



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

Tab settings

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

1. Name of conveying party(ies):

Boehme-Filatex, Inc.

9-12-02

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

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 08/12/2002

2. Name and address of receiving party(ies)

Name: LaSalle Business Credit, Inc.

Internal

Address:

Street Address: 135 South LaSalle Street

City: Chicago State: IL Zip: 60603

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

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

A. Trademark Application No.(s)

B. Trademark Registration No (s) 2590618; 1548786; 1548787; 2056842; 2056840; 2058781; 1520384; 1521424; 1521425; 2056841; 2004360;

Additional number(s) attached Yes No

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

Name: Rosanna L. Suriano, Esquire

Internal Address: White and Williams LLP

1800 One Liberty Place

Street Address: 1650 Market Street, Suite 1800

City: Philadelphia, State: PA Zip: 19103

6. Total number of applications and registrations involved:

11

7. Total fee (37 CFR 3.41).....\$ 290

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

501292

(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.

Rosanna L. Suriano

[Signature]

September 9, 2002

Name of Person Signing

Signature

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

09/20/2002 6TOM11 00000219 501292 2590618

01 FC:481 40.00 CH 02 FC:482 250.00 CH

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "Security Agreement") made as of this 12th day of August, 2002, by Boehme-Filatex, Inc., a North Carolina corporation ("**Boehme US**") in favor of LaSalle Business Credit, Inc., as agent for Standard Federal Bank National Association ("**LaSalle US**") and LaSalle Business Credit, a division of ABN AMRO BANK N.V., Canada branch ("**LaSalle Canada**"), with an office at 1735 Market Street, 6th Floor, Philadelphia, Pennsylvania 19103 (collectively, "**Lender**");

W I T N E S S E T H

WHEREAS, Boehme US and LaSalle US are parties to a certain Loan and Security Agreement of even date herewith (as amended, amended and restated or otherwise modified from time to time, the "**US Loan Agreement**") and other related loan documents of even date herewith (collectively, with the Loan Agreement, and as each may be amended or otherwise modified from time to time, the "**US Financing Agreements**"), which US Financing Agreements provide (i) for LaSalle US to, from time to time, extend credit to or for the account of Boehme US and (ii) for the grant by Boehme US to LaSalle US of a security interest in certain of Boehme US's assets, including, without limitation, its trademarks and trademark applications;

WHEREAS, Boehme Filatex Canada Inc. ("**Boehme Canada**") and LaSalle Canada are parties to a certain Loan Agreement of even date herewith (as amended, amended and restated or otherwise modified from time to time, the ("**Canadian Loan Agreement**") and other related loan documents of even date herewith (collectively, with the Canadian Loan Agreement, and as each may be amended or otherwise modified from time to time, the "**Canadian Financing Agreements**") which Canadian Financing Agreements provide, inter alia, for LaSalle Canada, from time to time, to extend credit to or for the account of Boehme Canada;

WHEREAS, pursuant to that certain Continuing Unconditional Guaranty of even date herewith (the "**Guaranty**") Boehme US has guaranteed and become surety to LaSalle Canada for all of Boehme Canada's obligations to LaSalle Canada under and with respect to the Canadian Financing Agreements, and the Borrower's Liabilities (as such term is defined in the Guaranty); and

WHEREAS, Boehme US has agreed, as security for its obligations under the Guaranty, to grant to LaSalle Canada a security interest in certain of U.S.'s assets, including without limitation, its patents and patent applications.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Boehme US agrees as follows:

1. Incorporation of Financing Agreements. The us Financing Agreements and the Canadian Financing Agreements (collectively, the “**Financing Agreements**”) and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the US Loan Agreement and the Canadian Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Liabilities and the Borrower’s Liabilities (as defined in the Guaranty) (the Liabilities and Borrower’s Liabilities are collectively referred to as the “**Obligations**”), Boehme US hereby grants to Lender, and hereby reaffirms its prior grant pursuant to the Financing Agreements of, a continuing security interest in Boehme US's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) in connection therewith, including, without limitation, the trademarks and applications listed on Schedule A attached hereto and made a part hereof and the trademarks, and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the “**Trademarks**”); all rights corresponding to any of the foregoing throughout the world and the goodwill of the Boehme US's business connected with the use of and symbolized by the Trademarks. Notwithstanding anything contained herein to the contrary, the security interest granted herein shall not include any of the Excluded Trademarks (as such term is defined in Section 5(m) of the US Loan Agreement).

