

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
InterfaceFABRIC, Inc.	08/31/2007

RECEIVING PARTY DATA

Name:	Wachovia Capital Finance Corporation (New England)
Street Address:	One Post Office Square, Suite 3600
City:	Boston
State/Country:	MASSACHUSETTS
Postal Code:	02109

PROPERTY NUMBERS Total: 22

Property Type	Number
Application Number:	09800368
Application Number:	09075595
Patent Number:	0675167
Patent Number:	0559972
Application Number:	08084490
Patent Number:	0891048
Patent Number:	0794242
Patent Number:	0838896
Patent Number:	0838924
Application Number:	07848011
Application Number:	08005892
Application Number:	08003007
Application Number:	08222483
Application Number:	08546261
Application Number:	08546262

PATENT

500356736

REEL: 019843 FRAME: 0108

OP \$880.00 09800368

Application Number:	08615851
Application Number:	08705030
Application Number:	09086222
Application Number:	08968721
Application Number:	08958962
Application Number:	09107922
Application Number:	08885745

CORRESPONDENCE DATA

Fax Number: (917)368-7136
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 212-905-3662
Email: mfarinas@oshr.com
Correspondent Name: Mercedes Farinas
Address Line 1: 230 Park Avenue
Address Line 2: Otterbourg, Steindler, Houston & Rosen
Address Line 4: New York, NEW YORK 10169

NAME OF SUBMITTER:	Mercedes Farinas
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Total Attachments: 22
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**RECORDATION FORM COVER SHEET
PATENTS ONLY**

To the director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

InterfaceFABRIC, Inc.

Execution Date(s) August 31, 2007

Additional names of conveying parties attached? ☐ Yes

☒ No

2. Name and address of receiving party(ies)

Name: Wachovia Capital Finance Corporation (New England)

Internal
Address: _____

Street Address: One Post Office Square, Suite 3600

City: Boston

State: MA

Country: USA

Zip: 02109

Additional names, addresses, or citizenship attached? ☐ Yes ☒ No

3. Nature of conveyance:

☐ Assignment

☐ Merger

☒ Security Agreement

☐ Change of Name

☐ Government Interest

☐ Executive Order 9424, confirmatory License

☐ Other _____

4. Application or patent number(s)

☐ This document is being filed together with a new application.

A. Patent Application No. (s)

See Attached Exhibit A

B. Patent No.(s)

See Attached Exhibit A

Additional numbers attached? ☒ Yes ☐ No

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

Name: Mercedes Farinas

Internal Address: Otterbourg, Steindler, Houston &
Rosen, P.C.

Street Address: 230 Park Avenue

City: New York

State: New York

Zip: 10169

Phone Number: 212 -905-3662

Fax Number: 917-368-7136

Email Address: mfarinas@oshr.com

6. Total number of applications and registrations involved: 22

7. Total fee (37 CFR 1.21(h) & 3.41) \$

☐ Authorized to be charged by credit card

☐ Authorized to be charged to deposit account

☐ Enclosed

☐ None required (government interest not affecting title)

8. Payment Information:

a. Credit Card

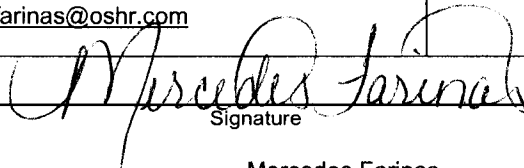
Last 4 Numbers _____

Expiration Date

b. Deposit Account Number _____

Authorized User Name: _____

9. Signature:


Signature

Mercedes Farinas

Name of Person Signing

9/11/06
Date

Total number of pages including cover sheet, attachments, and document. 22

Documents to be recorded (including cover sheet) should be faxed to (703) 306-6995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (this "Agreement"), dated August 31, 2007, is by and between InterfaceFABRIC, Inc., a Delaware corporation ("Debtor"), with its chief executive office at 9 Oak Street, Guilford, Maine 04443, and Wachovia Capital Finance Corporation (New England), a Massachusetts corporation, in its capacity as agent pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders and as otherwise provided therein (in such capacity, "Agent"), having an office at One Post Office Square, Boston, Massachusetts 02109.

