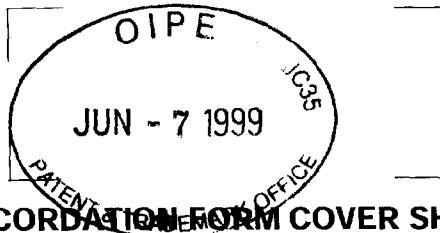


06-09-1999



101057336



U.S. Department of Commerce  
Patent and Trademark Office  
TRADEMARK

6-7-99

### 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  
Effective Date  
Month Day Year
- Merger
- Change of Name
- Other

#### 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)     
City State/Country Zip Code

- 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

06/08/1999 NTHA11 00000210 1383424

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01 FC:481 40.00 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. 20231

TRADEMARK  
REEL: 001908 FRAME: 0647

**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

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

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

#

**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)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1,383,424"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

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.*

Marc A. Bergsman

Name of Person Signing



Signature

06/07/99

Date Signed

## PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (the "Agreement") is made and entered into as of May 7, 1999, by Donald J. Frank (herein the "Guarantor"), in favor of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, having an office at 1825 W. Lawrence Ave., 2<sup>nd</sup> Floor, Chicago, Illinois 60640 ("Lender").

### WITNESSETH:

WHEREAS, Continental Textile Corporation, a Missouri corporation (the "Borrower") and Lender have entered into that certain Secured Credit Agreement dated as of the date hereof (together with all notes issued pursuant thereto, and as amended or otherwise modified from time to time, the "Credit Agreement"), providing for the extension of credit by Lender to Borrower, and

WHEREAS Guarantor has agreed to personally guaranty the payment of all indebtedness of the Borrower to Lender, whether evidenced by the Credit Agreement or otherwise, pursuant to the terms of a Guaranty Agreement dated as of the date hereof (the "Guaranty"); and

WHEREAS Guarantor is the owner of certain patents of value to the Borrower in the ordinary course of its business; and

WHEREAS, Lender has required that Guarantor grant to Lender a security interest in and to the Collateral (as defined herein) to secure, among other things, the obligations of the Guarantor under the Guaranty and under such other documents and agreements delivered by Guarantor to Lender in conjunction with the Credit Agreement (all such documents and agreements being collectively hereinafter referred to as the "Agreements" and each individually an "Agreement").

### AGREEMENT

NOW THEREFORE, in consideration of the premises and in order to induce Lender to extend credit under the Credit Agreement, Guarantor hereby agrees with Lender as follows:

1. Security Interest. Guarantor hereby grants to Lender a security interest in and to the Collateral described in Section 2 herein (the "Collateral") in order to secure the payment of all Liabilities (as defined in the Guaranty) and the performance of all the obligations related thereto.

2. Collateral. The Collateral is: all of Guarantor's patents and patent applications including, without limitation, the patents and patent applications listed on Schedule A attached hereto and made a part hereof, and the inventions defined therein and improvements described and claimed therein and (i) all reissues, divisions, continuations, renewals, reexaminations, extensions and continuations-in-part of any of the foregoing, (ii) all income, royalties, damages and payments now and hereafter due or payable with respect thereto, including, without

limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing patents and patent applications, together with the items described in clauses (i)-(iv) above, are referred to herein, either individually or collectively, as the "Patents").

3. Restrictions on Future Agreements. Until the Liabilities shall have been satisfied in full and the Credit Agreement and the other Agreements (as that term is defined in the Credit Agreement) shall have been terminated, Guarantor will not without Lender's prior written consent, (a) enter into any agreement, including, without limitation, any license agreement that is inconsistent with Guarantor's obligations under this Agreement, the Credit Agreement, the Guaranty, or any other Agreements to which Guarantor is a party, (b) take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action (including, without limitation, the abandonment of any Patent), that would affect the validity or enforceability of the rights transferred to Lender under this Agreement or (c) enter into any other contractual obligations which may restrict or inhibit Lender's rights to sell or otherwise dispose of the Patents or any part thereof after the occurrence of a default under the Credit Agreement, the Guaranty, or any other Agreement (hereinafter, an "Event of Default").

