

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

EPAS ID: PAT3671031

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	PATENT SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
DURAFIBER TECHNOLOGIES (DFT) OPERATIONS, LLC (F/K/A PERFORMANCE FIBERS OPERATIONS, INC.)	12/21/2015
RECEIVING PARTY DATA	
Name:	FSJC VIII, LLC, AS AGENT
Street Address:	1700 EAST PUTNAM AVENUE, SUITE 207
City:	OLD GREENWICH
State/Country:	CONNECTICUT
Postal Code:	06870
PROPERTY NUMBERS Total: 3	
Property Type	Number
Patent Number:	7494709
Patent Number:	6775970
Patent Number:	6117549
CORRESPONDENCE DATA	
Fax Number:	(213)891-8763
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
Email:	ipdocket@lw.com
Correspondent Name:	LATHAM & WATKINS LLP
Address Line 1:	355 SOUTH GRAND AVENUE
Address Line 4:	LOS ANGELES, CALIFORNIA 90071-1560
ATTORNEY DOCKET NUMBER:	055048-0008
NAME OF SUBMITTER:	RHONDA DELEON
SIGNATURE:	/Rhonda DeLeon/
DATE SIGNED:	12/22/2015
Total Attachments: 9	
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PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, this "Patent Security Agreement") is made as of December 21, 2015, by and among the Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each, individually, "Grantor"), and FSJC VIII, LLC, as Agent (in such capacity, together with its successors and assigns in such capacity, "Agent"), for the benefit of the Secured Parties (as defined in the Loan Agreement referred to below).

W I T N E S S E T H:

WHEREAS, pursuant to that certain Amended and Restated Second Lien Loan Agreement dated as of even date herewith (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Loan Agreement") by and among DURAFIBER TECHNOLOGIES (DFT), INC., a Delaware corporation ("DFT"), DSE HOLDING CORP., a Delaware corporation ("DSE"), DURAFIBER TECHNOLOGIES (DFT) SCOTTSBORO, INC., a Delaware corporation ("Scottsboro"), DURAFIBER TECHNOLOGIES (DFT) WINFIELD, INC., a Delaware corporation ("Winfield"), and DURAFIBER TECHNOLOGIES (DFT) OPERATIONS, LLC, a Delaware limited liability company ("DFT Operations"; DFT, DSE, Scottsboro, Winfield and DFT Operations are collectively the "Borrowers" and each, individually, a "Borrower"), DURAFIBER TECHNOLOGIES (DFT) HOLDINGS II, LLC, a Delaware limited liability company ("Holdings II"), DFT DURAFIBER TECHNOLOGIES HOLDINGS, INC., a Delaware corporation ("Holdings"), DURAFIBER TECHNOLOGIES (DFT) ENTERPRISES, INC., a Delaware corporation ("Enterprises"), DURAFIBER TECHNOLOGIES (DFT) GROUP, INC., a Delaware corporation ("Group"), and INA FIBERS HOLDING, LLC, a Delaware limited liability company ("INA"; Holdings II, Holdings, Enterprises, Group and INA are collectively the "Guarantors" and each, individually, a "Guarantor"), the lenders from time to time party thereto (the "Lenders"), and Agent, the Lenders have agreed to make certain financial accommodations available to the Borrowers from time to time pursuant to the terms and conditions thereof; and

WHEREAS, the Lenders are willing to make the financial accommodations to the Borrowers as provided for in the Loan Agreement, but only upon the condition, among others, that the Loan Parties shall have executed and delivered to Agent, that certain Reaffirmation Agreement, dated as of even date herewith (including all annexes, exhibits or schedules thereto, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Reaffirmation Agreement"), and that certain Amendment and Supplement to Security Agreement and General Continuing Guaranty, dated as of even date herewith (including all annexes, exhibits or schedules thereto, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Amendment and Supplement"); and

WHEREAS, pursuant to the Security Agreement, dated as of August 10, 2011 (as amended, reaffirmed and supplemented by the Reaffirmation Agreement and the Amendment and Supplement, and as further amended, restated, amended and restated, supplemented or

otherwise modified from time to time, the "Security Agreement"), Grantors are required to execute and deliver to Agent 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, each 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 Security Agreement or, if not defined therein, in the Loan Agreement.

2. GRANT OF SECURITY INTEREST IN PATENT COLLATERAL. Each Grantor hereby unconditionally grants to Agent, to secure the Secured Obligations, a continuing security interest (referred to in this Patent Security Agreement as the "Security Interest") in all of such Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising (collectively, the "Patent Collateral"):

(a) all of such Grantor's Patents, including those referred to on Schedule I attached hereto;

(b) all goodwill of the business connected with the use of, and symbolized by, each Patent; and

(c) all products and proceeds (as that term is defined in the UCC) of the foregoing, including any claim by such Grantor against third parties for past, present or future (i) infringement or dilution of any Patent or any Patents exclusively licensed under any License, including the right to receive any damages, (ii) injury to the goodwill associated with any Patent, or (iii) the right to receive license fees, royalties, and other compensation under any License.

