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Form PTO-1594
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)
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102551034

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):

Union Wadding Company

- 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: August 15, 2002

2. Name and address of receiving party(ies)

Name: Citizens Bank of Rhode Island

Internal

Address: _____

Street Address: One Citizens Plaza

City: Providence State: RI Zip: 02903

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- Other Rhode Island financial institution

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)

See Schedule I Attached Hereto

Additional number(s) attached Yes No

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

Name: Christopher J. McCarty

Internal Address: _____

Holland & Knight LLP

Street Address: One Financial Plaza

City: Providence State: RI Zip: 02903

6. Total number of applications and registrations involved: _____

15

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

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: _____

(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.

Christopher J. McCarty

Name of Person Signing

Signature

March 26, 2003

Date

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

03/27/2003 6TON11 00000166 75931554

01 FC:8521
02 FC:8522

40.00 OP
350.00 OP

TRADEMARK
REEL: 002822 FRAME: 0258

SCHEDULE I

PLEDGED COLLATERAL

(2) Serial Number	(3) Registration Number/Date	(4) Work Mark	(5) Live/Dead Indicator
75-931,554	2,421,488 January 16, 2001	FROSTY SNOW	Live
75-873,571	2,559,734 April 9, 2002	FOOT OF SNOW	Live
75-235,190	2,107,497 October 21, 1997	SNOW COVER	Live
74-487,024	1,873,993 January 17, 1995	SNOW DRIFT	Live
74-487,023	1,908,637 August 1, 1995	SNOW-TEX	Live
74-428,287	1,865,828 December 6, 1994	SNOW COVER BLANKET	Live
73-240,101	1,166,658 August 25, 1981	UW	Live
73-240,100	1,162,908 July 28, 1981	UW	Live
73-240,099	1,163,976 August 4, 1981	UW	Live
73-181,264	1,122,482 July 17, 1979	HOLLY-TEX	Live
72-276,792	842,555 January 16, 1968	POLLY-TEX	Live
72-071-322	689,629 December 8, 1959	DÉCOR-TEX	Live
72-052-533	677,512 April 28, 1959	JIFFY PLANTER	Live
72-031,424	658,330 February 11, 1958	GLAZE-TEX	Live
71-577,151	530,325 September 5, 1950	SPARKL-TEX	Live

PRV1 #86105 v5

PRV1 #86105 v5

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT ("this Agreement") is dated as of August 15, 2002, made by Union Wadding Company, a Rhode Island corporation, having a place of business located at 125 Goff Avenue, Pawtucket, Rhode Island 02862 ("Pledgor"), in favor of and Citizens Bank of Rhode Island, a Rhode Island financial institution, having its principal offices located at One Citizens Plaza, Providence, Rhode Island 02903 (the "Lender"). The Lender is herein referred to from time to time as the "Secured Party."

PRELIMINARY STATEMENTS

(1) The Lender has entered into a Fourth Amendment To Revolving Credit Agreement dated as of the date hereof (said Agreement, as it may hereafter be amended or otherwise modified from time to time, being the "Loan Agreement", the terms defined therein and not otherwise defined herein being used herein as therein defined) with the Pledgor.

(2) It is a condition precedent to the extension of credit by the Lender under the Loan Agreement that Pledgor shall have granted the assignment and security interest and made the pledge and assignment contemplated by this Agreement.

(3) Pledgor is the owner of the Pledged Collateral (as defined herein).

(4) This Agreement is given by Pledgor in favor of the Lender to secure the payment and performance of all of the Secured Obligations (as defined in Section 2).

NOW, THEREFORE, in consideration of the premises and in order to induce the Lender to make extensions of credit under the Loan Agreement, the Pledgor hereby agrees with the Lender as follows:

SECTION 1. Pledge. Pledgor hereby assigns, pledges and grants to the Lender a continuing first priority security interest in all of Pledgor's right, title and interest in and to the following, whether now owned or hereafter acquired (collectively, the "Pledged Collateral"):

(a) all copyrights, whether statutory or common law, and whether or not the underlying works of authorship have been published, and all works of authorship and other intellectual property rights therein, all copyrights of works based on, incorporated in, derived from or relating to works covered by such copyrights, all right, title and interest to make and exploit all derivative works based on or adopted from works covered by such copyrights, and all copyright registrations and copyright applications, and any renewals or extensions thereof, including, without limitation, (i) the right to

reproduce, prepare derivative works, distribute copies, perform or display any of the foregoing, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/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), and (iv) all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of Pledgor accruing thereunder or pertaining thereto (the "Copyrights");