4. New Patents. Guarantor represents and warrants that, to the best of his knowledge, the Patents listed on Schedule A constitute all of the patents and patent applications which are as of the date hereof owned by or are pending on behalf of Guarantor in the United States or any state of the United States (as set forth on Schedule A) and that Guarantor is not aware of any such patents which are not registered in the United States or any state thereof. If, before the Liabilities shall have been satisfied in full, Guarantor shall (i) (a) obtain any registration or apply for any registration after the date hereof in the United States Patent and Trademark Office or in any similar office or agency of a state, territory or possession of the United States or (b) obtain rights to any patents or new patentable inventions used in the United States or any State, territory or possession thereof, or (ii) (a) become entitled to the benefit of any patent application, or patent in the United States or any state, territory or possession thereof or any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent or (b) become entitled to the benefit of any patents used in the United States or any state, territory or possession thereof, the provisions of Section 1 shall automatically apply thereto and Guarantor shall give to Lender prompt written notice thereof. Guarantor hereby authorizes Lender to modify this Agreement by amending Schedule A to include any future patents, and patent applications that are Patents under Section 1 or under this Section 4.

5. Additional Representations and Warranties. Guarantor hereby represents, warrants, covenants and agrees that:

(a) Except as otherwise provided herein or in the Credit Agreement, he is and will continue to be the owner of all his right, title and interest in the Patents so long as the Patents shall continue in force, free and clear of any lien, in favor of any Person, including, without limitation, shop rights and covenants by Guarantor not to sue third persons.

(b) Guarantor has the full right and power to enter into this Agreement and perform the terms hereof and will enter into written agreements with each of his present and

future employees, agents and consultants which will enable him to comply with the covenants herein contained.

(c) Except as set forth on Schedule A hereto, Guarantor has made no previous assignment, transfer or agreements in conflict herewith or constituting a present or future assignment, transfer, or encumbrance on any of the Patents.

(d) So long as any Liabilities remain outstanding or any of the Credit Agreement, the Guaranty or any other Agreements has not terminated, Guarantor will not execute, and there will not be on file in any public office, any financing statement or other document or instruments evidencing or giving notice of liens affecting the Patents.

(e) To the best of Guarantor's knowledge, no material infringement or unauthorized use presently is being made of any of the Patents which would adversely affect the fair market value of the Patents or the benefits of this Agreement granted to Lender, including, without limitation, the remedies of Lender hereunder and Guarantor will continue to maintain monitoring and enforcement practices reasonably calculate to protect the Patents. Guarantor has advised Lender of his patent monitoring and enforcement practices, and will not materially modify such practices without the prior written consent of Lender.

(f) The Patents are subsisting and have not been adjudged invalid or unenforceable, in whole or part.

(g) To the best of Guarantor's knowledge, each of the Patents is valid and enforceable and Guarantor has notified Lender in writing of all prior art (including public uses and sales) of which it is aware.

6. Royalties; Terms. Guarantor hereby agrees that the permitted use after foreclosure by Lender of all Patents shall be worldwide without any liability for royalties or other related charges from Lender to Guarantor. The term of the security interest granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, or (ii) the Liabilities have been paid in full and the Credit Agreement, the Guaranty, and the other Agreements have been terminated.

7. Duties. Guarantor shall (i) prosecute diligently any patent application that is part of the Patents pending as of the date hereof or thereafter until the Liabilities shall have been paid in full and the Credit Agreement, the Guaranty and the other Agreements shall have been terminated, (ii) make application on unpatented but patentable inventions, as appropriate, (iii) preserve and maintain all rights in patent applications, patents that are part of the Patents, including without limitation the payment of all maintenance fees; (iv) not abandon any right to file a patent application nor any pending patent application if the value thereof could reasonably be expected to justify the cost of obtaining such patent, and (v) not abandon any Patent without the prior written consent of Lender. Any expenses incurred in connection with the applications referred to in this Section 7 shall be borne by Guarantor. Guarantor agrees to retain an experienced patent attorney for the filing and prosecution of all such applications and other proceedings. Guarantor shall keep Lender advised on a current basis of any such applications or proceedings.

If Guarantor fails to comply with any of the foregoing duties, Lender may so comply in Guarantor's name to the extent permitted by law, but at Guarantor's expense, and Guarantor hereby agrees to reimburse Lender in full for all expenses, including the reasonable fees and disbursements of attorneys and paralegals (including charges for inside counsel) incurred by Lender in protecting, defending and maintaining the Patents.

