole or from time to time any of the Patent Collateral, or any interest which the Company may have therein. The Company hereby agrees that seven (7) days notice to the Company of any public or private sale or other disposition of any of the Patent Collateral shall be reasonable notice; provided, however, that no notice shall be required hereunder if not otherwise required by applicable law. At any such sale or disposition, Bank may, to the extent permitted by applicable law, purchase the whole or any part of the Patent Collateral sold, free from any right of redemption on the part of the Company, which right the Company hereby waives and releases. After deducting from the proceeds of such sale or other disposition of the Patent Collateral all costs and expenses incurred by Bank in enforcing its rights hereunder (including, without limitation, all attorneys' fees), Bank shall apply the remainder of such proceeds to the payment of the Indebtedness, in such order or manner as may be authorized or required by the Loan Agreement. Any remainder of the proceeds after payment in full of the Indebtedness shall be paid over to the Company. If any deficiency shall arise, the Company, each other borrower, and each guarantor of the Indebtedness shall remain jointly and severally liable to Bank therefor.

9. The Company hereby makes, constitutes and appoints Bank, and any officer or agent of Bank as Bank may select, as the Company'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 the Company's name on all applications, documents, papers and instruments necessary for Bank to continue the maintenance of or to use the Patents, or to grant or issue any exclusive or nonexclusive license under the Patents to any other Person, or to assign, pledge, convey or otherwise transfer title in or dispose of any Patent Collateral to any other Person. The Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until all of the Indebtedness shall have been satisfied in full and the Loan Agreement shall have been terminated.

10. At such time as all of the Indebtedness shall have been satisfied finally and in full and the Loan Agreement shall have been terminated, Bank shall execute and deliver to the Company, without representation, warranty or recourse and at the Company's expense, all releases and other instruments necessary to terminate Bank's security interest in the Patent Collateral, subject to any disposition thereof which may have been made by Bank pursuant to the terms of this Agreement, or any of the other Loan Documents.

11. Any and all fees, costs and expenses, of whatever kind or nature, (including, without limitation, reasonable attorneys' fees and legal expenses) incurred by Bank in connection with the preparation of this Agreement and any other documents relating hereto and the consummation of this

transaction, the filing or recording of any documents (including, without limitation, all taxes in connection therewith) with the United States Patent and Trademark Office or in other public offices, the payment or discharge of any taxes, counsel fees, maintenance fees or Liens, or otherwise, in protecting, maintaining and preserving any Patent Collateral or in defending or prosecuting any actions or proceedings arising out of or related to any Patent Collateral, shall be borne and paid by the Company (it being the intent of the Company and Bank that the Company shall be responsible for the payment of all sums, fees, costs and expenses, including, without limitation, all maintenance fees payable with respect to the Patents) or, if paid by Bank in its sole discretion, shall be reimbursed by the Company to Bank **on demand** by Bank and until so paid shall be added to the principal amount of the Indebtedness and shall bear interest at the highest per annum rate in effect from time to time under the Loan Agreement.

12. The Company shall use its reasonable best efforts to detect any infringers of the Patents and shall notify Bank in writing of infringements detected. The Company shall have the duty through counsel reasonably acceptable to Bank, to prosecute diligently any patent application for a Patent pending as of the date of this Agreement or thereafter until the Indebtedness shall have been paid in full and the Loan Agreement terminated, to make application on unpatented but patentable inventions (subject to Company's reasonable discretion in the ordinary course of business, or, during the existence of an Event of Default, promptly upon Bank's request), to file and prosecute opposition and cancellation proceedings, to file and prosecute lawsuits to protect the Patents and to do any and all acts which are deemed necessary or desirable by Bank to preserve and maintain all rights in patent applications for the Patents. Any expenses incurred in connection with such an application or proceedings shall be borne by the Company. The Company shall not abandon any pending patent application or patent, without the prior written consent of Bank.