(b) each patent, patent application and patentable invention, including, without limitation, (i) all inventions and improvements described and claimed therein, and patentable inventions, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/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), and (iv) all rights corresponding thereto throughout the world and all reissues, divisions, continuations, continuations-in-part, substitutes, renewals, an extensions thereof, all improvements thereon, and all other rights of any kind whatsoever of Pledgor accruing thereunder or pertaining thereto (the "Patents"); and

(c) all trademarks, service marks, trade names, trade dress or other indicia of trade origin, trademark and service mark registrations, and applications for trademark or service mark registrations (except for "intent to use" applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, unless and until an Amendment to Allege Use or a Statement of Use under Sections 1(c) and 1(d) of said Act has been filed), and any renewals thereof, including, without limitation, each registration and application identified in Schedule I attached hereto and made a part hereof, and including without limitation (i) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (ii) all income, royalties, damages and other payments now and hereafter due and/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), and (iii) all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of Pledgor accruing thereunder or pertaining thereto,

together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark, service mark, trade name, trade dress or other indicia of trade origin (the "Trademarks"); and

(d) all license agreements with any other Person in connection with any of the Pledged Collateral, or such other Person's Patents, Trademarks, Copyrights or works of authorship, or other intellectual property, whether Pledgor is a licensor or licensee under any such license agreement, subject in each case, to the terms of such license agreements, including, without limitation, terms requiring consent to a grant of a security interest, and any right to prepare for sale, sell and advertise for sale, all inventory now or hereafter owned by Pledgor and now or hereafter covered by any such licenses (the "Licenses").

SECTION 2. Security for Obligations. The assignment and pledge of and grant of a security interest in the Pledged Collateral by Pledgor pursuant to this Agreement secures the payment of all Obligations, whether for principal, interest, fees, expenses or otherwise (all such Obligations being the "Secured Obligations"). Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts that constitute part of the Secured Obligations and would be owed by Pledgor to the Lender under the Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Pledgor.

SECTION 3. Pledgor Remains Liable. Anything herein to the contrary notwithstanding, (a) the Pledgor shall remain liable under the contracts and agreements included in the Pledged Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Lender of any of the rights hereunder shall not release Pledgor from any of its duties or obligations under the contracts and agreements included in the Pledged Collateral and (c) the Lender shall not have any obligation or liability under the contracts and agreements included in the Pledged Collateral by reason of this Agreement, nor shall the Lender be obligated to perform any of the obligations or duties of Pledgor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 4. Representations and Warranties. Pledgor represents and warrants as to itself and its Pledged Collateral as follows:

(a) Pledgor is the sole, legal and beneficial owner of the entire right, title and interest in and to the Pledged Collateral registrations and applications set forth in Schedule I hereto as being the property of Pledgor free and clear of any Lien, except for the security interest

created by this Agreement. No security agreement, effective financing statement or other instrument similar in effect covering all or any part of the Pledged Collateral, that has not been terminated or released (or that will not be terminated or released in connection with the closing (the "Closing") of the transactions contemplated by the Loan Agreement), is on file in any recording office (including, without limitation, the United States Patent and Trademark Office and the United States Copyright Office), except such as may have been filed in favor of the Lender relating to this Agreement or any other Loan Document, and Pledgor has not consented to the filing of a financing statement under the Uniform Commercial Code or the filing of any document or notice similar in effect, that has not been released or terminated (or that will not be terminated or released in connection with the Closing), with the United States Patent and Trademark Office and United States Copyright Office covering all or any part of the Pledged Collateral other than as contemplated hereby and thereby.

(b) Set forth in Schedule I is a complete and accurate list of all material Pledged Collateral and Pledged Collateral registrations and applications owned by Pledgor. Pledgor has made (and will make) all necessary filings and recordations to protect and maintain its interest in the Pledged Collateral and the Pledged Collateral registrations and applications set forth in Schedule I, including, without limitation, all necessary filings and recordings in the United States Patent and Trademark Office and United States Copyright Office. Set forth in Schedule II opposite the name of Pledgor is a complete and accurate list of material Licenses owned by Pledgor in which Pledgor is (i) a licensor or (ii) a licensee, and Schedule II specifies whether Pledgor is a licensee or licensor under each such License.

(c) Each material item of Pledged Collateral and Pledged Collateral registration and application of Pledgor set forth in Schedule I is subsisting and has not been adjudged invalid, unregistered or unenforceable, in whole or in part, and, to the best of Pledgor's knowledge, is valid, subsisting, registerable and enforceable. Each material License of Pledgor identified in Schedule II is validly subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the best of Pledgor's knowledge, is valid and enforceable. Pledgor has notified the Lender in writing of all uses of any material item of Pledged Collateral of which Pledgor is aware which could reasonably be expected to lead to such item becoming invalid or unenforceable, including unauthorized uses by third parties.

