

02-06-2003

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Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)



U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

Tab settings

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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

First Quality Hygienic, Inc.

- Individual(s)
- General Partnership
- Corporation-State
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: Citizens Bank of Pennsylvania
Internal
Address: Commercial Banking - 12th Floor

Street Address: 2 North Second Street
City: Harrisburg State: PA Zip: 17101

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: 1/31/03

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 2556201 and 2659797

Additional number(s) attached Yes No

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

Name: Carol A. Rader, Paralegal

Internal Address: Wolf, Block, Schorr and Solis-
Cohen LLP

24th Floor

Street Address: 1650 Arch Street

City: Philadelphia state: PA Zip: 19103

6. Total number of applications and registrations involved: 2

7. Total fee (37 CFR 3.41).....\$ 65.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Carol A. Rader
Name of Person Signing

Carol A. Rader
Signature

2/5/03
Date

6

Total number of pages including cover sheet, attachments, and document:

02/06/2003 DBYRNE 0000062 2556201

40.00
25.00

01 FC:8521
02 FC:8522

documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 002665 FRAME: 0674

**ACKNOWLEDGMENT, AMENDMENT AND CONFIRMATION OF COLLATERAL
ASSIGNMENT OF PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS**

THIS ACKNOWLEDGMENT, AMENDMENT AND CONFIRMATION OF COLLATERAL ASSIGNMENT OF PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS ("Amendment") is made this 31st day of January, 2003, by and between **FIRST QUALITY HYGIENIC, INC.**, a Pennsylvania corporation (the "Assignor"), and **CITIZENS BANK OF PENNSYLVANIA** (successor to Mellon Bank, N.A.), as Administrative Agent (the "Assignee").

BACKGROUND

A. As security for all present and future obligations and indebtedness of Assignor, First Quality Products, Inc. ("**Products**"), First Quality Nonwovens, Inc. (formerly known as First Quality Fibers, Inc. and referred to herein as "**Nonwovens**"), First Quality International, Inc. and First Quality Enterprises, Inc. (collectively, "**Original Obligors**") pledged to Assignee for its benefit and the benefit of Lenders (as defined below), whether direct or contingent, including, without limitation, all obligations under that certain Loan and Security Agreement (the "**Loan Agreement**") dated December 18, 2000 by and among Original Obligors, Assignee, Wachovia Bank, National Association, as Documentation Agent ("**Documentation Agent**"), and the Lenders from time to time party thereto ("**Lenders**"), pursuant to which Lenders agreed to extend a revolving line of credit to Assignor, Products and Nonwovens in the maximum principal amount of One Hundred Forty Million Dollars (\$140,000,000.00) (the "**Revolving Loans**"), Assignor executed and delivered to Assignee that certain Collateral Assignment of Patents, Trademarks, Licenses and Copyrights in favor of Assignee dated December 18, 2000 and recorded with the United States Patent and Trademark Office at Reel 2322, Frame 0529 on June 13, 2001 (as the same may be amended from time to time, being the "**Collateral Assignment**").

B. Original Obligors, Assignee, Documentation Agent and Lenders previously entered into that certain First Amendment and Modification to Loan and Security Agreement dated May 16, 2002 (the "**First Amendment**").

C. Pursuant to that certain Second Amendment and Modification to Loan and Security Agreement of even date herewith (the "**Second Amendment**"), Assignee, Documentation Agent, Lenders, Original Obligors and First Quality Tissue, LLC ("**Tissue**", and collectively with the Original Obligors, "**Obligors**"), *inter alia*, (i) acknowledged and agreed that Tissue shall be a joint and several co-borrower under the Loan Agreement, and (ii) increased the maximum amount of the Revolving Loans from One Hundred Forty Million Dollars (\$140,000,000.00) to Two Hundred Five Million Dollars (\$205,000,000.00).

