

08-08-2001

Form PTO-1594  
(Rev. 03/01)  
OMB No. 0651-0027 (exp. 5/31/2002)  
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U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office



101803531

To the Honorable Commissioner of

Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): 8-10)  
**GREENWOOD MILLS, INC.**

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

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

2. Name and address of receiving party(ies)  
 Name: **CONGRESS FINANCIAL CORPORATION**  
 Internal **(SOUTHERN)**  
 Address: \_\_\_\_\_  
 Street Address: **200 GALLERIA PWY., STE. 1500**  
 City: **ATLANTA** State: **GA** Zip: **30339**

Individual(s) citizenship  
 Association  
 General Partnership  
 Limited Partnership  
 Corporation-State **GEORGIA**  
 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                               Merger  
 Security Agreement                       Change of Name  
 Other \_\_\_\_\_

Execution Date: **JULY 3, 2001**

4. Application number(s) or registration number(s):  
 A. Trademark Application No.(s)  
 B. Trademark Registration No.(s)  
**R2058518**  
**R754264**

Additional number(s) attached  Yes  No

6. Total number of applications and registrations involved: 7

5. Name and address of party to whom correspondence concerning document should be mailed:  
 Name: **JEFFREY C. NARVIL, ESQ.**  
 Internal Address: \_\_\_\_\_  
 Street Address: **PAUL, HASTINGS, JANOFSKY & WALKER LLP**  
**600 PEACHTREE STREET, SUITE 2400**  
 City: **ATLANTA** State: **GA** Zip: **30308**

7. Total fee (37 CFR 3.41).....\$ **190.00**

Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number:  
**16-0752**

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

06/07/2001  
01 FC:481  
02 FC:482

TBIAZ1 00000128 R2058518  
40.00 OP  
150.00 OP

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.*

**JEFFREY C. NARVIL**  
Name of Person Signing

**JULY 31, 2001**  
Date

Total number of pages including cover sheet, attachments, and document: 11

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

06/07/2001 TBIAZ1 00000128 R2058518

01 FC:481 40.00 OP

**ADDITIONAL TRADEMARK NUMBERS**

Current Trademarks

<b><u>COUNTRY</u></b>	<b><u>MARK</u></b>	<b><u>SERIAL NO. OR REGISTRATION NO.</u></b>	<b><u>APP/REG DATE</u></b>
USA	Greenwood (Stylized)	RA500593	
USA	Silverdust	R2053203	
USA	The Look of the Future	R1512747	
USA	Silverdust	R2236925	
USA	Single Source	R2141221	

## TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (the "Agreement") dated July 3, 2001 is entered into by and among Congress Financial Corporation (Southern), a Georgia corporation, as agent for itself and the Lenders ("Agent") and Greenwood Mills, Inc., a South Carolina corporation ("Greenwood"), Liberty Manufacturing, Inc., a South Carolina corporation ("Liberty"), Lindale Manufacturing, Inc., a South Carolina corporation ("Lindale"), Single Source Apparel, Inc., a South Carolina corporation ("Single Source") and Aquatech, Inc., a South Carolina corporation ("Aquatech" and collectively with Greenwood, Liberty, Lindale and Single Source, "Borrowers" and each sometimes being referred to herein individually as a "Borrower).

### W I T N E S S E T H

WHEREAS, Agent, the financial institutions signatory thereto as lenders (the "Lenders") and Borrowers are parties to that certain Loan and Security Agreement of even date herewith (as the same may hereafter be modified, amended, restated or supplemented from time to time, the "Loan Agreement"), pursuant to which the Lenders have agreed to extend credit to Borrowers from time to time and Borrowers have granted to Agent a security interest substantially all of Borrowers' assets; and

WHEREAS, the Lenders and Agent have required that Borrowers execute and deliver this Agreement (i) in order to secure the prompt and complete payment, observance and performance of all of the Obligations (as defined in the Loan Agreement), and (ii) as a condition precedent to any extension of credit under the Loan Agreement; and

NOW, THEREFORE, for and in consideration of the premises set forth above and for other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, each Borrower hereby agrees as follows:

1. The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. Capitalized terms not otherwise defined herein shall have the meanings ascribed those terms in the Loan Agreement.

2. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, each Borrower hereby grants to Agent a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of each Borrower's now owned or existing and hereafter acquired or arising: (i) trademarks, trade names, registered trademarks, trademark applications, service marks, registered service

marks and service mark applications, including, without limitation, the trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, all of which are listed on Schedule 1 attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (c) the right to sue for past, present and future infringements and dilutions thereof, (d) the goodwill of each Borrower's business symbolized by the foregoing and connected therewith, and (e) all of each Borrower's rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names, registered trademarks and trademark applications, service marks, registered service marks and service mark applications, together with the items described in clauses (a)-(e) in this paragraph 2(i), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"; and (ii) the goodwill of each Borrower's business connected with and symbolized by the Trademarks.