3. Warranties and Representations. Boehme US warrants and represents to Lender that:

(i) no Trademark has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Trademark been cancelled, in whole or in part and each such Trademark is presently subsisting;

(ii) Boehme US is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Trademark, free and clear of any liens, charges and encumbrances, including without limitation, shop rights and covenants by Boehme US not to sue third persons;

(iii) Boehme US has no notice of any suits or actions commenced or threatened with reference to any Trademark; and

(iv) Boehme US has the unqualified right to execute and deliver this Security Agreement and perform its terms. This Security Agreement constitutes the valid and binding obligation of Boehme US enforceable against Boehme US in

accordance with its terms. The execution, delivery and performance hereof will not violate any provision of Boehme US's Articles of Incorporation, by-laws or equivalent or similar corporate governance documents. No consent or approval of, or filing or registration with, any governmental authority (other than a filing with the United States Patent and Trademark Office) is necessary for the execution and performance hereof by Boehme US.

4. Restrictions on Future Agreements. Boehme US agrees that until the Obligations shall have been satisfied in full and the Financing Agreements and any obligation or commitment of Lender to make loans or advances thereunder shall have been terminated, Boehme US shall not, without the prior written consent of Lender, sell or assign its interest in any Trademark or enter into any other agreement with respect to any Trademark which would affect the validity or enforcement of the rights transferred to Lender under this Security Agreement.

5. New Trademarks. Boehme US represents and warrants that, based on a diligent investigation by Boehme US, the Trademarks listed on Schedule A constitute all of the federally registered Trademarks, and federal applications for registration of Trademarks (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) now owned by Boehme US. If, before the Obligations shall have been satisfied in full or before the Financing Agreements have been terminated, Boehme US shall (i) become aware of any existing Trademarks of which Boehme US has not previously informed Lender, or (ii) become entitled to the benefit of any Trademarks, which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and Boehme US shall give to Lender prompt written notice thereof. Boehme US hereby authorizes Lender to modify this Security Agreement by amending Schedule A to include any such Trademarks.

6. Term. The term of this Security Agreement shall extend until the payment in full of the Obligations and the termination of the Financing Agreements and any obligation or commitment of Lender to make loans or advances thereunder. Boehme US agrees that upon the occurrence of an Event of Default, Boehme US shall be deemed to have granted a non-exclusive license to Lender to use the Trademarks in the exercise by Lender of its rights as a secured creditor with respect to Boehme US's tangible property and the use by Lender of all Trademarks pursuant to such deemed license shall be without any liability for royalties or other related charges from Lender to Boehme US.

7. Product Quality. Boehme US agrees to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable business practices. Upon the occurrence of an Event of Default, Boehme US agrees that Lender, or a conservator appointed by Lender, shall have the right to establish such additional product quality controls as Lender, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Boehme US under the Trademarks.

8. Release of Security Agreement. This Security Agreement is made for collateral purposes only. Upon payment in full of the Obligations and termination of the Financing Agreements and any obligation or commitment of Lender to make loans or advances

thereunder, Lender shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Financing Agreements

9. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Boehme US. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Trademarks or in defending or prosecuting any actions or proceedings arising out of or related to or in enforcing Lender's rights as a secured creditor in the Trademarks shall be borne by and paid by Boehme US and until paid shall constitute Obligations.

10. Duties of Boehme US. Boehme US shall have the duty (i) to file and prosecute diligently any trademark applications pending as of the date hereof or hereafter until the Obligations shall have been paid in full and the Financing Agreements and any obligation or commitment of Lender to make loans or advances thereunder have been terminated, (ii) to preserve and maintain all rights in the Trademarks, as commercially reasonable and (iii) to ensure that the Trademarks are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with Boehme US's Obligations under this Section 10 shall be borne by Boehme US.

11. Lender's Right to Sue. After 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 Trademarks and, if Lender shall commence any such suit, Boehme US 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 Boehme US shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 11.

