

01-29-1999



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RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
 - Security Agreement Nunc Pro Tunc Assignment
 - Merger Change of Name
 - Other
- Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

- Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

FOR OFFICE USE ONLY

01/28/1999 TTON11 00000120 2179662

01 FC:481 40.00 OP
02 FC:482 50.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20503

REEL: 1845 FRAME: 0187

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

404-888-4225

Name

NATALIE LEWIS

Address (line 1)

HUNTON & WILLIAMS

Address (line 2)

500 PEACHTREE STREET

Address (line 3)

SUITE 4100

Address (line 4)

ATLANTA, GA 30308

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

7

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

75486560

2,179,662

75288112

Number of Properties

Enter the total number of properties involved.

#

3

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

90.00

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

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. Charges to deposit account are authorized, as indicated herein.

DANA KULL, ESQ.

1/26/99

Name of Person Signing

Signature

Date Signed

**AMENDMENT NO. 1
TO
GRANT OF SECURITY INTEREST IN
PATENTS, TRADEMARKS AND LICENCES**

THIS AMENDMENT NO. 1 dated as of January 19, 1999 (this "Amendment") to Grant of Security Interest in Patents, Trademarks and Licenses is made by Precision Fabrics Group, Inc., a North Carolina corporation (the "Company") and The CIT Group/Business Credit, Inc., a New York corporation, as the agent under the Financing Agreement referred to below (in such capacity, the "Agent").

Preliminary Statement

WHEREAS, the Company executed and delivered a Grant of Security Interest in Patents, Trademarks and Licenses dated as of August 30, 1996 (the "Patent, Trademark and License Agreement") covering the Intellectual Property Collateral described in Schedule A, Schedule B and Schedule C therein, to secure its indebtedness to the Agent and the Lenders (as hereafter defined) pursuant to that certain Financing Agreement dated as of August 30, 1996, between the Company, as borrower, the financial institutions parties thereto from time to time as lenders (the "Lenders") and the Agent, as amended, including by that certain Amended and Restated Loan and Security Agreement dated as of January 15, 1999, between the Company, the Lenders and the Agent (said agreement, as further amended, modified, supplemented or restated and in effect from time to time, the "Financing Agreement"). Terms defined in, or by reference in, the Patent, Trademark and License Agreement, unless otherwise defined herein, are used herein as therein defined;

WHEREAS, the Agent's security interest in certain Patent Collateral described in the Patent, Trademark and License Agreement was recorded in the United States Patent and Trademark Office on September 13, 1996, Reel 8006, Frame 0543;

WHEREAS, the Agent's security interest in certain Trademark Collateral described in the Patent, Trademark and License Agreement was recorded in the United States Patent and Trademark Office on September 13, 1996, Reel 1483, Frame 0369;

WHEREAS, effective as of the date of this Amendment, the Company has acquired additional Intellectual Property Collateral; and

WHEREAS, the Company is required under the Financing Agreement to grant to the Agent, for the benefit of the Lenders a continuing security interest in, and a continuing lien on the Intellectual Property Collateral, and the Company and the Agent wish to amend the Patent, Trademark and License Agreement for the purpose of securing such

additional Intellectual Property Collateral of the Company and amend certain other provisions in the Patent, Trademark and License Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Amendment hereby agree that:

1. The Patent, Trademark and License Agreement is hereby amended by:

(a) amending the first paragraph on page 1 of the Patent, Trademark and License Agreement by deleting the number "900" appearing therein and substituting therefor the number "1200";

(b) amending the first "Whereas" clause appearing on page 1 of the Patent, Trademark and License Agreement in its entirety to read as follows:

WHEREAS, the Company and the Agent are parties to that certain Financing Agreement dated as of August 30, 1996, as amended, including by the Amended and Restated Loan and Security Agreement dated as of January 15, 1999 (and as further amended, modified, supplemented or restated from time to time, the "Financing Agreement"), which Financing Agreement provides (i) for the Agent, acting on behalf of the Lenders who are parties to the Financing Agreement, to make certain loans, advances and extensions of credit, all to or for the account of the Company and (ii) for the grant by the Company to the Agent, for the benefit of the Lenders, of a security interest in certain of the Company's assets, including, without limitation, its patents, patent applications and/or registrations, trademarks, trademark applications and/or registrations, tradenames, goodwill and licenses, all as more fully set forth therein;

(c) amending Schedule A to the Patent, Trademark and License Agreement by adding thereto the Patent Collateral set forth on Exhibit A attached hereto;

(d) amending Schedule B to the Patent, Trademark and License Agreement by adding thereto the Trademark Collateral set forth on Exhibit B attached hereto;

(e) amending Schedule C to the Patent, Trademark and License Agreement by adding thereto the License Collateral set forth on Exhibit C attached hereto; and

(f) amending the Patent, Trademark and License Agreement by deleting the term "Obligations" appearing therein and substituting therefor the term "Secured Obligations."