13. Notwithstanding anything to the contrary contained in paragraph 2 hereof Bank shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and any license hereunder, or to defend any suit or counterclaim in its own name to protect any Patents or license hereunder, in either of which events the Company shall at the request of Bank do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Bank in aid of such enforcement or defense and the Company shall promptly, upon demand, reimburse and indemnify Bank for all costs and expenses incurred by Bank in the exercise of its rights under this paragraph 13.

14. If the Company fails to comply with any of its obligations hereunder, then to the extent permitted by applicable law, Bank may do so in the Company's name or in Bank's name, in Bank's sole discretion, but at the Company's expense, and the Company agrees to reimburse Bank in full for all expenses, including, without limitation, reasonable attorneys' fees, incurred by Bank in prosecuting, defending or maintaining the Patents or Bank's interest therein pursuant to this Agreement.

15. No course of dealing between the Company and Bank, nor any failure to exercise, nor any delay in exercising, on the part of Bank, any right, power or privilege hereunder or under any of the other Loan Documents 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 future exercise thereof or the exercise of any other right, power or privilege.

16. All of Bank's rights and remedies with respect to the Patent Collateral, whether established by this Agreement or any of the other Loan Documents, or by any other agreements or by applicable law, shall be cumulative and may be exercised singularly or concurrently.

17. 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, the same shall be deemed severed herefrom and shall not in any manner affect such clause or provisions in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

18. This Agreement, together with the other Loan Documents, constitutes and expresses the entire understanding of the parties hereto with respect to the subject matter hereof, and supercedes all prior agreements and understandings, inducements or conditions, whether express or implied, oral or written. This Agreement is subject to modification only by writing signed by the parties, except as provided in paragraph 6 hereof.

19. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of Bank and upon the successors and permitted assigns of the Company. The Company shall not assign its rights or delegate its rights or assign its duties hereunder without the prior written consent of Bank.

20. The Company hereby waives notice of Bank's acceptance hereof.

21. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Georgia.

22. To the fullest extent permitted by applicable law, the Company and Bank each waives the right to trial by jury in any action, suit, proceeding or counterclaim of any kind arising out of or related to this Agreement or the Patent Collateral.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal on the day and year first written above.

Scott R. Sundel
Witness

JPS ELASTOMERICS CORP.
("Company")

By: *Charles R. Tutterow*
Charles R. Tutterow, Secretary

[CORPORATE SEAL]

Accepted:

**WACHOVIA BANK, NATIONAL
ASSOCIATION ("Bank")**

By: *Elizabeth L. Schoa*
Name: *Elizabeth L. Schoa*
Title: *Director*

STATE OF GEORGIA §
COUNTY OF FULTON §

BEFORE ME, the undersigned authority, on this day personally appeared Charles R. Tutterow, Secretary of JPS Elastomerics Corp., to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 5th day of April, 2004.

Elizabeth G. Hartnett
Notary Public
My Commission Expires: June 19, 2007

[NOTARIAL SEAL]



STATE OF GEORGIA §
COUNTY OF FULTON §

BEFORE ME, the undersigned authority, on this day personally appeared Elizabeth Schorn, Director, of Wachovia Bank, National Association, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said national banking association.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 5th day of April, 2004.

Elizabeth G. Hartnett
Notary Public
My Commission Expires: June 19, 2007

[NOTARIAL SEAL]

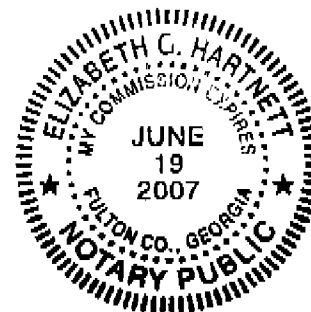


EXHIBIT APatents

| Patent | Federal Registration Number | Registration Date |
|---|-----------------------------|-------------------|
| Blended CPE/crystalline thermoplastic polyolefin membrane | 5,229,197 | July 20, 1993 |
| Method for patching single ply roof | 5,447,006 | September 5, 1995 |
| CSPE/CPE blend membrane | 5,523,352 | June 4, 1996 |

Patent Applications

| Patent | Federal Serial Number | Application Date |
|--------|-----------------------|------------------|
| None | | |