In the event that Guarantor shall fail to pay when due any fees required to be paid by it hereunder, or shall fail to discharge any lien, prohibited hereby, or shall fail to comply with any other duty hereunder, Lender may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of Guarantor, and all moneys so paid out shall be considered Liabilities repayable on demand, together with interest at a rate equal to the interest rate set out in the Credit Agreement effective on the last day of the preceding month.

Guarantor shall take all action necessary to preserve and maintain the validity, perfection and first priority of Lender's interest granted herein in the Patents.

8. Lender's Right to Sue. From and after the occurrence and during the continuance of an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, and any licenses thereunder, and, if Lender shall commence any such suit, Guarantor shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and Guarantor shall indemnify and shall, upon demand, promptly reimburse Lender for all damages, costs and expenses, including attorneys' and paralegal fees and expenses, incurred by Lender in the exercise of its rights under this Section 8.

9. Waivers. No course of dealing between Guarantor or Borrower and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Credit Agreement or any other Agreements shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

10. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction. If any provision hereof shall render an otherwise valid Patent invalid or ineffective, then such provision shall be void ab initio to the extent that the validity or effectiveness of the Patent is thereby preserved and Guarantor shall make suitable other valid arrangements to provide Lender with equivalent protections to that intended hereby.

11. Amendments. This Agreement or any provision thereof may be changed, waived, or terminated only in the manner set forth in Section 4 hereof or in accordance with the terms of the Credit Agreement.

12. Remedies. If any Event of Default shall have occurred, then Lender shall be entitled to exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, in the Credit Agreement, the Guaranty and other Agreements or otherwise available

to it, all of the rights and remedies of a secured party under the Uniform Commercial Code in effect in the State of Illinois (the "UCC") whether or not the UCC applies to the affected Collateral, and also may (i) require Guarantor, and Guarantor hereby agrees that he will upon the request of Lender, forthwith, (A) execute and deliver an assignment, substantially in the form of Exhibit A hereto, of all right, title and interest in and to the Collateral, and (B) take such other action as Lender may request to effectuate the outright assignment of such Collateral or to exercise, register or further perfect and protect its rights and remedies with respect to such assigned Collateral, and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such terms as Lender may deem commercially reasonable. Guarantor agrees that at least fifteen (15) days notice to Guarantor and Borrower, given by Lender in accordance with the terms of the Credit Agreement, of the time and place of any public sale or the time which any private sale is to be made shall constitute reasonable notification. Lender shall not be obligated to make any sale of the Collateral regardless of notice of sale having been given. Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Lender may purchase all or any part of the Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of such purchase price, may setoff the amount of such price against the Liabilities. The proceeds realized from the sale of any Collateral shall be, applied first to the reasonable costs, expenses and attorneys and paralegal fees and expenses incurred by Lender for collection and for acquisition, protection, and sale of the Collateral; second to interest due upon any of the Indebtedness; and third to the principal amount of the Liabilities. If any deficiency shall arise, Guarantor shall remain liable to Lender therefor. The commencement of any action, legal or equitable, or the rendering of any judgment or decree for deficiency shall not affect Lender's security interest in the Collateral until the Liabilities are fully paid. Guarantor agrees that Lender has no obligation to preserve rights to Collateral against any other parties.

13. Cumulative Remedies; Power of Attorney; Effect on Credit Agreement. All of Lender's rights and remedies with respect to the Patents, whether established hereby, by the Credit Agreement, the Guaranty, by any other Agreements, or by law shall be cumulative and may be exercised singularly or concurrently. Guarantor hereby authorizes Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as Guarantor's true and lawful attorney-in-fact, with power, from and after the occurrence of an Event of Default to (a) endorse Guarantor's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Patents, (b) take any other actions with respect to the Patents as Lender deems in the best interest of Lender, (c) grant or issue any exclusive or non-exclusive license under the Patents to anyone, or (d) assign, pledge, convey or otherwise transfer title in or dispose of the Patents to anyone. Guarantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until all Liabilities shall have been paid in full and the Credit Agreement, the Guaranty and the Agreements have been terminated. Guarantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Credit Agreement, the Guaranty and the other Agreements but rather is intended to facilitate the exercise of such rights and remedies.

14. Notices. Any notice, approval, consent or other communication to any party hereunder shall be in the form and manner, and to the addresses as set forth in the Guaranty (as to the Guarantor) and the Credit Agreement (as to the Borrower).