W I T N E S S E T H :

WHEREAS, Debtor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the patents and applications therefor described in Exhibit A hereto and made a part hereof;

WHEREAS, Agent and the parties to the Loan Agreement as lenders (individually, each a "Lender" and collectively, "Lenders") have entered or are about to enter into financing arrangements pursuant to which Lenders (or Agent on behalf of Lenders) may make loans and advances and provide other financial accommodations to Debtor as set forth in the Loan and Security Agreement, dated of even date herewith, by and among Agent, Lenders, Debtor and certain affiliates of Debtor (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and the other Financing Agreements (as defined in the Loan Agreement); and

WHEREAS, in order to induce Agent and Lenders to enter into the Loan Agreement and the other Financing Agreements and to make loans and advances and provide other financial accommodations to Debtor pursuant thereto, Debtor has agreed to grant to Agent certain collateral security as set forth herein;

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

1. Grant of Security Interest. As collateral security for the prompt performance, observance and payment in full of all of the Obligations (as defined in the Loan Agreement), Debtor hereby grants to Agent (for itself and on behalf of the Secured Parties) a continuing security interest in and a general lien upon, and a conditional assignment of, the following (being collectively referred to herein as the "Collateral"): (a) all of Debtor's now existing or hereafter acquired right, title, and interest in and to all of Debtor's patents and all applications for registration, registrations and recordings relating to the foregoing as may at any time be filed in the United States Patent and Trademark Office, the Canadian Intellectual Property Office or in any similar office or agency in the United States of America or Canada, any State or Province thereof, any political subdivision thereof or in any other country, including, without limitation, patents, and applications described in Exhibit A hereto, together with all rights and privileges

arising under applicable law with respect to Debtor's use of any patents, and all reissues, divisions, continuations and renewals thereof (all of the foregoing being collectively referred to herein as the "Patents"); (b) all present and future license and distribution agreements (subject to the rights of the licensors therein) pertaining to the Patents, (c) all income, fees, royalties and other payments at any time due or payable with respect thereto, including, without limitation, payments under all licenses at any time entered into in connection therewith; (d) the right to sue for past, present and future infringements thereof; (e) all rights corresponding thereto throughout the world; and (f) any and all other proceeds of any of the foregoing, including, without limitation, all damages and payments or claims by Debtor against third parties for past or future infringement of the Patents. Notwithstanding anything to the contrary contained in this Section 1, the Collateral shall not include any rights or interest in any contract, license or license agreement covering personal property of Debtor, so long as under the terms of such contract, license or license agreement, or applicable law with respect thereto, the grant of a security interest or lien therein to Agent, for itself and the benefit of the other Secured Parties, is prohibited and such prohibition has not been or is not waived or the consent of the other party to such contract, license or license agreement has not been or is not otherwise obtained; provided, that, the foregoing exclusion shall in no way be construed (i) to apply if any such prohibition is unenforceable under the Uniform Commercial Code or other applicable law or (ii) so as to limit, impair or otherwise affect Agent's unconditional continuing security interests in and liens upon any rights or interests of such Debtor in or to monies due or to become due under any such contract, license or license agreement.

2. Obligations Secured. The security interest, lien and other interests granted to Agent, for itself and the benefit of the other Secured Parties, pursuant to this Agreement shall secure the prompt performance, observance and payment in full of any and all of the Obligations.

3. Representations, Warranties and Covenants. Debtor hereby represents, warrants and covenants with and to Agent the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding):

(a) Debtor shall pay and perform all of the Obligations according to their terms.

(b) To Debtor's knowledge, all of the existing Patents are valid and subsisting in full force and effect, and Debtor owns the sole, full and clear title thereto, and the right and power to grant the security interest and conditional assignment granted hereunder. Debtor shall, at Debtor's expense, perform all acts and execute all documents necessary to maintain the existence of registered Patents including, without limitation, the filing of any renewal affidavits and applications. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests or encumbrances of any nature whatsoever, except: (i) the security interests granted hereunder and pursuant to the Loan Agreement, (ii) the security interests permitted under the Loan Agreement, and (iii) the licenses permitted under Section 3(e) below.

(c) Debtor shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating to the Collateral, or otherwise dispose of any of the Collateral, in each case without the prior written consent of Agent, except as otherwise permitted herein or in the Loan Agreement. Nothing in this Agreement shall be deemed a consent by Agent or any other Secured Party to any such action, except as such action is expressly permitted hereunder.

