

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
Gammill, Inc., a Delaware corporation	09/15/2006
RECEIVING PARTY DATA	
Name:	ORIX Finance, Corp., a Delaware corporation
Street Address:	1717 Main Street, Suite 1100
City:	Dallas
State/Country:	TEXAS
Postal Code:	75201
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	5001997
CORRESPONDENCE DATA	
Fax Number:	(214)758-1550
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	2147581500
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Correspondent Name:	Darren W. Collins
Address Line 1:	2001 Ross Avenue; Suite 3000
Address Line 2:	Patton Boggs LLP
Address Line 4:	Dallas, TEXAS 75201
ATTORNEY DOCKET NUMBER:	022716.0110
NAME OF SUBMITTER:	Darren W. Collins
Total Attachments: 6 source=Patent#page1.tif source=Patent#page2.tif source=Patent#page3.tif	

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PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT, dated as of September 15, 2006, is made by GAMMILL, INC., a Delaware corporation ("Grantor"), in favor of ORIX FINANCE CORP., a Delaware corporation, for itself, as a lender, and as agent for the Lenders (as defined below) (in such capacities, "Agent").

W I T N E S S E T H:

WHEREAS, pursuant to that certain Credit Agreement, dated as of September 15, 2006, by and among Grantor, Agent and the several financial institutions from time to time party thereto (collectively, the "Lenders") (including all annexes, exhibits and schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), the Lenders have agreed to make the Loans to Grantor;

WHEREAS, in connection with the Credit Agreement and the other Loan Documents, Grantor shall have executed and delivered to Agent, for the benefit of itself and the other Lenders, that certain Security Agreement dated as of the date hereof (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement");

WHEREAS, pursuant to the Security Agreement, Grantor is required to execute and deliver to Agent, for the benefit of itself and the other Lenders, this Patent Security Agreement;

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, Grantor hereby agrees as follows:

1. **DEFINED TERMS.** All capitalized terms used but not otherwise defined herein have the meanings given to them in the Credit Agreement. The following terms have the meanings set forth below:

(a) "Patents" means all of the following in which Grantor now holds or hereafter acquires any interest: (a) all letters patent of the United States or of any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or of any other country, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State, or any other country, and (b) all reissues, continuations, continuations-in-part or extensions thereof.

(b) "Patent License" means rights under any written agreement now owned or hereafter acquired by Grantor granting any right with respect to any invention on which a Patent is in existence.

2. **GRANT OF SECURITY INTEREST IN PATENT COLLATERAL.** Grantor hereby grants to Agent, on behalf of itself and the Lenders, a continuing first priority security interest 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 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 Agent, on behalf of itself and the Lenders, pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of 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.

[Remainder of page intentionally left blank; 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.

GAMMILL, INC.

By: 

Name: RONALD D. PARKER

Title: CEO

Patent Security Agreement

022716.0100:380305

ACKNOWLEDGMENT OF GRANTOR

STATE OF Missouri)
COUNTY OF Howell) ss.

On this 12 day of September, 2006 before me personally appeared Ronald Parker, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Gammill, Inc. who being by me duly sworn did depose and say that he is an authorized officer of said company, that the said instrument was signed on behalf of said company authorized by its board of directors and that he acknowledged said instrument to be the free act and deed of said company.

Kathy L. Henderson
{seal} Notary Public

KATHY L. HENDERSON
Notary Public - Notary Seal
STATE OF MISSOURI
Howell County - Comm.#06397019
My Commission Expires April 23, 2010

ORIX FINANCE CORP., as Agent

By: Kayle Green
Name: _____
Title: _____ Kayle Green _____
Director _____

SCHEDULE I TO PATENT SECURITY AGREEMENT

Patent 5,001,997, "Sewing Mechanism for Quilting Machine", issued March 26, 1991

Patent Applications – NONE

Patent Licenses - NONE