15. Binding Effect; Benefits of Agreement. This Agreement shall (i) be binding upon Guarantor, his successors and assigns, and (ii) inure, together with the rights and remedies of Lender hereunder, to the benefit of Lender, and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (ii) and subject to the provisions of the Credit Agreement and the Guaranty, Lender may, assign or otherwise transfer any of the Liabilities to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to Lender herein or otherwise.

16. Authority of Lender. Lender shall have and be entitled to exercise all powers hereunder which are specifically delegated to Lender by the terms hereof, together with such powers as are reasonably incident thereto. Lender may perform any of its duties hereunder or in connection with the Patents by or through agents or employees and shall be entitled to retain counsel and to act in reliance upon the advice of counsel concerning all such matters. Lender and its directors, officers, employees, attorneys and agents shall be entitled to rely on any communication, instrument or document believed by it or them to be genuine and correct and to have been signed or sent by the proper person or persons. Guarantor agrees to indemnify and hold harmless Lender and any other person from and against any and all costs, expenses (including fees and expenses of attorneys and paralegals (including charges of inside counsel)), claims or liability incurred by Lender or such person hereunder, unless such claim or liability shall be due to willful misconduct or knowing violations of laws on the part of Lender or such person.

17. Waiver. To the fullest extent it may lawfully so agree, Guarantor agrees that he will not at any time insist upon, claim, plead, or take any benefit or advantage of any appraisal, valuation, stay, extension, moratorium, redemption or similar law now or hereafter in force in order to prevent, delay, or hinder the enforcement hereof or the absolute sale of any part of the Patents. Guarantor for himself and all who claim through him, so far as it or they now or hereafter lawfully may do so, hereby waives the benefit of all such laws, and all right to have the Patents marshalled upon any foreclosure hereof, and agrees that any court having jurisdiction to foreclose this Agreement may order the sale of the Patents as an entirety. Guarantor hereby waives and releases any and all right to require Lender to collect any of the Liabilities from any specific item or items of the Patents or from any other party liable as guarantor or in any other manner in respect of any of the Liabilities or from any collateral (other than the Patents) for any of the Liabilities.

18. Interpretation of Agreement. Time is of the essence of each provision of this Agreement of which time is an element. All terms not defined herein shall have the meaning set forth in the Credit Agreement and in the Uniform Commercial Code, except where the context otherwise requires. To the extent any term or provision of this Agreement conflicts with the Credit Agreement and is not dealt with more specifically herein, the Credit Agreement shall control with respect to such term or provision.

19. Reinstatement. This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by Lender in respect of the Liabilities is rescinded or must otherwise be restored or returned by Lender upon the insolvency,



bankruptcy, dissolution, liquidation or reorganization of Borrower or Guarantor or upon the appointment of any intervenor or conservator of, or trustee or similar official for, Borrower, Guarantor or any substantial part of their respective assets, or otherwise, all as though such payments had not been made.

20. Final Expression. This Agreement, together with the Credit Agreement, the Guaranty and the other Agreements to which Guarantor is a party, is intended by the parties as a final expression of their agreement and is intended as a complete and exclusive statement of the terms and conditions thereof. Acceptance of or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.

21. Survival of Provisions. All representations, warranties and covenants of Guarantor contained herein shall survive the execution and delivery of this Agreement, and shall terminate only upon the full and final payment and performance by Guarantor of the Liabilities and termination of the Credit Agreement, the Guaranty, and the other Agreements.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same agreement.

23. GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) THIS AGREEMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS, INCLUDING THE UNIFORM COMMERCIAL CODE AS ADOPTED IN THE STATE OF ILLINOIS.

(b) GUARANTOR AND LENDER ACKNOWLEDGE THAT THE RIGHT TO A TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT THE RIGHT MAY BE WAIVED. BOTH GUARANTOR AND LENDER EACH KNOWINGLY, VOLUNTARILY, IRREVOCABLY AND WITHOUT COERCION, WAIVE ALL RIGHTS TO TRIAL BY JURY OF ALL DISPUTES BETWEEN THEM. NEITHER LENDER NOR GUARANTOR SHALL BE DEEMED TO HAVE GIVEN UP THIS WAIVER OF JURY TRIAL UNLESS THE PARTY CLAIMING THAT THIS WAIVER HAS BEEN RELINQUISHED HAS A WRITTEN INSTRUMENT SIGNED BY THE OTHER PARTY STATING THAT THIS WAIVER HAS BEEN GIVEN UP.


