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(Rev. 10/02)

OMB No. 0651-0027 (exp. 6/30/2005)

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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):

WOVEN ELECTRONICS CORPORATION

2. Name and address of receiving party(ies)

Name: LASALLE BUSINESS CREDIT, LLC

Internal Address: _____

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

3. Nature of conveyance:

☐

Assignment

☐

Merger

☒

Security Agreement

☐

Change of Name

☐

Other _____

Street Address: 1735 Market Street, 6th FloorCity: Philadelphia State: PA Zip: 19103Execution Date: 03/09/2004Additional 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) 10/429,602B. Patent No.(s) see Schedule Aattached to Security AgreementAdditional numbers attached? ☒ Yes ☐ No

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

Name: Benjamin D. Horowicz, Esquire

Internal Address: _____

Street Address: % Miles & Stockbridge, P.C.10 Light Street, 14th FloorCity: Baltimore State: MD Zip: 212026. Total number of applications and patents involved: 107. Total fee (37 CFR 3.41).....\$ 400.00☒

Enclosed

☐

Authorized to be charged to deposit account

8. Deposit account number: _____

DO NOT USE THIS SPACE

9. Signature.

Benjamin D. Horowicz, Esquire

Name of Person Signing

Signature

04/14/2004

Date

Total number of pages including cover sheet, attachments, and documents: 7

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

04/21/2004 MGETACHE 00000138 10429602

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PATENT
REEL: 015223 FRAME: 0895

SCHEDULE A TO
PATENT SECURITY AGREEMENT

Patents

<u>Patent Number</u>	<u>Issue Date</u>	<u>Title</u>
4,808,771	February 28, 1989	Hinge-Line Multilayer Cable and Method
5,373,103	December 13, 1994	Ribbon Electrical Transmission Cable with Woven Shielding
5,387,113	February 7, 1995	Composite Shield Jacket for Electrical Transmission Cable
5,760,340	June 2, 1998	Woven Multi-Layer Electrical Cable
5,773,762	June 30, 1998	Cable with Varying Cell Arrangements
5,788,528*	August 4, 1998	Cable Connector with a Releasable Clip
5,911,595*	June 15, 1999	Low Profile Angular Connector Device and Method
4,910,358**	March 20, 1990	Woven Cable Controlling Cross-Talk and Impedance
4,741,707**	May 3, 1988	Method and Woven Cable Termination with Insulation Displaceable Connector

*Indicates that patent is jointly owned by Borrower and Kern Engineering & Manufacturing.

**Indicates that Borrower deems patent to have been abandoned.

Patent Applications

<u>Patent Application Description</u>	<u>U.S. Patent Application Number</u>	<u>Date Applied</u>
Fiber Optic Security System for Sensing the Intrusion of Secured Locations	10/429,602	Application filed May 5, 2003

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (the "Security Agreement") made as of this 9th day of March, 2004 by WOVEN ELECTRONICS CORPORATION, a South Carolina corporation ("Woven") with an address of 9 Washington Park, Greenville, South Carolina 29601 in favor of LASALLE BUSINESS CREDIT, LLC, a Delaware limited liability company, in its capacity as agent (the "Agent") under the terms of the Loan Agreement (as hereinafter defined), with an address of 1735 Market Street, 6th Floor, Philadelphia, PA 19103:

W I T N E S S E T H

WHEREAS, Woven Acquisition Corporation, a Delaware corporation ("Acquisition"), as the initial Borrower, Agent, LaSalle Business Credit, LLC, a Delaware limited liability company, in its capacity as a lender and such others from time to time included in the term "Lenders" (as that term is defined in the Loan Agreement), are parties to a certain Loan and Security Agreement of even date herewith (as amended, amended and restated or otherwise modified from time to time, the "Loan Agreement") and other related loan documents of even date herewith (collectively, with the Loan Agreement, and as each may be amended or otherwise modified from time to time, the "Loan Documents"), which Loan Documents provide (i) that the Lenders have extended, or will, from time to time, extend credit to or for the account of the borrower under the Loan Agreement (the "Borrower") and (ii) for the grant by Borrower to Agent of a security interest in certain of Borrower's assets, including, without limitation, its patents and patent applications;

WHEREAS, Acquisition has merged with and into Woven, with Woven as the sole surviving corporation, such that Woven has become the "Borrower" under the Loan Agreement;

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

1. Incorporation of Loan Documents. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Obligations owing to LaSalle Business Credit, LLC in its capacity as Agent under the Loan Agreement and in its capacity as a Lender under the Loan Agreement (collectively, the "LaSalle Obligations"), Woven hereby grants to Agent, and hereby reaffirms its prior grant pursuant to the Loan Documents of, a continuing security interest in Woven's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, all patentable inventions and those patents and patent applications listed on Schedule A attached hereto and made a part hereof and all patents and the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and

future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Patents").

3. Warranties and Representations. Woven warrants and represents to Agent that:

(i) no Patent has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Patent been cancelled, in whole or in part and each such Patent is presently subsisting;

(ii) Except as indicated on Schedule A hereto, Woven is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Patent, free and clear of any liens, charges and encumbrances (other than Permitted Liens), including without limitation, shop rights and covenants by Woven not to sue third persons;

(iii) Woven has no notice of any suits or actions commenced or threatened with reference to any Patent; and

(iv) Woven has the unqualified right to execute and deliver this Security Agreement and perform its terms.