(d) Debtor shall, at Debtor's expense, promptly perform all acts and execute all documents reasonably requested at any time by Agent to evidence, perfect, maintain, record or enforce the security interest in and conditional assignment of the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Agent to execute and file one or more financing statements (or similar documents) with respect to the Collateral, signed (if applicable) only by Agent or as otherwise determined by Agent. Debtor further authorizes Agent to have this Agreement or any other similar security agreement filed with the United States Commissioner of Patents and Trademarks, the Canadian Intellectual Property Office or any other appropriate federal, state or government office.

(e) As of the date hereof, to its knowledge Debtor does not have any Patents registered, or subject to pending applications, in the United States Patent and Trademark Office, the Canadian Intellectual Property Office or in any similar office or agency in the United States of America or Canada, any State or Province thereof, or any political subdivision thereof, other than those described in Exhibit A hereto and has not granted any licenses with respect thereto other than as set forth in Exhibit B hereto.

(f) Debtor shall, concurrently with the execution and delivery of this Agreement, execute and deliver to Agent five (5) originals of a Special Power of Attorney in the form of Exhibit C annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Agent's exercise of the rights and remedies granted to Agent hereunder.

(g) Agent may, in its discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by Agent to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral, or the security interest and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, reasonable attorneys' fees and legal expenses. Debtor shall be liable to Agent for any such payment, which payment shall be deemed an advance by Agent to Debtor, shall be payable on demand together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

(h) Debtor shall notify Agent within thirty (30) days of filing any application for the registration of a Patent with the United States Patent and Trademark Office, the Canadian Intellectual Property Office or in any similar office or agency in the United States of America or Canada, any State or Province thereof, any political subdivision thereof or in any other country. If, after the date hereof, Debtor shall (i) obtain any patent, including any reissue, division, continuation, continuation in part, or extension of any patent, file any patent application, including any application for reissue or extension of any patent, or any divisional, continuation, or continuation in part application in the United States Patent and Trademark Office, the Canadian Intellectual Property Office or in any similar office or agency in the United States of America or Canada, any State or Province thereof, any political subdivision thereof or in any other country, or (ii) become the owner of any patent or patent applications used in the United States of America or Canada, any State or Province thereof, political subdivision thereof or in any other country, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request of Agent, Debtor shall promptly execute and deliver to Agent any and all assignments, agreements, instruments, documents and such other papers as may be requested by Agent to evidence the security interest in and conditional assignment of such Patent in favor of Agent.

(i) Debtor has not abandoned any of the Patent and Debtor will not do any act, nor omit to do any act, whereby the Patents may become abandoned, invalidated, unenforceable, avoided, or avoidable; provided, that, Debtor may, after written notice to Agent, abandon, cancel, not renew or otherwise not maintain a Patent so long as (i) such Patents is no longer used or useful in the business of Debtor or any of its affiliates or subsidiaries, (ii) such Patent has not been used in the business of Debtor or any of its affiliates or subsidiaries for a period of six (6) consecutive months, (iii) such Patent is not otherwise material to the business of Debtor or any of its affiliates or subsidiaries in any respect, (iv) such Patent has little or no value, and (v) no Default or Event of Default shall exist or have occurred as of such time. Debtor shall notify Agent promptly if it knows of any reason why any application, registration, or recording with respect to the Patent may become abandoned, canceled, invalidated, avoided, or avoidable.

(j) Debtor shall render any assistance, as Agent shall determine is necessary, to Agent in any proceeding before the United States Patent and Trademark Office, the Canadian Intellectual Property Office, any federal or state court, or any similar office or agency in the United States of America or Canada, any State or Province thereof, any political subdivision thereof or in any other country, to maintain such application and registration of the Patents as Debtor's exclusive property and to protect Agent's interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

(k) To Debtor's knowledge, (i) no material infringement or unauthorized use presently is being made of any of the Patents that would adversely affect in any material respect the fair market value of the Collateral or the benefits of this Agreement granted to Agent, including, without limitation, the validity, priority or perfection of the security interest granted herein or the remedies of Agent hereunder and (ii) there has been no judgment holding any of the Patents invalid or unenforceable, in whole or in part, nor is the validity or enforceability of any of the Patents presently being questioned in any litigation or proceeding to which Debtor is a party. Debtor shall promptly notify Agent if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any process or product which infringes on any Patent. If requested by Agent, Debtor, at Debtor's expense, shall join with Agent in such action as Agent, in Agent's discretion, may deem advisable for the protection of Agent's interest in and to the Patents.