(c) GUARANTOR AGREES THAT ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY MAY BE BROUGHT IN ANY COURT OF THE UNITED STATES OF AMERICA OR OF THE STATE OF ILLINOIS, SITTING IN OR HAVING JURISDICTION OVER THE COUNTY OF COOK, ILLINOIS AND GUARANTOR HEREBY SUBMITS TO AND ACCEPTS GENERALLY AND UNCONDITIONALLY THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS WITH RESPECT TO HIS PERSON AND PROPERTY AND IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING BY MAILING SUCH SERVICE OF PROCESS (CERTIFIED OR REGISTERED, IF CAPABLE OF CERTIFICATION OR REGISTRATION) TO GUARANTOR AT HIS ADDRESS SET FORTH BELOW. GUARANTOR HEREBY IRREVOCABLY WAIVES ANY

OBJECTION TO THE LAYING OF VENUE OF ANY SUCH SUIT OR PROCEEDING IN THE ABOVE-DESCRIBED COURTS. NOTHING IN THIS PARAGRAPH SHALL AFFECT THE RIGHT OF LENDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR LIMIT THE RIGHT OF LENDER TO BRING ANY SUCH ACTION OR PROCEEDING AGAINST GUARANTOR OR HIS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION. GUARANTOR IRREVOCABLY AND GENERALLY CONSENTS IN RESPECT OF ANY PROCEEDINGS TO THE GIVING OF ANY RELIEF OR THE ISSUE OF ANY PROCESS IN CONNECTION WITH THOSE PROCEEDINGS INCLUDING, WITHOUT LIMITATION, THE MAKING, ENFORCEMENT OR EXECUTION AGAINST ANY ASSETS WHATSOEVER OF ANY ORDER OR JUDGMENT WHICH MAY BE MADE OR GIVEN IN THOSE PROCEEDINGS.

24. Termination of Agreement. This Agreement shall terminate upon full and final payment and performance of all the Liabilities and termination of the Credit Agreement, the Guaranty and the other Agreements. At such time, Lender shall, at the request of Guarantor, reassign and redeliver to Guarantor all of the patents hereunder which have not been sold, disposed of, retained or applied by Lender in accordance with the terms hereof. Such reassignment and redelivery shall be without warranty by or recourse to Lender, except as to the absence of any prior assignments by Lender of its interest in the patents, and shall be at the expense of Guarantor.

[The rest of this page is intentionally left blank.]

IN WITNESS WHEREOF, Guarantor has duly executed and delivered this Agreement as of the day and year first above written.

By   
Donald J. Frank ("Guarantor")

Address:  
940 Mueller Road  
St. Paul, Missouri 63366

By acceptance hereof as of this 7th day of May 1999, Lender agrees to be bound by the provisions hereof.

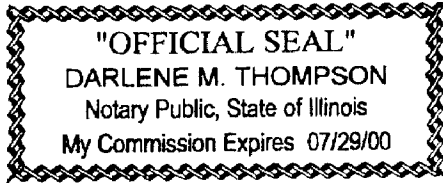
AMERICAN NATIONAL BANK AND TRUST  
COMPANY OF CHICAGO

By   
Its ~~1st Vice~~ President

CERTIFICATE OF ACKNOWLEDGEMENT

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

7<sup>th</sup> Before me, the undersigned, a Notary Public in and for the county aforesaid, on this day of MAY, 1999 personally appeared DONALD J. FRANK to me known personally, and who, being by me duly sworn, deposes and acknowledged said instrument to be his free act and deed.