4. Restrictions on Future Agreements. Woven agrees that until all of the LaSalle Obligations shall have been satisfied in full and the Loan Documents shall have been terminated, Woven shall not, without the prior written consent of Agent, sell or assign its interest in any Patent or enter into any other agreement with respect to any Patent which would affect the validity or enforcement of the rights transferred to Agent under this Security Agreement.

5. New Patents. Woven represents and warrants that, based on a diligent investigation by Woven, the Patents listed on Schedule A constitute all of the federally registered Patents and Patent applications now owned by Woven other than Patents or Patent applications, if any, which are no longer valid or which have been abandoned prior to the date of this Agreement. If, before LaSalle Obligations shall have been satisfied in full or before the Loan Documents have been terminated, Woven shall (i) become aware of any existing Patents of which Woven has not previously informed Agent, (ii) obtain rights to any new patentable inventions or Patents, or (iii) become entitled to the benefit of any Patents, which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and Woven shall give to Agent prompt written notice thereof. Woven hereby authorizes Agent to modify this Security Agreement by amending Schedule A to include any such Patents.

6. Royalties; Terms. The term of this Security Agreement shall extend until the earlier of (i) the expiration of each of the Patents, and (ii) the payment in full of the LaSalle Obligations and the termination of the Loan Documents. Woven agrees that upon the occurrence of an Event of Default and during the continuation thereof, the use by Agent of all Patents shall be without any liability for royalties or other related charges from Agent or any of the Lenders to Woven.

7. Release of Security Interest. This Security Agreement is made for collateral purposes only. Upon payment in full of the LaSalle Obligations and termination of the Loan Documents, Agent shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Loan Documents

8. Expenses. All reasonable expenses actually incurred in connection with the performance of any of the agreements set forth herein shall be borne by Woven. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, actually incurred by Agent 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 Woven and until paid shall constitute Obligations.

9. Duties of Woven. Woven shall have the duty, to the extent commercially reasonable (i) to file and prosecute diligently any patent applications pending as of the date hereof or hereafter until the LaSalle Obligations shall have been paid in full and the Loan Documents have been terminated, (ii) to make application on unpatented but patentable inventions, as commercially reasonable, (iii) to preserve and maintain all rights in the Patents, as commercially reasonable and (iv) to ensure that the Patents are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with Woven's obligations under this Section 9 shall be borne by Woven.

10. Agent's Right to Sue. After an Event of Default and during the continuation thereof, Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and, if Agent shall commence any such suit, Woven shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents required by Agent in aid of such enforcement and Woven shall promptly, upon demand, reimburse and indemnify Agent for all reasonable costs and expenses incurred by Agent in the exercise of its rights under this Section 10.

11. Waivers. No course of dealing between Woven, the Agent and the Lenders, nor any failure to exercise, nor any delay in exercising, on the part of Agent or the Lenders, any right, power or privilege hereunder or under the 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 further exercise thereof or the exercise of any other right, power or privilege.

12. Severability. The provisions of this Security 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 Security Agreement in any jurisdiction.

13. Modification. This Security Agreement 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.

14. Cumulative Remedies; Power of Attorney; Effect on Loan Documents. All of Agent's rights and remedies with respect to the Patents, whether established hereby or by the Loan Documents, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Woven hereby authorizes Agent upon the occurrence of an Event of Default and during the continuation thereof, to make, constitute and appoint any officer or agent of Agent as Agent may select, in its sole discretion, as Woven's true and lawful attorney-in-fact, with power to (i) endorse Woven's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Patents or (ii) take any other actions with respect to the Patents as Agent deems to be in the best interest of Agent, 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. Woven 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 LaSalle Obligations shall have been paid in full and the Loan Documents have been terminated. Woven acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Agent under the Loan Documents but rather is intended to facilitate the exercise of such rights and remedies. Agent shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Loan Documents, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Illinois.

15. Binding Effect; Benefits. This Security Agreement shall be binding upon Woven and its respective successors and assigns, and shall inure to the benefit of Agent, its successors, nominees and assigns.

16. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and applicable federal law.

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

18. Further Assurances. Woven agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Agent shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein.

19. Survival of Representations. All representations and warranties of Woven contained in this Security Agreement shall survive the execution and delivery of this Security Agreement. Woven covenants and agrees that it will not take any action that would result in the representations and/or warranties contained in this Security Agreement to become false or untrue and Woven will promptly notify the Agent should any of such representations and/or warranties become false or untrue in any material respect.

[Signatures Follow on Next Page]

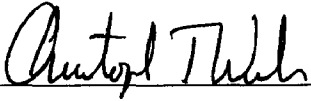
SIGNATURE PAGE TO
PATENT SECURITY AGREEMENT

IN WITNESS WHEREOF, Woven has duly executed this Security Agreement as of the date first written above.

WITNESS:

WOVEN:

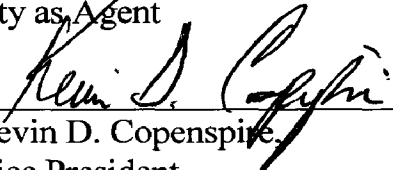
WOVEN ELECTRONICS CORPORATION



By:  (SEAL)
J. Hunter Reichert,
Chairman and Chief Executive Officer

Agreed and Accepted
As of the Date First Written Above:

LASALLE BUSINESS CREDIT, LLC, in
its capacity as Agent

By:  (SEAL)
Kevin D. Copenspire,
Vice President