

Form PTO-1594  
(Rev. 10/02)  
OMB No. 0651-0027 (exp. 6/30/2005)

### RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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):

GQM Acquisition Corp.

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

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

3. Nature of conveyance:

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

Execution Date: 12/26/2003

2. Name and address of receiving party(ies)

Name: Gladstone Capital Corporation

Internal Address: Suite 208

Street Address: 1616 Anderson Road

City: McLean State: VA Zip: 22102

- Individual(s) citizenship \_\_\_\_\_
- Association \_\_\_\_\_
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation-State Maryland
- 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) 2,408,816

Additional number(s) attached  Yes  No

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

Name: Denise Zack

Internal Address: Cooley Godward LLP

One Freedom Square

Reston Town Center

Street Address: 11951 Freedom Drive

City: Reston State: VA Zip: 20190

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

03-3115

DO NOT USE THIS SPACE

9. Signature.

Denise Zack  
Name of Person Signing

*Denise G. Zack*  
Signature

12/29/03  
Date

8

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

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

CH \$40.00 033115 2408816

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is entered into as of December 26, 2003 by and between GLADSTONE CAPITAL CORPORATION, a Maryland corporation, as Agent for the Lenders (as defined in the Credit Agreement) ("Agent") and GQM ACQUISITION CORP. (the "Borrower").

### RECITALS

WHEREAS, Borrower and Lenders entered into a certain Credit Agreement of even date herewith (the "Credit Agreement") pursuant to which Lenders have agreed to provide financing for a portion of the Acquisition (as defined in the Credit Agreement), such investment to be evidenced by Borrower's issuance to Lenders of certain Notes in the aggregate principal amount of Twenty-Four Million, Five Hundred Thousand (\$24,500,000) (the "Notes"). As a condition of the loans, Lenders required that Borrower grant to Agent, for the ratable benefit of Lenders a security interest in certain copyrights, trademarks and patents to secure the Obligations (as defined in the Credit Agreement).

WHEREAS, pursuant to the terms of the Security Agreement (as defined in the Credit Agreement), Borrower has granted to Agent a security interest in all of Borrower's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral (as defined in the Security Agreement).

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of the Obligations, Borrower hereby represents, warrants, covenants and agrees as follows:

### AGREEMENT

To secure the Obligations, Borrower grants and pledges to Agent a security interest in all of Borrower's right, title and interest in, to and under its Intellectual Property (as defined in the Credit Agreement), including without limitation those copyrights, patents and trademarks listed on Schedules A, B and C hereto, and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

The security interest is granted in conjunction with the security interest granted to Agent under the Security Agreement. The rights and remedies of Agent with respect to the security interest granted hereby are in addition to those set forth in the Security Agreement and the other Loan Documents (as defined in the Credit Agreement), and those which are now or hereafter available to Agent as a matter of law or equity. Each right, power and remedy of Agent provided for herein or in the Security Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Agent of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the

Security Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Agent, of any or all other rights, powers or remedies.

Borrower represents and warrants that Exhibits A, B, and C attached hereto set forth any and all Intellectual Property rights in connection with which Borrower has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

**GQM ACQUISITION CORP., as Borrower**

By: *[Signature]*  
Name: *Dennis Gray*  
Title: *President*

**GLADSTONE CAPITAL CORPORATION,  
as Agent**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

**GQM ACQUISITION CORP., as Borrower**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**GLADSTONE CAPITAL CORPORATION,  
as Agent**

By: Joseph Butte  
Name: Joseph Butte  
Title: Principal

**EXHIBIT A**  
**COPYRIGHTS**

**None**

**EXHIBIT B**

**PATENTS**

**Patent No. 5,001,997, issued on March 26, 1991. Sewing Mechanism for Quilting Machine.**

**EXHIBIT C**  
**TRADEMARKS**

**Trademark "GAMMILL", Registration No. 2,408,816, registered November 28, 2000.**