(l) Debtor assumes all responsibility and liability arising from the use of the Patents and Debtor hereby indemnifies and holds Agent and the other Secured Parties harmless from and against any claim, suit, loss, damage, or expense (including reasonable attorneys' fees and legal expenses) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Patent or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof). The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Loan Agreement.

(m) Debtor shall promptly pay Agent for any and all reasonable expenditures made by Agent pursuant to the provisions of this Agreement or for the defense, protection or enforcement of the Obligations, the Collateral, or the security interests and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and reasonable attorneys' fees and legal expenses. Such expenditures

shall be payable on demand, together with interest at the rate then applicable to the Obligations set forth in the Financing Agreements and shall be part of the Obligations secured hereby.

4. Events of Default. The occurrence or existence of any Event of Default under the Loan Agreement is referred to herein individually as an "Event of Default", and collectively as "Events of Default".

5. Rights and Remedies. At any time an Event of Default exists or has occurred and is continuing, in addition to all other rights and remedies of Agent or any of the other Secured Parties, whether provided under this Agreement, the Loan Agreement, the other Financing Agreements, applicable law or otherwise, Agent shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor except as such notice or consent is expressly provided for hereunder:

(a) Agent may require that neither Debtor nor any affiliate or subsidiary of Debtor make any use of the Patents for any purpose whatsoever. Agent may make use of any Patents for the sale of goods, completion of work-in-process or rendering of services or otherwise in connection with enforcing any other security interest granted to Agent by Debtor or any subsidiary or affiliate of Debtor or for such other reason as Agent may determine.

(b) Agent may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Agent shall in its discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America or Canada, its territories and possessions, and all foreign countries.

(c) Agent may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to Debtor of intended disposition of Collateral is required by law, the giving of ten (10) days prior written notice to Debtor of any proposed disposition shall be deemed reasonable notice thereof and Debtor waives any other notice with respect thereto. Agent shall have the power to buy the Collateral or any part thereof, and Agent shall also have the power to execute assurances and perform all other acts which Agent may, in its discretion, deem appropriate or proper to complete such assignment, sale, or disposition. In any such event, Debtor shall be liable for any deficiency.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to the terms hereof, upon the occurrence and during the continuance of an Event of Default, Agent may at any time execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in Section 3(f) hereof, one or more instruments of assignment of the Patents (or any application for registration, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Debtor agrees to pay Agent on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and reasonable attorneys' fees and legal expenses. Debtor agrees that Agent and the other Secured Parties have no obligation to preserve rights to the Patents against any other parties.

(e) Agent may first apply the proceeds actually received from any such license, assignment, sale or other disposition of any of the Collateral to the costs and expenses thereof,

including, without limitation, reasonable attorneys' fees and all legal, travel and other expenses which may be incurred by Agent. Thereafter, Agent shall apply any remaining proceeds to the Obligations in such order and manner as set forth in the Loan Agreement. Debtor shall remain liable to Agent and any of the other Secured Parties for any of the Obligations remaining unpaid after the application of such proceeds, and Debtor shall pay Agent on demand any such unpaid amount, together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement.

(f) Debtor shall supply to Agent or to Agent's designee, Debtor's knowledge and expertise relating to the manufacture, sale and distribution of the products and services to which the Patents relate and Debtor's customer lists and other records relating to the Patents and the distribution thereof.

(g) Nothing contained herein shall be construed as requiring Agent or any other Secured Party to take any such action at any time. All of Agent's and the other Secured Parties' rights and remedies, whether provided under this Agreement, the other Financing Agreements, applicable law, or otherwise, shall be cumulative and not exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently. No failure or delay on the part of Agent or any other Secured Party in exercising any of its options, powers or rights or partial or single exercise thereof, shall constitute a waiver of such option, power or right.

