

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
Sage Automotive Interiors, Inc.	06/18/2010
RECEIVING PARTY DATA	
Name:	Wells Fargo Bank, National Association
Street Address:	171 17th Street, NW, 4th Floor
City:	Atlanta
State/Country:	GEORGIA
Postal Code:	30363
PROPERTY NUMBERS Total: 13	
Property Type	Number
Patent Number:	7674301
Patent Number:	6413632
Patent Number:	7086423
Patent Number:	5855991
Patent Number:	5856249
Patent Number:	6435221
Patent Number:	6475562
Patent Number:	7131158
Application Number:	11881439
Application Number:	11314113
Application Number:	11540053
Application Number:	11592886
Application Number:	12075279
CORRESPONDENCE DATA	

CH \$520.00 7674301

501209552

PATENT
REEL: 024555 FRAME: 0843

Fax Number: (704)350-7800

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

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ATTORNEY DOCKET NUMBER:

150024.07008

NAME OF SUBMITTER:

Betty G. Smith

Total Attachments: 12

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PATENT AND TRADEMARK SECURITY AGREEMENT

This Patent and Trademark Security Agreement (the "Agreement"), dated as of June 18, 2010, is made by and between Sage Automotive Interiors, Inc., a South Carolina corporation having a business location at the address set forth below next to its signature (the "Debtor"), and Wells Fargo Bank, National Association ("Wells Fargo"), and having a business location at the address set forth below next to its signature.

Recitals

A. Company and Wells Fargo are parties to a Credit and Security Agreement (as amended, supplemented or restated from time to time, the "Credit Agreement") dated the same date as this Agreement, setting forth the terms on which Wells Fargo may now or hereafter extend credit to or for the account of Company.

B. As a condition to extending credit to or for the account of Company, Wells Fargo has required the execution and delivery of this Agreement by Company.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them in the Credit Agreement. In addition, the following terms have the meanings set forth below:

"Patents" means all of Company's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

"Security Interest" has the meaning given in Section 2.

"Trademarks" means all of Company's right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, and (iv) licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. Security Interest. Company hereby irrevocably pledges and assigns to, and grants Wells Fargo a security interest (the "Security Interest") with power of sale to the extent permitted by law, in the Patents and in the Trademarks to secure payment of the

Indebtedness. As set forth in the Credit Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of Company. This Agreement grants only the Security Interest herein described, is not intended to and does not affect any present transfer of title of any trademark registration or application and makes no assignment and grants no right to assign or perform any other action with respect to any intent to use trademark application, unless such action is permitted under 15 U.S.C. § 1060.

3. Representations, Warranties and Agreements. Company represents, warrants and agrees as follows:

(a) **Existence; Authority.** Company is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of Company.

(b) **Patents.** Exhibit A accurately lists all Patents owned or controlled by Company as of the date hereof, or to which Company has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, Company owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then Company shall within 90 days provide written notice to Wells Fargo with a replacement Exhibit A, which upon acceptance by Wells Fargo shall become part of this Agreement.

(c) **Trademarks.** Exhibit B accurately lists all Trademarks owned or controlled by Company as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit B need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to Company's or any Affiliate's business(es). If after the date hereof, Company owns or controls any Trademarks not listed on Exhibit B (other than common law marks which are not material to Company's or any Affiliate's business(es)), or if Exhibit B ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then Company shall within 90 days provide written notice to Wells Fargo with a replacement Exhibit B, which upon acceptance by Wells Fargo shall become part of this Agreement.

(d) **Affiliates.** As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by Company, constitute Patents or Trademarks. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then Company shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to Company; or (ii) notify Wells Fargo of such item(s) and cause such Affiliate to

execute and deliver to Wells Fargo a patent and trademark security agreement substantially in the form of this Agreement.

