

PATENT ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SUPPLEMENT NO. 1 TO THE THIRD LIEN PATENT SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Performance Fibers Inc.	08/23/2011
RECEIVING PARTY DATA	
Name:	PERFORMANCE FIBERS HOLDINGS FINANCE, INC., as administrative agent
Street Address:	5200 Town Center Circle, Suite 600
City:	Boca Raton
State/Country:	FLORIDA
Postal Code:	33486
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	5260122
CORRESPONDENCE DATA	
Fax Number: (202)739-3001 <i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i> Phone: 202-739-5652 Email: chowell@morganlewis.com Correspondent Name: Catherine R. Howell, Senior Paralegal Address Line 1: 1111 Pennsylvania Ave., N.W.; Attn: TMSU Address Line 2: Morgan, Lewis & Bockius LLP Address Line 4: Washington, DISTRICT OF COLUMBIA 20004	
ATTORNEY DOCKET NUMBER:	PERFORMANCE FIBERS
NAME OF SUBMITTER:	Catherine R. Howell, Senior Paralegal
Total Attachments: 5 source=patent third lien supp#page1.tif source=patent third lien supp#page2.tif source=patent third lien supp#page3.tif source=patent third lien supp#page4.tif source=patent third lien supp#page5.tif	

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REEL: 026795 FRAME: 0679

SUPPLEMENT NO. 1
TO THE THIRD LIEN PATENT SECURITY AGREEMENT
DATED AS OF AUGUST 23, 2011

This SUPPLEMENT NO. 1 TO THE THIRD LIEN PATENT SECURITY AGREEMENT is made as of the date first written above, among the Grantor listed on the signature page hereof ("Grantor"), and PERFORMANCE FIBERS HOLDINGS FINANCE, INC., in its capacity as administrative agent for the Lender Group (together with its successors, "Administrative Agent").

W I T N E S S E T H:

WHEREAS, pursuant to the terms of that certain Subordinated Secured Promissory Note, dated as of August 10, 2011, by Performance Fibers, Inc. ("Performance Fibers"), DSE Holding Corp. ("DSE"), Performance Fibers Scottsboro, Inc. ("PF Scottsboro") and Performance Fibers Winfield, Inc. ("PF Winfield") and, together with Performance Fibers, DSE, and PF Scottsboro, the "Borrowers") and acknowledged by Performance Fibers Holdings, Inc. ("PF Holdings"), Performance Fibers Enterprises, Inc. ("PF Enterprises"), Performance Fibers Asia Holdings, LLC ("PF Asia Holdings") and Performance Fibers Asia, LLC ("PF Asia"), in favor of the Administrative Agent, the Lenders (as defined therein) have agreed to make certain financial accommodations to the Borrowers;

WHEREAS, the Grantor is a party to the Third Lien Security Agreement, dated as of October 5, 2007 (as amended by that certain Reaffirmation and Amendment of Loan Documents, dated as of August 10, 2011, (the "Reaffirmation") made by Performance Fibers, DSE, PF Enterprises, PF Asia Holdings, PF Scottsboro, PF Winfield, PF Asia and PF Holdings and acknowledged and agreed to by the Administrative Agent, and as may be further amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Security Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Security Agreement) pursuant to which the Grantor entered into the Patent Security Agreement referenced below;

WHEREAS, the Grantor is a party to a Third Lien Patent Security Agreement, dated as of October 5, 2007 (as amended by the Reaffirmation, and as may be further amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Patent Security Agreement") pursuant to which the Grantor has granted to the Administrative Agent (for the benefit of the Secured Parties) a lien on and security interest in and to all of its right, title and interest in, to and under all Patents and Patent applications listed on Schedule I attached thereto and all proceeds thereof; and

WHEREAS, the Grantor desires to supplement Schedule I to the Patent Security Agreement by adding certain Patents and Patent applications, and in connection therewith desires to reaffirm the grants of security contained in the Patent Security Agreement.

THEREFORE,

A. The Grantor does hereby grant to the Administrative Agent (for the benefit of the Secured Parties), as security for the Secured Obligations, a lien on and security interest in and to all of the Grantor's right, title and interest (in each case, whether now owned or hereafter acquired) in and to each and every Patent and Patent application listed on Schedule I to this Supplement No. 1, together with the proceeds thereof, to secure the payment and performance of the Secured Obligations, all as contemplated by, and as more fully set forth in, the Patent Security Agreement.

B. Schedule I of the Patent Security Agreement is hereby supplemented by adding the Patents and Patent applications set forth on Schedule I hereto.

The Grantor hereby reaffirms the Patent Security Agreement in its entirety, and confirms that the grant of a security interest in each Patent under the Patent Security Agreement remains valid and in full force and effect.

Except as expressly supplemented hereby, the Patent Security Agreement shall continue in full force and effect in accordance with the provisions thereof on the date hereof. As used in the Patent Security Agreement, the terms "Agreement," "this Agreement," "this Patent Security Agreement," "this Third Lien Patent Security Agreement", "herein," "hereafter," "hereto," "hereof" and words of similar import, shall, unless the context otherwise requires, mean the Patent Security Agreement as supplemented by this Supplement No. 1.

Except as expressly supplemented hereby, the Patent Security Agreement and all documents contemplated thereby are each hereby confirmed and ratified by the Grantor.

The execution and filing of this Supplement No. 1, and the addition of the Patents set forth herein are not intended by the parties to derogate from, or extinguish, any of the Administrative Agent's rights or remedies under (i) the Patent Security Agreement and/or any agreement, amendment or supplement thereto or any other instrument executed by the Grantor and heretofore recorded or submitted for recording in the U.S. Patent and Trademark Office or (ii) any financing statement, continuation statement, deed or charge or other instrument executed by the Grantor and heretofore filed in any state or county in the United States of America or elsewhere.

[Signature pages follow]

IN WITNESS WHEREOF, the Grantor has caused this Supplement No. 1 to the ^{Third}~~Second~~ Lien Patent Security Agreement to be duly executed as of the date first written above.

PERFORMANCE FIBERS, INC.

By: 

Name: Ronald G. Werner

Title: Secretary

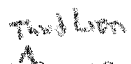
Acknowledged and agreed to as of
the date first written above:

**PERFORMANCE FIBERS HOLDINGS
FINANCE, INC.**, as Administrative Agent and as a Lender

By: 

Name: Ronald G. Werner

Title: Secretary


Signature Page to Supplement No. 1 to Patent Security Agreement

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Schedule I to
Supplement No. 1 to the
Third Lien Patent Security Agreement

Patent Registrations/Applications

Docket Number	Country	Status	Application #	Filing Date	Application Title	Patent #	Issue Date	Grantor
63264-5028	US	Granted	07/755,249	5-Sep-91	IMPACT RESISTANT WOVEN BODY	5,260,122	9-Nov-93	Performance Fibers Inc.