6. Jury Trial Waiver; Other Waivers and Consents; Governing Law.

(a) The validity, interpretation and enforcement of this Agreement and any dispute arising hereunder, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York, but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

(b) Each of Debtor and Agent irrevocably consents and submits to the non-exclusive jurisdiction of the Supreme Court of New York County, New York and the United States District Court for the Southern District of New York, whichever Agent may elect, and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Agreement or any of the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agrees that any dispute with respect to any such matters shall be heard only in the courts described above (except that Agent shall have the right to bring any action or proceeding against Debtor or its property in the courts of any other jurisdiction which Agent deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Debtor or its property).

(c) Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Agent's option, by service upon Debtor in any other manner provided under the rules of any such courts.

(d)DEBTOR AND AGENT EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF DEBTOR AND AGENT OR ANY OF THE OTHER SECURED PARTIES IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTOR AND AGENT EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT DEBTOR OR AGENT MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF DEBTOR AND AGENT TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e)Notwithstanding any other provision contained herein, Agent and the other Secured Parties shall not have any liability to Debtor (whether in tort, contract, equity or otherwise) for losses suffered by Debtor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Agent and such Secured Party, that the losses were the result of acts or omissions constituting gross negligence or willful misconduct by Agent or such of the other Secured Parties. In any such litigation, Agent and each of the other Secured Parties shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Agreement and the other Financing Agreements.

7. Miscellaneous.

(a)All notices, requests and demands hereunder shall be in writing and deemed to have been given or made: if delivered in person, immediately upon delivery; if by facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next Business Day, one (1) Business Day after sending; and if by certified mail, return receipt requested, five (5) days after mailing. Notices delivered through electronic communications shall be effective to the extent set forth in Section 7(b) below. All notices, requests and demands upon the parties are to be given to the following addresses (or to such other address as any party may designate by notice in accordance with this Section):

If to Debtor:	c/o InterfaceFABRIC, Inc. 304 East Main Street Elkin, North Carolina 28621 Attention: Kim Thompson Telephone No.: 336-526-0551 Telecopy No.: 336-526-2037
with a copy to:	Sun Capital Partners, Inc. 5200 Town Center Circle, Suite 470

	Boca Raton, Florida 33486 Attention: C. Deryl Couch, Esq. Telephone No.: 561-394-0550 Telecopy No.: 561-394-0540
with a copy to:	Morgan, Lewis & Bockius LLP 1701 Market Street Philadelphia, Pennsylvania 19103 Attention: Michael J. Pedrick Telephone No.: 215-963-4808 Telecopy No.: 215-963-5001
If to Agent:	Wachovia Capital Finance Corporation (New England), as Agent One Post Office Square Boston, Massachusetts 02109 Attention: Portfolio Manager Telephone No: 617-338-1998 Telecopy No.: 617-338-1497

(b) Notices and other communications to Agent hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by Agent or as otherwise determined by Agent. Unless Agent otherwise requires, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided, that, if such notice or other communication is not given during the normal business hours of the recipient, such notice shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communications is available and identifying the website address therefor.

(c) Capitalized terms used herein and not defined herein shall have the meanings specified in the Loan Agreement. All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Debtor, Agent, any Lender or any Secured Party pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof," "herein," "hereunder," "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 11.3 of the Loan Agreement or is cured in a manner satisfactory to Agent. All references to the term "Person" or "Persons" herein shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), limited liability company, limited liability partnership, business trust,

unincorporated association, joint stock company, trust, joint venture or other entity or any government or any agency, instrumentality or political subdivision thereof.

(d) This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon Debtor and its successors and assigns and inure to the benefit of and be enforceable by Agent and its successors and assigns.

(e) If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

(f) Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of each of Debtor and Agent. Neither Agent nor any of the other Secured Parties shall, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of their respective rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Agent. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Agent of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Agent would otherwise have on any future occasion, whether similar in kind or otherwise.

(g) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Debtor and Agent have executed this Agreement as of the day and year first above written.

INTERFACEFABRIC, INC.

By: 

Name: Kim Thompson

Title: CFO, Treasurer and Secretary

WACHOVIA CAPITAL FINANCE
CORPORATION (NEW ENGLAND), as Agent

By: _____

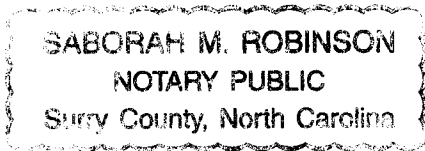
Name: Jessica Benevides-Caron

Title: Vice President

[Patent Agreement - InterfaceFABRIC, Inc.]