(e) **Title.** Company has been assigned title to each Patent and each Trademark listed on Exhibits A and B, pursuant to (i) that certain Intellectual Property Rights Agreement dated September 4, 2009 by and among Milliken & Company, its wholly owned subsidiaries, Autotex Industria e Comercio Textil Ltda., Milliken Japan K.K., Milliken Industrials Limited, and Milliken China, Inc., and the Company (the "IPR Agreement"); and (ii) that certain Patent Assignment and License Agreement dated May 12, 2010 by and between Milliken & Company and the Company (the "Patent and License Assignment"). To the knowledge of Company, subject to the license granted to Milliken & Company and its subsidiaries, each Patent and each Trademark listed on Exhibits A and B are owned free and clear of all Liens except Permitted Liens.

(f) **No Sale.** Except as permitted in the Credit Agreement, Company will not assign, transfer, encumber or otherwise dispose of the Patents or Trademarks, or any interest therein, without Wells Fargo's prior written consent.

(g) **Defense.** Company will at its own expense and using commercially reasonable efforts, protect and defend the Patents and Trademarks against all claims or demands of all Persons other than those holding Permitted Liens.

(h) **Maintenance.** Company will at its own expense maintain the Patents and the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. Except to the extent the Company has determined that it is not reasonably advisable to maintain a Patent or Trademark as provided in the preceding sentence, Company covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing Wells Fargo: (i) sufficient written notice, of at least 30 days, to allow Wells Fargo to timely pay any such maintenance fees or annuities which may become due on any Patents or Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(i) **Wells Fargo's Right to Take Action.** If Company fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after Wells Fargo gives Company written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or

lapse of time), or if Company notifies Wells Fargo that it intends to abandon a Patent or Trademark, Wells Fargo may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of Company (or, at Wells Fargo's option, in Wells Fargo's own name) and may (but need not) take any and all other actions which Wells Fargo may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(j) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Company shall pay Wells Fargo on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Wells Fargo in connection with or as a result of Wells Fargo's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by Wells Fargo at the Default Rate.

(k) **Power of Attorney.** To facilitate Wells Fargo's taking action under subsection (i) and exercising its rights under Section 6, Company hereby irrevocably appoints (which appointment is coupled with an interest) Wells Fargo, or its delegate, as the attorney-in-fact of Company with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of Company, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by Company under this Section 3, or, necessary for Wells Fargo, after an Event of Default, to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the first to occur of : (i) the termination of the Credit Agreement as provided therein and the payment and performance of all Indebtedness, or (ii) written termination by Wells Fargo.

4. Debtor's Use of the Patents and Trademarks. Company shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) Company shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the

representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, Wells Fargo may, at its option, take any or all of the following actions:

(a) Wells Fargo may exercise any or all remedies available under the Credit Agreement.

(b) Wells Fargo may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) Wells Fargo may enforce the Patents and Trademarks and any licenses thereunder, and if Wells Fargo shall commence any suit for such enforcement, Company shall, at the request of Wells Fargo, do any and all lawful acts and execute any and all proper documents required by Wells Fargo in aid of such enforcement.

7. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by Wells Fargo. A waiver signed by Wells Fargo shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Wells Fargo's rights or remedies. All rights and remedies of Wells Fargo shall be cumulative and may be exercised singularly or concurrently, at Wells Fargo's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor under this Agreement shall be given in the manner and with the effect provided in the Credit Agreement. Wells Fargo shall not be obligated to preserve any rights Company may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Company and Wells Fargo and their respective participants, successors and assigns and shall take effect when signed by Company and delivered to Wells Fargo, and Company waives notice of Wells Fargo's acceptance hereof. Wells Fargo may execute this Agreement if appropriate for the purpose of filing, but the failure of Wells Fargo to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by Company shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of Georgia without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and

warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Indebtedness.

THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

SAGE AUTOMOTIVE INTERIORS, INC.

Sage Automotive Interiors, Inc.
200 Carolina Point Parkway, Building 2
Greenville, South Carolina 29607

By: [Signature]
Name: Dirk R Pieper
Its: Pres. & CEO

By: [Signature]
Name: MARSHALL H. COLE
Its: Sec'y

Wells Fargo Bank, National Association
171 17th Street, NW, 4th Floor
Atlanta, Georgia 30363
Attention: Portfolio Management
Fax: (404) 214-7231

WELLS FARGO BANK, NATIONAL
ASSOCIATION

By: _____
Name: _____
Its: _____

STATE OF South Carolina)
)
COUNTY OF Greenville)

The foregoing instrument was acknowledged before me this 12 day of June, 2010, by Dirk R Pieper and Marshall H. Cole, the President/CEO and Secretary, respectively, of Sage Automotive Interiors, Inc., a South Carolina corporation, on behalf of the corporation.

