

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
First Quality Nonwovens, Inc.	01/31/2006

RECEIVING PARTY DATA

Name:	JPMorgan Chase Bank, N.A.
Street Address:	10 South Dearborn, 19th Floor
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60603-0010

PROPERTY NUMBERS Total: 16

Property Type	Number
Application Number:	10670108
Application Number:	09816666
Application Number:	09817013
Application Number:	10603298
Application Number:	10938079
Application Number:	09594231
Application Number:	09613469
Application Number:	09334587
Application Number:	09496687
Application Number:	09971797
Application Number:	09460659
Application Number:	09373826
Application Number:	09953390
Application Number:	09613192
Application Number:	09460660

PATENT

500074772

REEL: 017096 FRAME: 0354

CH \$640.00 10670108

Application Number:

11107555

CORRESPONDENCE DATA

Fax Number: (212)822-5131

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: (212) 530-5131

Email: jgonder@milbank.com

Correspondent Name: Jason M. Gonder

Address Line 1: 1 Chase Manhattan Plaza

Address Line 4: New York, NEW YORK 10005

NAME OF SUBMITTER:

Jason M. Gonder

Total Attachments: 13

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**AMENDED AND RESTATED GRANT OF SECURITY INTEREST
IN PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS**

THIS AMENDED AND RESTATED GRANT OF SECURITY INTEREST IN PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS (the "Agreement") is made effective as of the 31st day of January, 2006 by and among FIRST QUALITY NONWOVENS, INC. ("Grantor") and JPMORGAN CHASE BANK, N.A. ("Collateral Agent") acting in the capacity of collateral agent for the benefit of Lenders (as defined below) and the Noteholders (as defined in the Security Agreement (as defined below)).

BACKGROUND

Pursuant to that certain Amended and Restated Security Agreement dated of even date herewith, by and among Grantor, First Quality Products, Inc., First Quality Hygienic, Inc., First Quality Tissue, LLC, Nutek Disposables, Inc., First Quality International, Inc., First Quality Enterprises, Inc. (collectively "Obligors"), and Collateral Agent (such Amended and Restated Security Agreement, as the same may hereafter be amended, modified or restated, being referred to herein as the "Security Agreement"), Grantor granted to Collateral Agent, for the benefit of the Lenders and the Noteholders in accordance with the terms of the Intercreditor Agreement, a security interest in all of Grantor's assets, including, without limitation, its patents, patent rights, patent applications, service marks, trademarks, service mark applications, trademark applications, trade names, goodwill, copyrights, and licenses.

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

1. **Incorporation of Security Agreement.** The Security Agreement and the terms and provisions thereof are hereby incorporated herein in its entirety by this reference thereto. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Security Agreement. All obligations of Grantor to Collateral Agent, Lenders and/or Noteholders, whether now or hereafter owing or existing under the Security Agreement or the other Transaction Documents, and all other indebtedness and obligations constituting "Secured Obligations" under the Security Agreement, are referred to herein collectively as the "Secured Obligations".

2. **Grant of Security Interest.** Each Grantor hereby grants to the Collateral Agent, for the benefit of the Lenders and the Noteholders in accordance with the terms of the Intercreditor Agreement, a security interest in and continuing lien on all of such Grantor's right, title and interest in, to and under all personal property of such Grantor including, but not limited to the following, in each case whether now owned or existing or hereafter acquired or arising and wherever located:

(i) 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 made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties,

damages and payments now and hereafter due and/or payable under and 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), are sometimes hereinafter individually and/or collectively referred to as the "**Patents**");

(ii) service marks, trademarks, service mark and trademark registrations, trade names, and trademark and service mark applications, including, without limitation, the service mark and trademark registrations and applications listed on Exhibit "B", attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable 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 service marks, trademarks, service mark and trademark registrations, service mark and trade names and applications together with the items described in clauses (a)-(d), are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**");