STATE OF NORTH CAROLINA)
) ss.:
COUNTY OF SURRY)

On this 25 day of August, 2007, before me personally came Kim Thompson, to me known, who being duly sworn, did depose and say, that he/she is the CFO, Treasurer and Secretary of InterfaceFABRIC, Inc., the corporation described in and which executed the foregoing instrument; and that he/she signed his/her name thereto by order of the Board of Directors of said corporation.



Saborah M. Robinson
Notary Public
Saborah M. Robinson
My Commission Expires 4-1-2011

COMMONWEALTH OF MASSACHUSETTS)
) ss.:
COUNTY OF SUFFOLK)

On this ___th day of August 2007, before me personally came Jessica Benevides-Caron, to me known, who, being duly sworn, did depose and say, that he/she is the Vice President of Wachovia Capital Finance Corporation (New England), the entity described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said entity.

Notary Public

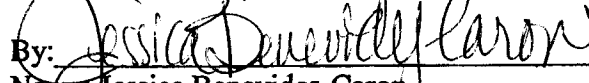
[Patent Agreement - InterfaceFABRIC, Inc.]

IN WITNESS WHEREOF, Debtor and Agent have executed this Agreement as of the day and year first above written.

INTERFACEFABRIC, INC.

By: _____
Name: Kim Thompson
Title: CFO, Treasurer and Secretary

WACHOVIA CAPITAL FINANCE
CORPORATION (NEW ENGLAND), as Agent

By: 
Name: Jessica Benevides-Caron
Title: Vice President

[Patent Agreement - InterfaceFABRIC, Inc.]

STATE OF NORTH CAROLINA)
) ss.:
COUNTY OF SURRY)

On this ___th day of August 2007, before me personally came Kim Thompson, to me known, who being duly sworn, did depose and say, that he/she is the CFO, Treasurer and Secretary of InterfaceFABRIC, Inc., the corporation described in and which executed the foregoing instrument; and that he/she signed his/her name thereto by order of the Board of Directors of said corporation.

Notary Public

COMMONWEALTH OF MASSACHUSETTS)
) ss.:
COUNTY OF SUFFOLK)

On this 30th day of August 2007, before me personally came Jessica Benevides-Caron, to me known, who, being duly sworn, did depose and say, that he/she is the Vice President of Wachovia Capital Finance Corporation (New England), the entity described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said entity.

Michelle Simon Long
Notary Public



MICHELLE SIMON LONG
Notary Public
Commonwealth of Massachusetts
My Commission Expires
October 27, 2011

[Patent Agreement - InterfaceFABRIC, Inc.]

**EXHIBIT A
TO
PATENT COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

LIST OF PATENTS

See Schedule 1.A attached hereto

Patents

IRC NO.	ASSIGNEE	TITLE	COUNTRY	SERIAL NUMBER	FILING DATE	PATENT NO.	ISSUE DATE	EXPIRATION DATE
IRC/297	CHATHAM, INC.	MOISTURE BARRIER FABRIC AND METHODS OF MAKING SAME	United States of America	9800368	6-Mar-01	6839945	11-Jan-05	6-Mar-21
	CHATHAM, INC.	CHENILLE YARN FOR HIGH SPEED WEAVING APPLICATIONS AND IMPROVED PRODUCT WEAR PERFORMANCE	United States of America	9075595	11-May-98	6107218	22-Aug-00	11-May-18
IRC/243	INTERFACE, INC.	FABRIC TREATMENT AND METHOD FOR MAKING THE SAME	European Patent Office	989313887	18-Jun-98	993531	7-Mar-07	30-Jun-18
Lear INC.	INTERFACE, INC.	FABRIC AND KNITTING	Germany	6008153	8-Jun-92	69208153.4	7-Feb-96	8-Jun-12
Lear INC.	INTERFACE, INC.	A KNITTED COVER	Germany	6017721	6-May-97	69717721	11-Dec-02	6-May-17
Lear INC.	INTERFACE, INC.	A KNITTED COVER	Germany	6016910	8-May-98	69816910	6-Aug-03	8-May-18
Lear INC.	INTERFACE, INC.	UPHOLSTERY FABRIC AND METHOD OF MANUFACTURING THE SAME	Germany	6016894	5-Apr-94	69416894	10-Mar-99	5-Apr-14
IRC/243	INTERFACE, INC.	FABRIC TREATMENT AND METHOD FOR MAKING THE SAME	Ireland	989313887	18-Jun-98	993531	7-Mar-07	30-Jun-18
IRC/243	INTERFACE, INC.	FABRIC TREATMENT AND METHOD FOR MAKING THE SAME	Italy	989313887	18-Jun-98	993531	7-Mar-07	30-Jun-18
Lear INC.	INTERFACE, INC.	KNITTED FABRIC	Mexico	17719	27-Sep-89	174561	26-May-94	27-Sep-09
Lear INC.	INTERFACE, INC.	KNITTING METHOD	Mexico	17718	27-Sep-89	172044	30-Nov-93	27-Sep-09