Darlene M. Thompson  
Notary Public

My commission expires:

SCHEDULE A  
TO  
PATENT SECURITY AGREEMENT

Dated as of May 7, 1999

Patents Owned By Donald J. Frank

See Attached Schedule

SCHEDULE A  
(PATENTS)

PATENT NO./ SERIAL NO.	DATE OF REGISTRATION	COUNTRY OF REGISTRATION	TITLE OF PATENT	PRESENT PATENT OWNER	RENEWAL DATE	EXPIRATION DATE	EXISTING LICENSES/PRIOR ASSIGNMENTS	FOREIGN RIGHTS
4,833,731	May 30, 1989	U.S.	Reversible Lap Robe	Donald J. Frank			Continental Textile Corporation	
4,844,965	July 4, 1989	U.S.	Absorptive Device for Incontinent Patients	Donald J. Frank			Continental Textile Corporation	
4,847,133	July 11, 1989	U.S.	Synthetic Fiber Healthcare Fabric	Donald J. Frank			Continental Textile Corporation	
4,939,017	July 3, 1990	U.S.	Absorptive Device with Protective Pockets	Donald J. Frank			Continental Textile Corporation	
4,846,822	July 11, 1989	U.S.	Liquid Impervious Barrier Method	Donald J. Frank			Continental Textile Corporation	

19122200021:#93/42

HAZELWOODWEBER-

: 3-16-99 : 8:59AM :

SENT BY:HAZELWOODWEBER

TRADEMARK  
REEL: 001908 FRAME: 0660

NOTE: ATTACH A COPY OF EACH PATENT REGISTRATION, RENEWAL AND EXISTING LICENSE(S) OR PRIOR ASSIGNMENT(S) TO THIS SCHEDULE.

**SCHEDULE B  
(SERVICEMARKS/TRADEMARKS)**

REGISTRATION NO. (NOTE: IF PRINCIPAL REGISTRATION/ SUPPLEMENTAL REGISTRY)	DATE AND PLACE OF REGISTRATION	NAME/ DESCRIPTION OF MARK	GOODS/ SERVICES CLASSIFICATIONS OF MARK	DATE OF AFFIDAVIT OF USE	PRESENT OWNER	RENEWAL DATE	EXPIRATION DATE	FOREIGN LICENSES/ PRIOR ASSIGNMENTS AND FOREIGN RIGHTS/ REGISTRATIONS
1,383,424		"Com/Sept"						

NOTE: ATTACH A COPY OF EACH TRADEMARK/SERVICE MARK REGISTRATION, RENEWAL, AFFIDAVIT OF USE AND EXISTING LICENSE(S) OR PRIOR ASSIGNMENT(S) TO THIS SCHEDULE.

SCHEDULE C  
(COPYRIGHTS)

REGISTRATION NO.	DATE OF REGISTRATION	TITLE OF WORK	PRESENT OWNER	EXPIRATION DATE	EXISTING LICENSES/ PRIOR ASSIGNMENTS	FOREIGN RIGHTS/ REGISTRATIONS
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N/A

NOTE: ATTACH A COPY OF EACH COPYRIGHT REGISTRATION AND ANY EXISTING LICENSE(S) OR PRIOR ASSIGNMENT(S) TO THIS SCHEDULE.



SCHEDULE D  
(LICENSES)

LICENSE DESCRIPTION	DATE OF LICENSE	LICENSEE: NAME AND ADDRESS	PRODUCT SERVICES COVERED	TERMINATION DATE	RENEWAL RIGHTS	ROYALTY PAYMENTS
---------------------	-----------------	----------------------------	--------------------------	------------------	----------------	------------------

N/A

NOTE: ATTACH A COPY OF EACH LICENSE AGREEMENT.

EXHIBIT A

FORM OF ASSIGNMENT

ASSIGNMENT OF PATENTS

THIS ASSIGNMENT OF PATENTS ("Assignment") is made as of \_\_\_\_\_, 19\_\_ by and between Donald J. Frank, ("Assignor"), in favor of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, having an office at 33 North LaSalle Street, Chicago, Illinois 60690 ("Assignee").

Recitals

WHEREAS, Assignor and Assignee are parties to that certain Patent Security Agreement dated as of May 7, 1999 made by Assignor to Assignee (the "Agreement") providing that under certain conditions specified therein Assignor shall execute this Assignment; and

WHEREAS, the aforementioned conditions have been fulfilled;

NOW THEREFORE, Assignor hereby agrees as follows:

1. Assignment of Patents. Assignor hereby grants, assigns and conveys to Assignee his entire right, title and interest in and to all of Assignor's patents and patent applications including, without limitation, the patents and patent applications listed on Schedule I attached hereto and made a part hereof, and the inventions defined therein and improvements described and claimed therein and (i) all reissues, divisions, continuations, renewals, reexaminations, extensions and continuations-in-part of any of the foregoing, (ii) all income, royalties, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing patents and patent applications, together with the items described in clauses (i)-(iv) above, are referred to herein, either individually or collectively, as the "Patents").