(iii) United States, state and foreign copyrights, including but not limited to copyrights in software and databases, and all Mask Works (as defined under 17 U.S.C. 901 of the U.S. Copyright Act), whether registered or unregistered, and, with respect to any and all of the foregoing: (i) all registrations and applications therefor including, without limitation, the applications referred to in Exhibit "C" (as such schedule may be amended or supplemented from time to time), (ii) all extensions and renewals thereof, (iii) all rights corresponding thereto throughout the world, (iv) all rights to sue for past, present and future infringements thereof, (v) all licenses, claims, damages and proceeds of suit arising therefrom, and (vi) all payments and rights to payments arising out of the sale, lease, license, assignment, or other disposition thereof. (all of the foregoing items are sometimes referred to herein collectively as the "**Copyrights**"); and

(iv) the goodwill of Grantor's business connected with and symbolized by the Trademarks.

3. **Excluded Collateral.** The security interest granted under Section 2 hereof shall not attach to any lease, license, contract, property rights or agreement to which Grantor is a party or any of its rights or interests thereunder if the grant of such security interest shall constitute or result in (i) the abandonment, invalidation or unenforceability of any right, title or interest of Grantor therein or (ii) in a breach or termination pursuant to the terms of, or a default under, any such Lease, license, contract property rights or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity).

4. **New Patents, Trademarks, Copyrights and Licenses.** Grantor represents and warrants that the Patents, Trademarks, and Copyrights listed on Exhibits "A", "B", and "C", respectively, constitute all of the registrations and applications for patents, trademarks, applications, and copyrights now owned by Grantor. If, before all Secured Obligations shall

have been satisfied in full and any other contingent obligation included in the Secured Obligations shall have been cancelled or terminated, Grantor shall (i) obtain rights to any new patentable inventions, trademarks, trademark registrations, trade names, or copyrights, or (ii) become entitled to the benefit of any patent or trademark application, trademark, trademark registration, or copyright renewal, 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 Section 2 above shall automatically apply thereto and Grantor shall give to Collateral Agent prompt written notice of any registrations or applications thereof which are owned by Grantor. Grantor hereby authorizes Collateral Agent to modify this Agreement by amending Exhibit "A", "B", and/or "C", as applicable, to include any future patents, patent applications, trademark registrations, trademark applications, and copyrights registrations which are Patents, Trademarks, or Copyrights, as applicable, under Section 2 above or under this Section 4.

5. **Royalties; Term.** Grantor hereby agrees that Collateral Agent shall have the non-exclusive worldwide right to use all Patents, Trademarks, and Copyrights in connection with the exercise of its remedies under the Security Agreement upon and during the continuation of an Event of Default without any liability for royalties or other related charges from Collateral Agent, Lenders or Noteholders to Grantor. The term of such rights of use by the Collateral Agent shall extend until the earlier of (i) the expiration of each of the respective Patents, Trademarks, and Copyrights pledged hereunder, or (ii) the date on which all Secured Obligations has been paid in full and any other contingent obligation included in the Secured Obligations shall have been terminated or cancelled.

6. **Release of Security Interest.** This grant of security interests is made for collateral purposes only. Upon payment in full of all Secured Obligations and the cancellation or termination of the other contingent obligations included in the Secured Obligations (other than Qualified Residual Obligations), Collateral Agent shall execute and deliver to Grantor all deeds, assignments and other instruments as may be necessary or proper to release any and all interests held by Collateral Agent in the Patents, Trademarks, and Copyrights, subject to any disposition thereof which may have been made by Collateral Agent pursuant hereto or pursuant to the Transaction Documents.

7. **Collateral Agent's Right to Sue.** Upon and during the continuation of an Event of Default Collateral Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, Copyrights and/or Trademarks, and any licenses thereunder, and, if Collateral Agent shall commence any such suit, at such time as it is permitted to do so, Grantor shall, at the request of Collateral Agent, do any and all lawful acts and execute any and all proper documents required by Collateral Agent in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify Collateral Agent for all reasonable costs and expenses incurred by Collateral Agent in the exercise of its rights under this Section 7.

8. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

9. **Modification.** Except as specifically provided in **Section 4** hereof none of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Collateral Agent and the Grantor.

10. **Cumulative Remedies; Power of Attorney; Effect on Transaction Documents.** All of Collateral Agent's rights and remedies with respect to the Patents, Trademarks, and Copyrights, whether established hereby or by the Transaction Documents, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. In connection with Collateral Agent's exercise of its remedies under **Section 7** of the Security Agreement upon and during the continuation of an Event of Default, Grantor hereby authorizes Collateral Agent to make, constitute and appoint any officer or agent of Collateral Agent as Collateral Agent may select, in its sole discretion, as Grantor's true and lawful attorney-in-fact, with power to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the use by Agent, Lenders, Noteholders or their respective successors or assigns of the Patents, Trademarks, and/or Copyrights, (ii) take any other actions with respect to the Patents, Trademarks, and/or Copyrights as the Collateral Agent reasonably deems in the best interest of the Collateral Agent, Lenders and Noteholders, (iii) grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to anyone, subject to licenses in effect as of the date of such grant or issuance, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks, and/or Copyrights to anyone, including Collateral Agent. Collateral Agent may act under such power of attorney to take the actions referenced in **Section 4** hereof. Grantor 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 Secured Obligations shall have been paid in full and each of the other contingent obligations included in the Secured Obligations (other than Qualified Residual Obligations), shall have been cancelled or terminated. Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Collateral Agent, Lenders or Noteholders under the Transaction Documents but rather is intended to facilitate the exercise of such rights and remedies given it by the terms of the Security Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks, Copyrights or Licenses may be located.

11. **Binding Effect; Benefits.** This Agreement shall be binding upon the Grantor and its successors and assigns, and shall inure to the benefit of Collateral Agent, Lenders, Noteholders and their respective nominees, successors and assigns.

12. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

13. **Waivers.** Neither the failure nor any delay on the part of Collateral Agent to exercise any right, remedy, power or privilege under this Agreement or the Transaction Documents upon the occurrence of any Event of Default or otherwise shall operate as a waiver thereof or impair any such right, remedy, power or privilege. No Waiver of any Event of Default shall affect any later Event of Default or shall impair any rights of Collateral Agent. No single, partial or full exercise of any rights, remedies, powers and privileges by the Collateral Agent shall preclude further or other exercise thereof. No course of dealing between Collateral Agent

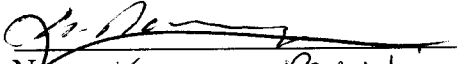
and Grantor shall operate as or be deemed to constitute a waiver of Collateral Agent's rights under this Agreement or the Transaction Documents or affect the duties or obligations of Grantor.

14. **Amended and Restated Assignment.** This Assignment constitutes the amendment and restatement of that certain Collateral Assignment of Patents, Trademarks, License and Copyrights dated June 29, 2004 by Assignor for the benefit of Collateral Agent (the "Prior Assignment"). Nothing contained herein shall be deemed to constitute a novation, termination, waiver, release, satisfaction, accord or accord and satisfaction of the Prior Assignment, the obligations evidenced thereby or the security granted thereunder as it relates to the Secured Obligations owing to the Noteholders and the Collateral Agent.

[SIGNATURES ON FOLLOWING PAGE]

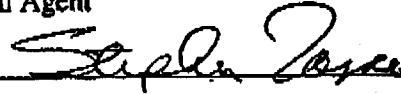
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement the day and year first above written.

FIRST QUALITY NONWOVENS, INC.