IRC NO.	ASSIGNEE	TITLE	COUNTRY	SERIAL NUMBER	FILING DATE	PATENT NO.	ISSUE DATE	EXPIRATION DATE
Lear	INTERFACE, INC.	UPHOLSTERY FABRIC	Mexico	17717	27-Sep-89	174215	28-Apr-94	27-Sep-09
Lear	INTERFACE, INC.	FABRIC AND KNITTING	Mexico	9202767	10-Jun-92	176051	14-Sep-94	10-Jun-12
Lear	INTERFACE, INC.	FABRIC	Mexico	9102120	19-Nov-91	175875	31-Aug-94	
Lear	INTERFACE, INC.	HEAD RESTRAINT	Mexico	9300145	13-Jan-93	184035	18-Feb-97	13-Jan-13
Lear	INTERFACE, INC.	UPHOLSTERY FABRIC AND METHOD OF MANUFACTURING	Mexico	9402550	8-Apr-94	189639	14-Aug-98	8-Apr-14
Lear	INTERFACE, INC.	A KNITTED COVER	Mexico	9703432	9-May-97	204710	12-Oct-01	
Lear	INTERFACE, INC.	FABRIC AND KNITTING	Mexico	0025068	26-Mar-91	175492	1-Aug-94	26-Mar-11
Lear	INTERFACE, INC.	FABRIC	Mexico	9200814	26-Feb-92	177922	8-May-95	26-Feb-12
Lear	INTERFACE, INC.	FABRIC AND STRUCTURE	Mexico	9200815	26-Feb-92	177604	12-Apr-95	26-Feb-12
Lear	INTERFACE, INC.	KNITTING METHOD	Mexico	9504402	18-Oct-95	197307	3-Jul-00	18-Oct-15
IRC/243	INTERFACE, INC.	FABRIC TREATMENT AND METHOD FOR MAKING THE SAME	Netherlands	989313887	18-Jun-98	99531	7-Mar-07	30-Jun-18
IRC/243	INTERFACE, INC.	FABRIC TREATMENT AND METHOD FOR MAKING THE SAME	Spain	989313887	18-Jun-98	99531	7-Mar-07	30-Jun-18
Lear	INTERFACE, INC.	FABRIC AND KNITTING	United Kingdom	12762	13-Jun-91	2256654	29-Mar-95	16-Dec-12
Lear	INTERFACE, INC.	FABRIC AND KNITTING	United Kingdom	12109	8-Jun-92	2256655	30-Aug-95	8-Jun-12