3. SECURITY FOR SECURED OBLIGATIONS. This Patent Security Agreement and the Security Interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. This Patent Security Agreement shall in no way impair, restrict or otherwise limit Agent's and the other Secured Parties' respective rights and remedies with respect to the Patent Collateral at any time granted pursuant to any other Collateral Document. Without limiting the generality of the foregoing, this Patent Security Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantors, or any of them, to the Lenders, whether or not they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any Grantor or any other Person.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interests granted to Agent, pursuant to the Security Agreement. Each 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. To the extent there is any inconsistency between this Patent Security Agreement and the Security Agreement, the Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. If any Grantor shall obtain rights to any new patents, the provisions of this Patent Security Agreement shall automatically apply thereto. Grantors shall give prompt notice in writing to Agent with respect to any such new patents or renewal or extension of any patent registration. Without limiting Grantors' obligations under this Section, Grantors hereby authorize Agent unilaterally to modify this Patent Security Agreement by amending Schedule I to include any such new patent rights of each Grantor. Notwithstanding the foregoing, no failure to so modify this Patent Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all Patent Collateral, whether or not listed on Schedule I.

6. TERMINATION. This Patent Security Agreement shall remain in effect until the payment in full in cash of all Secured Obligations and the termination of the Security Agreement in accordance with its terms and the terms of the Loan Agreement.

7. COUNTERPARTS. This Patent Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Patent Security Agreement. Delivery of an executed counterpart of this Patent Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Patent Security Agreement. Any party delivering an executed counterpart of this Patent Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Patent Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Patent Security Agreement.

8. CONSTRUCTION. This Patent Security Agreement is a Loan Document. Unless the context of this Patent Security Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or". The words "hereof", "herein", "hereby", "hereunder", and similar terms in this Patent Security Agreement refer to this Patent Security Agreement as a whole and not to any particular provision of this Patent Security Agreement. Section, subsection, clause, schedule, and exhibit references herein are to this Patent Security Agreement unless otherwise specified. Any reference in this Patent Security Agreement to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts, and contract rights. Any reference herein to any Person shall be construed to include such Person's successors and permitted assigns. Any requirement of a writing contained herein shall be satisfied by the transmission of a Record.

9. NOTICE. Any notice required or permitted to be given under this Patent Security Agreement shall be sent in accordance with Section 9.01 of the Loan Agreement; provided that

any notices to any Grantor shall be sent to such Grantor at its mailing address set forth in the Reaffirmation Agreement.

10. THE VALIDITY OF THIS PATENT SECURITY AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

11. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS PATENT SECURITY AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY PATENT COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH PATENT COLLATERAL OR OTHER PROPERTY MAY BE FOUND. AGENT AND EACH GRANTOR WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 9.

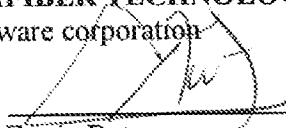
12. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, AGENT AND EACH GRANTOR HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. AGENT AND EACH GRANTOR REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS PATENT SECURITY AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

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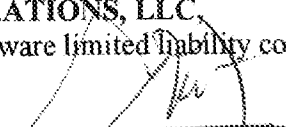
IN WITNESS WHEREOF, the parties hereto have caused this Patent Security Agreement to be executed and delivered as of the day and year first above written.

GRANTORS:

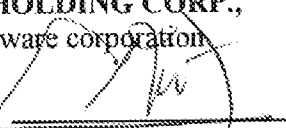
DURAFIBER TECHNOLOGIES (DFT), INC.,
a Delaware corporation

By: 
Name: Erwin Bette
Title: Chief Financial Officer

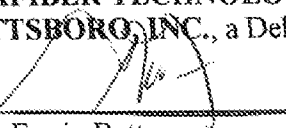
**DURAFIBER TECHNOLOGIES (DFT)
OPERATIONS, LLC,**
a Delaware limited liability company

By: 
Name: Erwin Bette
Title: Chief Financial Officer


DSE HOLDING CORP.,
a Delaware corporation

By: 
Name: Erwin Bette
Title: Chief Financial Officer

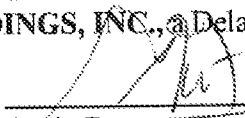
**DURAFIBER TECHNOLOGIES (DFT)
SCOTTSBORO, INC.,** a Delaware corporation

By: 
Name: Erwin Bette
Title: Chief Financial Officer

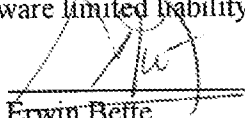
**DURAFIBER TECHNOLOGIES (DFT)
WINFIELD, INC.,** a Delaware corporation