3. Each Borrower agrees that it will not, without Agent's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and each Borrower further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others subject to its control, including, without limitation, licensees, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Agent under this Agreement or the rights associated with the Trademarks.

4. Each Borrower authorizes Agent to modify this Agreement by amending Schedule 1 to include any future trademarks, service marks, and trademark or service mark applications or registrations which are or may become Trademarks hereunder and to record such modifications (or notice thereof) in the United States Patent and Trademark Office or with other applicable recording office at the expense of the Borrowers. Each Borrower agrees to execute any and all instruments (including individual conditional assignments or security agreements) necessary to confirm such amendment or to enable such recording.

5. Each Borrower agrees (i) not to abandon any Trademark without the prior written consent of Agent, and (ii) to take all action necessary to maintain in force any registration of the Trademarks, in the United States Patent and Trademark Office and in any other jurisdiction in which it is registered, including (without limitation) any filing, to the extent permitted and authorized by law, any declarations under Sections 8 and 15 of the Trademark Act of 1946 (Lanham Act) and any renewals thereunder, with respect to the Trademarks. Any expense with regard to the foregoing shall be borne and paid by the Borrowers.

6. Agent shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks and, if Agent shall commence any such suit, each Borrower shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents reasonably required by Agent in aid of such enforcement. Each Borrower shall, upon demand, promptly reimburse Agent for all costs and expenses incurred by Agent in the exercise of its rights under this paragraph 6 (including, without limitation, fees and expenses of attorneys and paralegals for Agent).

7. (a) Each Borrower hereby irrevocably designates, constitutes and appoints Agent (and all officers and agents of Agent designated by Agent in its sole and absolute discretion) as such Borrower's true and lawful attorney-in-fact, and authorizes Agent and any of Agent's designees, in such Borrower's or Agent's name, to take any action and execute any instrument necessary or reasonably advisable to accomplish the purposes of this Agreement, including, without limitation, to (i) endorse such Borrower's name on all applications, documents, papers and instruments necessary or reasonably desirable for Agent in the use of the Trademarks, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks to anyone, and (iv) take any other actions with respect to the Trademarks as Agent reasonably deems in its best interest. Each Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated. Each Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Agent under the Loan Agreement or any other Financing Agreement, but rather is intended to facilitate the exercise of such rights and remedies.

(b) Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located or deemed located. Upon the occurrence of an Event of Default and the election by Agent to exercise any of its remedies under Section 9-504 or Section 9-505 of the Uniform Commercial Code as in effect in the State of Georgia with respect to the Trademarks, each Borrower agrees to assign, convey and otherwise transfer title in and to the Trademarks to Agent or any transferee of Agent and to execute and deliver to Agent or any such transferee all such agreements, documents and instruments as may be necessary, in Agent's sole discretion, to effect such assignment, conveyance and transfer. All of Agent's rights and remedies with respect to the Trademarks, whether established hereby, by the Loan Agreement or by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that Agent may exercise any of the rights and remedies provided in this Agreement, the Loan Agreement or any of the other Financing Agreements. Each Borrower agrees that any notification of intended disposition of any of the Trademarks required by law shall be deemed reasonably and properly given if given at least five (5)

days, if such notice is given by facsimile or eight (8) days, if such notice is given by mail, before such disposition; provided, however, that Agent may give any shorter notice that is commercially reasonable under the circumstances.

8. Upon the satisfaction of the Obligations and the termination of the credit facility under the Loan Agreement, Agent shall execute and deliver to Borrowers all instruments as may be necessary or proper to remove and terminate the security interest, and to reassign to Borrowers any and all right, title and interest in the Trademarks and the goodwill of the business symbolized by the Trademarks, subject to any disposition thereof which may have been made by Agent pursuant hereto.

9. 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.

10. This Agreement is subject to modification only by a writing signed by the parties.

11. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

12. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of an original, executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile shall also deliver an original executed counterpart of this Agreement, but the failure to deliver an original, executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

13. This Agreement shall be construed according to the internal laws of the State of Georgia, without regard to the conflict of laws principles thereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Agent and Borrowers have caused these presents to be duly executed as of the day and year first above written.