IRC NO.	ASSIGNEE	TITLE	COUNTRY	SERIAL NUMBER	FILING DATE	PATENT NO.	ISSUE DATE	EXPIRATION DATE
Lear	INTERFACE, INC.	UPHOLSTERY FABRIC AND METHOD OF MANUFACTURING THE SAME	United Kingdom	6633	5-Apr-94	2277104	22-May-96	5-Apr-14
Lear	INTERFACE, INC.	A KNITTED COVER	United Kingdom	11297	3-Jun-97	2325941	22-Aug-01	3-Jun-17
IRC/243	INTERFACE, INC.	FABRIC TREATMENT AND METHOD FOR MAKING THE SAME	United Kingdom	989313887	18-Jun-98	993531	7-Mar-07	30-Jun-18
Lear	INTERFACE, INC.	KNITTED FABRIC HAVING LOW STRETCH FOR UPHOLSTERY	United States of America	675167	26-Mar-91	5209084	11-May-93	26-Mar-11
Lear	INTERFACE, INC.	KNITTED FABRIC	United States of America	559972	26-Jul-90	5027618	2-Jul-91	26-Jul-10
Lear	INTERFACE, INC.	KNITTING METHOD FOR FORMING INTEGRALLY FORMED JOINS FOR THREE DIMENSION FABRIC	United States of America	8084490	29-Jun-93	RE34723	13-Aug-91	13-Sep-11
Lear	INTERFACE, INC.	FABRIC AND KNITTING	United States of America	891048	1-Jun-92	5255538	26-Oct-93	1-Jun-12
Lear	INTERFACE, INC.	FABRIC	United States of America	794242	19-Nov-91	5232761	3-Aug-93	19-Nov-11
Lear	INTERFACE, INC.	FABRIC	United States of America	838896	21-Feb-92	5215807	1-Jun-93	21-Feb-12
Lear	INTERFACE, INC.	FABRIC AND STRUCTURE	United States of America	838924	21-Feb-92	5213863	25-May-93	21-Feb-12
Lear	INTERFACE, INC.	UPHOLSTERY FABRIC	United States of America	7848011	9-Mar-92	5235826	17-Aug-93	9-Mar-12
Lear	INTERFACE, INC.	COVER FOR VEHICLE HEAD RESTRAINT	United States of America	8005892	15-Jan-93	5405190	11-Apr-95	15-Jan-13
Lear	INTERFACE, INC.	UPHOLSTERY FABRIC	United States of America	8003007	11-Jan-93	5267454	7-Dec-93	11-Jan-13

IRC NO.	ASSIGNEE	TITLE	COUNTRY	SERIAL NUMBER	FILING DATE	PATENT NO.	ISSUE DATE	EXPIRATION DATE
Lear	INTERFACE, INC.	UPHOLSTERY FABRIC INCORPORATING CHENILLE YARN ON ONE FACE	United States of America	8222483	28-Mar-94	5428969	4-Jul-95	28-Mar-14
Lear	INTERFACE, INC.	KNITTING METHOD	United States of America	8546261	20-Oct-95	5626037	6-May-97	20-Oct-15
Lear	INTERFACE, INC.	KNITTING METHOD	United States of America	8546262	20-Oct-95	5577398	26-Nov-96	20-Oct-15
Lear	INTERFACE, INC.	KNITTED COVER	United States of America	8615851	12-Mar-96	5682771	4-Nov-97	12-Mar-16
Lear	INTERFACE, INC.	KNITTED COVER	United States of America	8705030	29-Aug-96	5887452	30-Mar-99	29-Aug-16
Lear	INTERFACE, INC.	KNITTED COVER	United States of America	9086222	28-May-98	6134923	24-Oct-00	28-May-18
Lear	INTERFACE, INC.	UPHOLSTERY FABRIC	United States of America	8968721	12-Nov-97	5992185	30-Nov-99	12-Nov-17
Lear	INTERFACE, INC.	KNITTED UPHOLSTERY FABRIC WITH TUBULAR FASTENING	United States of America	8958962	28-Oct-97	5890381	6-Apr-99	28-Oct-17
Lear	INTERFACE, INC.	VEHICLE SEAT COVER	United States of America	9107922	30-Jun-98	6151926	28-Nov-00	30-Jun-18
IRC/243	INTERFACE, INC.	METHOD OF MAKING FORMED FABRIC TREATMENTS	United States of America	8885745	30-Jun-97	6132666	17-Oct-00	30-Jun-17

**EXHIBIT B
TO
PATENT COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

LIST OF LICENSES

None

SPECIAL POWER OF ATTORNEY

STATE OF NORTH CAROLINA)
) ss.:
COUNTY OF SURRY)

On this ____ day of _____ 2007, before me personally came Kim Thompson to me known, who being duly sworn, did depose and say, that he is the CFO, Treasurer and Secretary of InterfaceFABRIC, Inc., the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

Notary Public