2. The Company and the Agent acknowledge and confirm that the security interest in an lien upon the Intellectual Property Collateral described in the Patent, Trademark and License Agreement as modified by this Amendment continues to secure

the obligations of the Company to the Lenders and the Agent with the same priority as before this Amendment was executed and delivered.

3. The Company hereby further acknowledges and confirms that the rights and remedies of the Agent and the Lenders with respect to the assignment of and security interest in and lien upon the Intellectual Property Collateral made and granted by the Patent, Trademark and License Agreement, as modified by this Amendment, are more fully set forth in the Financing Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

4. This Amendment shall not constitute a novation of the indebtedness described in the Patent, Trademark and License Agreement and shall not affect nor impair the security interest in and lien upon the Intellectual Property Collateral described therein. Except only as modified by this Amendment, the Patent, Trademark and License Agreement remains in full force and effect and is hereby ratified and confirmed.

5. This Amendment shall be governed by the internal laws of the State of Georgia.

6. This Amendment may be executed in any number of counterparts, each of which will be deemed to be a duplicate original, but such counterparts together shall constitute one and the same instrument

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their respective officers thereunto duly authorized, as of the date first above written.

PRECISION FABRICS GROUP, INC., a
North Carolina corporation

By: Patrick J. Burns
Patrick J. Burns
Vice President and Chief Financial Officer

THE CIT GROUP/BUSINESS CREDIT
INC., as Agent for Lenders

By: Mary J. Reasoner
Mary J. Reasoner
Vice President

**AMENDMENT NO. 1
TO
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EXHIBIT A

100% OWNERSHIP INTEREST

<u>Title</u>	<u>Patent No.</u>	<u>Issue Date</u>
Process for Making a Treated Fabric and a Product Produced by the Process	S/N 09/012,013 (App. No.)	01/22/98 (App. Date)
Conductive Fabric and Process for Making Same	5,635,252	06/03/97
Conductive Fabric and Process for Making Same	5,723,186	03/03/98
Conductive Fabric and Process for Making Same	5,804,291	09/08/98
Needle Punch Nonwoven Component for Refastenable Fastening Device	795,375/08 (App. No.)	02/04/97 (App. Date)
Detergent Compositions and Laundry Article Containing Same	982,310/08 (App. No.)	12/01/97 (App. Date)

50% OWNERSHIP INTEREST (CO-ASSIGNEE WITH SANDIA CORPORATION)

<u>Title</u>	<u>Patent No.</u>	<u>Issue Date</u>
Structurally Efficient Inflatable Protective Device	5,607,182	03/04/97
Folded Inflatable Protective Device and Method for Making Same	5,823,567	10/20/98
Attachment Device for an Inflatable Protective Cushion	5,687,986	11/18/97
Attachment Device for an Inflatable Protective Cushion	5,845,928	12/08/98

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EXHIBIT B

REGISTERED TRADEMARKS, TRADE NAMES AND SERVICE MARKS

<u>Title or Mark</u>	<u>Registration No.</u>	<u>Registration Date</u>
PRISTINE	2.179,662	8/4/98

TRADEMARK APPLICATIONS

<u>Title or Mark</u>	<u>Application No.</u>	<u>Application Date</u>
SOFTBAG	75486560	5/18/98
REPOSE	75288112	5/07/97

**AMENDMENT NO. 1
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EXHIBIT C

License Agreement between Sandia Corporation and Precision Fabrics Group, Inc. executed April 26, 1996, covering the following identified United States patents, patent applications and draft patent applications, and any division, continuation, continuation-in-part, or reissue thereof, and any foreign counterpart thereof:

ISSUED PATENTS

Structurally Efficient Inflatable Protective Device, U.S. Patent No. 5,533,755.

Structurally Efficient Inflatable Protective Device, U.S. Patent No. 5,607,182.

Folded Inflatable Protective Device and Method for Making Same, U.S. Patent No. 5,823,567.

Attachment Device for an Inflatable Protective Cushion, U.S. Patent No. 5,687,986.

Attachment Device for an Inflatable Protective Cushion, U.S. Patent No. 5,845,928.