2. Representations and Warranties. Assignor represents and warrants that he has the full right and power to make the assignment of the Patents made hereby and that he has made no previous assignment, transfer, agreement in conflict herewith or constituting a present or future assignment or encumbrance of any or all of the Patents, except as set forth in the Agreement.

3. Modification. This Assignment cannot be altered, amended or modified in any way, except by a writing signed by the parties hereto.

4. Binding Effect; Governing Law. This Assignment shall be binding upon Assignor and his successors and shall inure to the benefit of Assignee and its successors and assigns.

This Assignment shall, except to the extent that federal law or laws of another state apply to the Patents or any part thereof, be governed by and construed in accordance with the internal laws of the State of Illinois.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed and delivered as of the date first above written.

By: \_\_\_\_\_  
Donald J. Frank ("Assignor")

Address:  
940 Mueller Road  
St. Paul, Missouri 63366

**SCHEDULE I**

**See Attached Schedule**

**A-3**

SCHEDULE A  
(PATENTS)

PATENT NO/ SERIAL NO.	DATE OF REGISTRATION	COUNTRY OF REGISTRATION	TITLE OF PATENT	PRESENT PATENT OWNER	RENEWAL DATE	EXPIRATION DATE	EXISTING LICENSES/PRIOR ASSIGNMENTS	FOREIGN RIGHTS
4,833,731	May 30, 1989	U.S.	Reversible Lap Robe	Donald J. Frank			Continental Textile Corporation	
4,844,965	July 4, 1989	U.S.	Absorptive Device for Incontinent Patients	Donald J. Frank			Continental Textile Corporation	
4,847,133	July 11, 1989	U.S.	Synthetic Fiber Healthcare Fabric	Donald J. Frank			Continental Textile Corporation	
4,939,017	July 3, 1990	U.S.	Absorptive Device with Protective Pockets	Donald J. Frank			Continental Textile Corporation	
4,846,822	July 11, 1989	U.S.	Liquid ImperVIOUS Barrier Method	Donald J. Frank			Continental Textile Corporation	

NOTE: ATTACH A COPY OF EACH PATENT REGISTRATION, RENEWAL AND EXISTING LICENSE(S) OR PRIOR ASSIGNMENT(S) TO THIS SCHEDULE.

SCHEDULE B  
(SERVICEMARKS/TRADEMARKS)

REGISTRATION NO. (NOTE: IF PRINCIPAL REGISTRATION/ SUPPLEMENTAL REGISTRY)	DATE AND PLACE OF REGISTRATION	NAME/ DESCRIPTION OF MARK	GOODS/ SERVICES CLASSIFICATIONS OF MARK	DATE OF AFFIDAVIT OF USE	PRESENT OWNER	RENEWAL DATE	EXPIRATION DATE	FOREIGN LICENSES/ PRIOR ASSIGNMENTS AND FOREIGN RIGHTS/ REGISTRATIONS
1,383,424		"Con/Sep"						

NOTE: ATTACH A COPY OF EACH TRADEMARK/SERVICE MARK REGISTRATION, RENEWAL, AFFIDAVIT OF USE AND EXISTING LICENSE(S) OR PRIOR ASSIGNMENT(S) TO THIS SCHEDULE.

SCHEDULE C  
(COPYRIGHTS)

REGISTRATION NO.	DATE OF REGISTRATION	TITLE OF WORK	PRESENT OWNER	EXPIRATION DATE	EXISTING LICENSES/ PRIOR ASSIGNMENTS	FOREIGN RIGHTS/ REGISTRATIONS
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N/A

NOTE: ATTACH A COPY OF EACH COPYRIGHT REGISTRATION AND ANY EXISTING LICENSE(S) OR PRIOR ASSIGNMENT(S) TO THIS SCHEDULE.

SCHEDULE D  
(LICENSES)

LICENSE DESCRIPTION	DATE OF LICENSE	LICENSEE: NAME AND ADDRESS	PRODUCT SERVICES COVERED	TERMINATION DATE	RENEWAL RIGHTS	ROYALTY PAYMENTS
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N/A

NOTE: ATTACH A COPY OF EACH LICENSE AGREEMENT.