AGENT

CONGRESS FINANCIAL CORPORATION  
(SOUTHERN)

By: Virginia L. Kiselbach

Title: Vice President

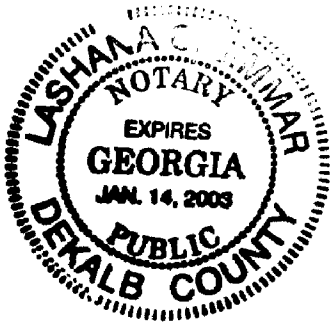
Address:

200 Galleria Parkway, Suite 1500  
Atlanta, Georgia 30339  
(770) 956-8120

NOTARY PUBLIC

Sworn to and subscribed before me  
this 3<sup>rd</sup> day of July 2001.  
My Commission Expires \_\_\_\_\_

*Lashana C. Jimmar*



BORROWER

GREENWOOD MILLS, INC.

By: John Dart

Title: Exec VP of Finance

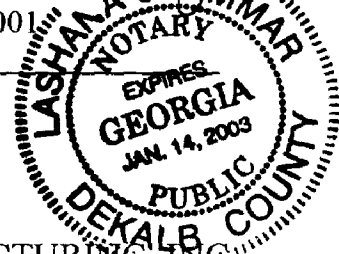
Chief Executive Office:

104 Maxwell Street  
Greenwood, South Carolina 29646  
(864) 229-1111 facsimile

NOTARY PUBLIC

Sworn to and subscribed before me  
this 3<sup>rd</sup> day of July 2001.  
My Commission Expires \_\_\_\_\_

*Lashana C. Jimmar*



LIBERTY MANUFACTURING, INC.

By: John Dart

Title: Vice President

Chief Executive Office:

104 Maxwell Street  
Greenwood, South Carolina 29646  
(864) 229-1111 facsimile

NOTARY PUBLIC

Sworn to and subscribed before me  
this 3<sup>rd</sup> day of July, 2001.  
My Commission Expires \_\_\_\_\_

*Lashana C. Jimmar*



LINDALE MANUFACTURING, INC.

By: [Signature]

Title: Vice President

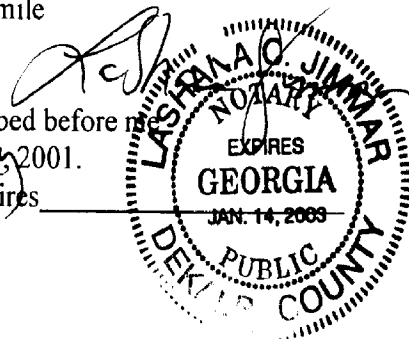
Chief Executive Office:

104 Maxwell Street  
Greenwood, South Carolina 29646  
(864) 229-1111 facsimile

NOTARY PUBLIC

Sworn to and subscribed before me  
this 3rd day of July, 2001.

My Commission Expires \_\_\_\_\_



SINGLE SOURCE APPAREL, INC.

By: [Signature]

Title: Vice President

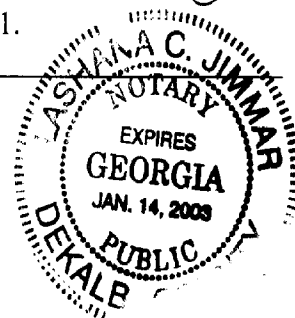
Chief Executive Office:

104 Maxwell Street  
Greenwood, South Carolina 29646  
(864) 229-1111 facsimile

NOTARY PUBLIC

Sworn to and subscribed before me  
this 3rd day of July, 2001.

My Commission Expires \_\_\_\_\_





AQUATECH, INC.

By: *[Signature]*

Title: Vice President

Chief Executive Office:

104 Maxwell Street  
Greenwood, South Carolina 29646  
(864) 229-1111 facsimile

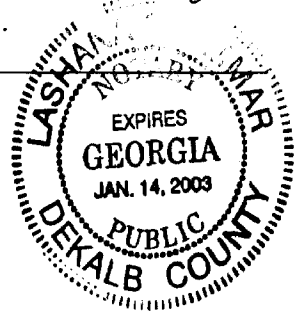
NOTARY PUBLIC

Sworn to and subscribed before me

this 2nd day of July 2001.

My Commission Expires \_\_\_\_\_

*[Signature]*



SCHEDULE 1

The attached trademarks are owned by Greenwood Mills, Inc.

# TRADEMARK SECURITY AGREEMENT

## SCHEDULE 1

### TRADEMARKS

<u>TRADEMARK</u>	<u>COUNTRY</u>	<u>REGISTRATION NUMBER</u>
1. Chambrell	USA	R2058518
2. Fabric with the Character of Quality	USA	R754264
3. Greenwood (Stylized)	USA	R1500593
4. Silverdust	USA	R2053203
5. The Look of the Future	USA	R1512747
6. Silverdust	USA	R2236925
7. Single Source	USA	R2141221
8. Greenwood	France	1,421,375
9. Greenwood	Italy	512,413
10. Greenwood	Denmark	3750/1973