By: 
Name: Keviz Ramgani
Title: Executive VP

Attest: 
Name: Moshé Oppenheim
Title:

JPMORGAN CHASE BANK, N.A.,
as Collateral Agent

By: 

Name:

Title:

Stephen Zajac
Vice President

[Signature Page to Grant of Security Interest in Patents, Trademarks, Licenses and Copyrights]

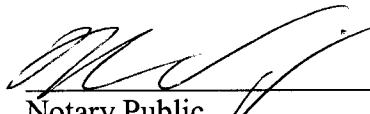
ACKNOWLEDGMENT

STATE OF NEW YORK :

:SS:

COUNTY OF NASSAU :

On this 31st day of January, 2006, before me, a Notary Public, personally appeared Kambiz Damaghi, who acknowledged himself to be a duly acting Exec VP of First Quality Nonwovens, Inc., a Pennsylvania Corporation, and that he as such officer, being duly authorized to do so, executed the foregoing Agreement for the purposes therein contained by signing his name as such officer on behalf of the corporation.



Notary Public
My Commission Expires: 4/1/06

MOSHE R. OPPENHEIM
NOTARY PUBLIC, State of New York
No. 020P5067875
Qualified in ~~Queens County~~ Brooklyn County
Commission Expires April 1, ~~2006~~ 2006

EXHIBIT "A"

TO

**AMENDED AND RESTATED GRANT OF SECURITY INTEREST
IN PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS**

Patents

<u>Patent Serial No.</u>	<u>Filing Date</u>	<u>Title</u>
10/670,108	24-Sep-2003	ACQUISITION/DISTRIBUTION LAYER AND METHOD OF MAKING SAME
09/816,666	26-Mar-2001	ACQUISITION/DISTRIBUTION LAYER AND METHOD OF MAKING SAME
09/817,013	23-Mar-2001	CONDRAPABLE HYDROPHOBIC NONWOVEN WEB AND METHOD OF MAKING SAME
10/603,298	25-Jun-2003	CONDRAPABLE HYDROPHOBIC NONWOVEN WEB AND METHOD OF MAKING SAME
10/938,079	10-Sep-2004	HYDROENGORGED SPUNMELT NONWOVENS
09/594,231	14-Jun-2000	IMPROVED METHOD OF MAKING MEDIA OF CONTROL POROSITY AND PRODUCT THEREOF
09/613,469	10-Jul-2000	IMPROVED NONWOVEN FABRIC WITH HIGH CD ELONGATION AND METHOD OF MAKING SAME
09/334,587	16-Jun-1999	METHOD OF MAKING MEDIA OF CONTROLLED POROSITY AND PRODUCT THEREOF

09/496,687	02-Feb-2000	METHOD OF MAKING MEDIA OF CONTROLLED POROSITY AND PRODUCT THEREOF
09/971,797	05-Oct-2001	METHOD OF MAKING NONWOVEN WITH NON-SYMMETRICAL BONDING CONFIGURATION
09/460,659	13-Dec-1999	NONWOVEN FABRIC WITH HIGH CD ELONGATION AND METHOD OF MAKING SAME
09/373,826	13-Aug-1999	NONWOVEN FABRIC WITH HIGH CD ELONGATION AND METHOD OF MAKING SAME
09/953,390	14-Sep-2001	NONWOVEN FABRIC WITH HIGH CD ELONGATION AND METHOD OF MAKING SAME
09/613,192	10-Jul-2000	NONWOVEN WITH NON-SYMMETRICAL BONDING CONFIGURATION
09/460,660	13-Dec-1999	NONWOVEN WITH NON-SYMMETRICAL BONDING CONFIGURATION
11/107,555	15-Apr-2005	PLASTICALLY DEFORMABLE NONWOVEN WEB

EXHIBIT "B"

TO

**AMENDED AND RESTATED GRANT OF SECURITY INTEREST
IN PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS**

Registered Trademarks

Trademark	Reg. No.	Reg. Date
COMBAR	3,002,505	27-Sep-2005
PILLOW BOND		

Trademark Applications

Trademark	Serial No.	Filing Date
PILLOW BOND PLUS	78/161,396	06-Sep-2002

EXHIBIT "C"

TO

**AMENDED AND RESTATED GRANT OF SECURITY INTEREST
IN PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS**

Copyrights

NONE