D. In connection with the Second Amendment, Assignee and Assignor have agreed (i) that Assignor shall grant to Assignee as additional security for all present and future obligations of Obligors to Lenders and/or Assignee, a security interest in and lien against the additional trademarks listed on **Exhibit "A"** attached hereto and made a part hereof (collectively, the "**Additional Trademarks**") and (ii) that Assignor shall amend and confirm the terms of the Collateral Assignment to, *inter alia*, specifically secure, without limitation, the Obligors' obligations under the Loan Agreement, as amended by the First Amendment and the Second Amendment.

E. Capitalized terms used herein and not otherwise defined shall have the meanings provided for such terms in the Collateral Assignment and, if not so provided, in the Loan Agreement.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Additional Collateral.** **Exhibit "B"** of the Collateral Assignment is hereby amended to include the Additional Trademarks.

2. **Loan Agreement.** Assignor and Assignee agree that the definition of "Loan Agreement" contained in the Background **Paragraph A** of the Collateral Assignment specifically includes, without limitation, the First Amendment and the Second Amendment and all references in the Collateral Assignment to the Loan Documents shall expressly include, without limitation, the First Amendment and the Second Amendment.

3. **Bank Indebtedness.** Assignor and Assignee agree that the definition of "Bank Indebtedness" contained in **Section 1** of the Collateral Assignment specifically includes, without limitation, all "Bank Indebtedness" as such term is defined in the Loan Agreement, as amended by the First Amendment and the Second Amendment, including, without limitation, (i) all present and future obligations of Tissue to Lenders and/or Assignee, and (ii) the Revolving Loans as increased by the Second Amendment.

4. **Ratification and Confirmation.** As amended hereby, all of the terms and conditions of the Collateral Assignment, all documents in connection therewith and all liens, security interests, rights and remedies granted therein, remain in full force and effect and are hereby ratified, confirmed and continued as security for all obligations of Obligors to Assignee and/or Lenders, including, without limitation, all obligations under and in connection with the First Amendment and the Second Amendment.

5. **Binding Effect.** This Amendment shall be binding upon the successors, assigns and personal representatives of Assignor and shall inure to the benefit of the successors and assigns of Assignee and Lenders.

6. **Severability.** The provisions of this Amendment are deemed to be severable and the invalidity or unenforceability of any provision shall not affect or impair the remaining provisions which shall continue in full force and effect.

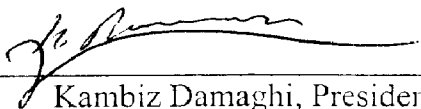
7. **Governing Law.** This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

8. **Headings.** The headings of this Amendment are inserted for convenience only and shall not be deemed to constitute a part of this Amendment.


[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the date first above written.

FIRST QUALITY HYGIENIC, INC.

By: 
Kambiz Damaghi, President

CITIZENS BANK OF PENNSYLVANIA,
as Administrative Agent

By: 
Joseph N. Butto, Vice President

STATE OF NEW YORK

:

: ss

COUNTY OF NASSAU

:

On this, the 31st day of January, 2003, before me, a Notary Public, personally appeared Kambiz Damaghi who acknowledged himself to be the President of First Hygienic, Inc., a New York corporation, and that he as such officer, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Christopher Mark Dabrowski

Notary Public

My commission expires:

CHRISTOPHER MARK DABROWSKI
NOTARY PUBLIC, State of New York
No. 01DA6061264
Qualified in New York County
Commission Expires July 16, 2003

STATE OF NEW YORK

:

: ss

COUNTY OF NASSAU

:

On this, the 31st day of January, 2003, before me, a Notary Public, personally appeared Joseph N. Butto who acknowledged himself to be a Vice President of Citizens Bank of Pennsylvania, and that he as such officer, being so authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing on behalf of the Assignee himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Christopher Mark Dabrowski

Notary Public

My commission expires:

CHRISTOPHER MARK DABROWSKI
NOTARY PUBLIC, State of New York
No. 01DA6061264
Qualified in New York County
Commission Expires July 16, 2003

EXHIBIT "A"

ADDITIONAL TRADEMARKS

<u>Trademark</u>	<u>Reg. No.</u>	<u>Issue Date</u>
Femtex	2556201	04/02/02
Comfort Shape	2659797	12/10/02