12. Waivers. No course of dealing between Boehme US 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 Financing 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.

13. Severability. The provisions of this Security 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 Security Agreement in any jurisdiction.

14. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Boehme US hereby appoints Lender and any officer or agent of Lender as Lender may select, in its sole discretion, as Boehme US's true and lawful attorney-in-fact, with power, exercisable upon the occurrence of an Event of Default, to (i) endorse Boehme US's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Trademarks or (ii) take any other actions with respect to the Trademarks as Lender deems to be in the best interest of Lender, or (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Boehme US hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Obligations shall have been paid in full and the Financing Agreements and any obligation or commitment of Lender to make loans or advances thereunder have been terminated. Boehme US acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Pennsylvania.

16. Binding Effect; Benefits. This Security Agreement shall be binding upon Boehme US and its respective successors and assigns, and shall inure to the benefit of Lender, its successors, nominees and assigns. Boehme US may not assign any of its rights or obligations hereunder.

17. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania and applicable federal law.

18. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

19. Further Assurances. Boehme US agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Lender shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein. Boehme US hereby authorizes Lender to file UCC-1 financing statements (and all appropriate continuations and amendments thereto) against Boehme US describing the Trademarks (including a description of "all trademarks" or "all general intangibles") from time to time in such jurisdictions as Lender may deem necessary, desirable or prudent to protect and perfect Lender's security interest in the Trademarks.

20. Survival of Representations. All representations and warranties of Boehme US contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Financing Agreements.

21. Allocations. All proceeds of the Patents shall be applied by Lender as provided in that certain Intercreditor Agreement of even date herewith among Boehme US, Boehme Canada, and Lender.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, and intending to be legally bound hereby, Boehme
US has duly executed this Security Agreement as of the date first written above.

BOEHME-FILATEX, INC.

By: 

Name: Rene A. Eckert

Title: Chief Executive Officer

Agreed and Accepted

As of the Date First Written Above

LASALLE BUSINESS CREDIT,
INC., as agent for Standard Federal
Bank National Association, in its
capacity as Agent and LaSalle
Business Credit, a division of ABN
AMRO BANK N.V., Canada branch

By: 

Name: DAVID S. OPPENHEIMER

Title: V.P.

ACKNOWLEDGEMENT

STATE OF NORTH CAROLINA)
) SS
COUNTY OF MECKLENBURG)

I, MALVINA L. PETERSON, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT René A. Eckert, Chief Executive Officer of Boehme-Filatex, Inc., personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 12th day of August, 2002.

Malvina L. Peterson
Notary Public

My Commission Expires: Aug. 1, 2005



SCHEDULE A

1. Hipochem; Registration No. 1548786
2. Hipochem Products & Design; Registration No. 1548787
3. Hipofix; Registration No. 2056842
4. Hipolube; Registration No. 2056840
5. Hipoquest; Registration No. 2058781
6. Hiposcour; Registration No. 1520384
7. Hiposoft; Registration No. 1521424
8. Hipowet; Registration No. 1521425
9. Hipowhite; Registration No. 2056841
10. Sil-Fin; Registration No. 2004360
11. Hipolube; Registration No. 114985 (Dominican Republic)
12. Hipowet; Registration No. 114984 (Dominican Republic)
13. Hipochem; Reigstration No. 664686 (Mexico)
14. Hiposcour; Registration No. 664688 (Mexico)
15. Sil-Fin; Registration No. 664685 (Mexico)
16. High Point Textile Auxiliaries LLC & Design; Registration No. 2590618
17. Hipochem; Application No. 1064366 (Canada); Registered 5/5/02
18. Hipolube; Application No. 1064353 (Canada); Registered 4/29/02
19. Hiposoft; Application No. 1064368 (Canada); Registered 4/30/02
20. Hipowet; Application No. 1064369 (Canada)
21. Sil-Fin; Application No. 1064371 (Canada)
22. Hipochem; Application No. 20000037033 (Dominican Republic)

23. Hiposoft; Application No. 20000037048 (Dominican Republic)

24. Sil-Fin; Application No. 2000037047 (Dominican Republic)