[Signature]
Notary Public

My Commission Expires: 1/28/2014

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

SAGE AUTOMOTIVE INTERIORS, INC.

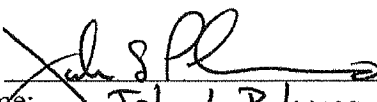
Sage Automotive Interiors, Inc.
200 Carolina Point Parkway, Building 2
Greenville, South Carolina 29607

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

Wells Fargo Bank, National Association
171 17th Street, NW, 4th Floor
Atlanta, Georgia 30363
Attention: Portfolio Management
Fax: (404) 214-7231

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By:  _____
Name: John L. Palermo
Its: Vice President

STATE OF _____)
_____))
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of June, 2010, by _____ and _____, the _____ and _____, respectively of Sage Automotive Interiors, Inc., a South Carolina corporation, on behalf of the corporation.

Notary Public

My Commission Expires: _____

STATE OF Georgia)
COUNTY OF Fulton)

The foregoing instrument was acknowledged before me this 18th day of June, 2010, by John L. Palermo, the Vice President of Wells Fargo Bank, National Association, on behalf of the national association.

Maria Rodriguez
Notary Public

My Commission Expires: 12/11/12

EXHIBIT A

UNITED STATES ISSUED PATENTS

<u>Title</u>	<u>Patent Number</u>	<u>Issue Date</u>
Yarn and Fabric with Zones of Variable Heat	7,674,301	3/9/2010
Space Dyed Yarn	6,413,632	7/2/2002
Pile Fabric	7,086,423	8/8/2006
Composite Textile Structure	5,855,991	1/5/1999
Ultraviolet Resistant Fabric	5,856,249	1/5/1999
Low Abrasion Elastomeric Fabric	6,435,221	8/20/2002
Textile/Elastomer Composite Preferable for Transfer or Film Coating and Method of Making said Composite	6,475,562	11/5/2002
Apparatus and Method for Forming Multi-Colored Yarn	7,131,158	11/7/2006

UNITED STATES PATENT APPLICATIONS

<u>Title</u>	<u>Serial Number</u>	<u>Filing Date</u>
Static Dissipative Textile	11/881,439	7/27/2007
Photocatalytic Substrate and Process for Producing the Same	11/314,113	12/21/2005
Process for Creating Fabrics with Branched Fibrils and Such Fibrillated Fabrics	11/540,053	9/29/2006
Substrate having Photocatalytic and Activated Carbon Constituents and Process for Producing	11/592,886	11/3/2006
High Definition Patterning of Thermoplastic Substrates	12/075,279	3/10/2008

EXHIBIT B

UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS

AND COLLECTIVE MEMBERSHIP MARKS

REGISTRATIONS

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
FXC	2,641,092	10/22/2002
FXC (and Design)	2,750,289	8/12/2003
Mezzio	2,803,535	1/6/2004
Mflex	2,286,372	10/12/1999
No stains, No smells, No worries	3,240,743	5/8/2007
No stains, No smells, No worries	3,277,697	8/7/2007
Preferred Suede	2,104,460	10/7/1997
Preferred Suede	2,989,277	8/30/2005
PS (and Design)	2,499,063	10/16/2001
Yes Essentials	3,030,479	12/13/2005
Yes Essentials	3,061,093	2/21/2006

APPLICATIONS

<u>Mark</u>	<u>Application Number</u>	<u>Filing Date</u>
Sage Global Automotive (word)	77/791,997	7/29/2009
Sage Automotive Interiors	77/791,975	7/29/2009
Sage Automotive Interiors (and Design)	77/833,819	7/29/2009

COLLECTIVE MEMBERSHIP MARKS

UNREGISTERED MARKS