By: 
Name: Erwin Bette
Title: Chief Financial Officer


**DFT DURAFIBER TECHNOLOGIES
HOLDINGS, INC.,** a Delaware corporation

By: 
Name: Erwin Bette
Title: Chief Financial Officer

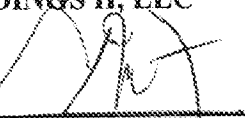
INA FIBERS HOLDINGS, LLC,
a Delaware limited liability company

By: 
Name: Erwin Bette
Title: Chief Financial Officer

**DURAFIBER TECHNOLOGIES (DFT)
ENTERPRISES, INC.,** a Delaware corporation

By: 
Name: Erwin Bette
Title: Chief Financial Officer

**DURAFIBER TECHNOLOGIES (DFT)
HOLDINGS II, LLC**

By: 
Name: Erwin Bette
Title: Chief Financial Officer

AGENT:

FSJC VIII, LLC, as Agent

By: 

Name: Stephen J. Czech

Title: Executive Officer

SCHEDULE I
to
PATENT SECURITY AGREEMENT

Patents

Name of Grantor	Patent Description	Patent Number
DuraFiber Technologies (DFT) Operations, LLC (f/k/a Performance Fibers Operations, Inc.)	LOW WICK CONTINUOUS FILAMENT POLYESTER YARN	US 7494709
DuraFiber Technologies (DFT) Operations, LLC (f/k/a Performance Fibers Operations, Inc.)	APPARATUS AND METHOD FOR MAKING A HYBRID CORD	US 6775970
DuraFiber Technologies (DFT) Operations, LLC (f/k/a Performance Fibers Operations, Inc.)	HETEROFILAMENTS FOR CORD REINFORCEMENT IN RUBBER GOODS	US 6117549
DuraFiber Technologies (DFT), Inc. (f/k/a Performance Fibers, Inc.)	POLYMER-BASED REINFORCEMENT MATERIAL AND TIRE CORD COMPOSITIONS AND METHODS OF PRODUCTION THEREOF	US 7329459
DuraFiber Technologies (DFT), Inc. (f/k/a Performance Fibers, Inc.)	ADHESION PROMOTERS WITH EPOXY-REACTIVE GROUPS	US 6780922
DuraFiber Technologies (DFT), Inc. (f/k/a Performance Fibers, Inc.)	HIGH DPF YARNS WITH IMPROVED FATIGUE	US 6696151
DuraFiber Technologies (DFT), Inc. (f/k/a Performance Fibers, Inc.)	HYBRID CABLED CORD AND A METHOD TO MAKE IT	US 6601378
DuraFiber Technologies (DFT), Inc. (f/k/a Performance Fibers, Inc.)	LOAD LIMIT WEBBING	US 6071835
DuraFiber Technologies (DFT), Inc. (f/k/a Performance Fibers, Inc.)	LOAD LEVELING YARNS AND WEBBINGS	US 6057252
DuraFiber Technologies (DFT), Inc. (f/k/a Performance Fibers, Inc.)	PROCESS FOR MAKING A YARN HAVING A SPIN FINISH	US 6908579
DuraFiber Technologies	PROCESS OF MAKING A	US 6858169

(DFT), Inc. (f/k/a Performance Fibers, Inc.)	DIMENSIONALLY STABLE YARN	
DuraFiber Technologies (DFT), Inc. (f/k/a Performance Fibers, Inc.)	POLYMERIC ADDITIVES AND POLYMERIC ARTICLES COMPRISING SAID ADDITIVES	US 6777496
DuraFiber Technologies (DFT), Inc. (f/k/a Performance Fibers, Inc.)	SPIN YARN	US 6770231
DuraFiber Technologies (DFT), Inc. (f/k/a Performance Fibers, Inc.)	HIGH SPEED YARN FINISH APPLICATION	US 6669993
DuraFiber Technologies (DFT), Inc. (f/k/a Performance Fibers, Inc.)	POLYESTER RESIN AND INDUSTRIAL YARN PROCESS	US 6649263
DuraFiber Technologies (DFT), Inc. (f/k/a Performance Fibers, Inc.)	ULTRA-ORIENTED CRYSTALLINE FILAMENTS	US RE35972
DuraFiber Technologies (DFT), Inc. (f/k/a Performance Fibers, Inc.)	SIZELESS YARN, A METHOD OF MAKING IT AND A METHOD OF USING IT	US 6099963
DuraFiber Technologies (DFT), Inc. (f/k/a Performance Fibers, Inc.)	POLYMERIZATION CATALYSTS FOR POLYESTERS	US 6034202
DuraFiber Technologies (DFT), Inc. (f/k/a Performance Fibers, Inc.)	Polymer Based Reinforcement Material and Tire Cord Compositions and Methods of Production Thereof	CN 1761580(A)

Patent Licenses

None.