(d) Pledgor has not made a previous assignment, sale, transfer or agreement constituting a present or future assignment, sale, transfer or encumbrance of any of the Pledged Collateral that has not been terminated or released, except as will be terminated or released before in connection with the Closing. Pledgor has not granted any license (other than those listed on Schedule II hereto), shop right, release, covenant not to sue, or non-assertion assurance to any person with respect to any part of the Pledged Collateral.

(e) No consent of any other Person and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or other third party in the United States is required either (A) for the grant by Pledgor of the security interest granted hereby or for the execution, delivery or performance of this Agreement by Pledgor, (B) for the perfection or maintenance of the pledge and security interest created hereby (including the first priority nature of such pledge or security interest), except for the filing of financing and continuation statements under the Uniform Commercial Code and filings with the United States Patent and Trademark Office and the United States Copyright Office, or (C) for the exercise by the Lender of its rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement.

(f) Except for the licenses listed on Schedule II hereto, Pledgor has no knowledge of the existence of any right or any claim that is likely to be made under any material item of Pledged Collateral contained on Schedule I.

(g) No claim has been made and is continuing or threatened that the use by Pledgor of any item of Pledged Collateral is invalid or unenforceable or that the use by Pledgor of any material item of Copyright Collateral does or may violate the rights of any Person, except claims, uses and infringements that will not result in a material adverse effect on the business, finances or operations of Pledgor or the Collateral. To the best of Pledgor's knowledge, there is currently no infringement or unauthorized use of any material item of Pledged Collateral contained on Schedule I.

(h) Pledgor has no knowledge of the existence of any Pledged Collateral registration or license agreement held or claimed by any other Person that would preclude Pledgor from distributing, marketing, selling or providing any product sold or provided by it, as the case may be, under or in connection with any material part of the Pledged Collateral (except, in each case, to the extent that Pledgor has

granted an exclusive license to another Person), or that would materially interfere with the ability of Pledgor to carry on its business as currently carried on, and Pledgor has no knowledge of any claim that is likely to be made that if upheld would preclude or materially interfere with the business of Pledgor as currently carried on under any of the Pledged Collateral.

SECTION 5. Further Assurances.

(a) Pledgor agrees that from time to time, at the expense of Pledgor, Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Lender may reasonably request, in order to perfect and protect any pledge, assignment or security interest granted or purported to be granted hereby or to enable the Lender to exercise and enforce its rights and remedies hereunder with respect to any part of the Pledged Collateral. Without limiting the generality of the foregoing, Pledgor will execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Lender may reasonably request, in order to perfect and preserve the pledge, assignment and security interest granted or purported to be granted hereby.

(b) Pledgor hereby authorizes the Lender to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Pledged Collateral without the signature of Pledgor where permitted by law. A photocopy or other reproduction of this Agreement or any financing statement covering the Pledged Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) Pledgor will furnish to the Lender from time to time (but not more frequently than once in any quarter, unless an Event of Default shall have occurred and be continuing) statements and schedules further identifying and describing the Pledged Collateral and such other reports in connection with the Pledged Collateral as the Lender may reasonably request, all in reasonable detail.

(d) Pledgor agrees that, should it obtain an ownership interest in any patent, trademark or copyright which is material to its business, or a Pledged Collateral registration, application or license which is not now a part of the Pledged Collateral, (i) the provisions of Section 1 shall automatically apply thereto, (ii) any such item of Pledged Collateral or Pledged Collateral registration, application or

license shall automatically become part of the Pledged Collateral, and (iii) with respect to any material ownership interest in any such copyright, copyright registration, copyright application or copyright license that Pledgor should obtain, it shall give prompt written notice thereof to the Lender in accordance with Section 13 hereof. Pledgor authorizes the Lender to modify this Agreement by amending Schedules I and II (and will cooperate reasonably with the Lender in effecting any such amendment) to include any Pledged Collateral, Pledged Collateral registration, application or license which becomes part of the Pledged Collateral under this Section.

(e) With respect to each item of Pledged Collateral and Pledged Collateral registration, application and License, Pledgor agrees to take all necessary steps, including, without limitation, in the United States Trademark and Patent Office and the United States Copyright Office or in any court, to (i) maintain each item of such Pledged Collateral registration, and License, and (ii) pursue each such application, now or hereafter included in the Pledged Collateral, except where a failure to do any of the foregoing will not result in a material adverse effect on the business, finances or operations of Pledgor or the Collateral. Pledgor agrees to take corresponding steps with respect to each new or acquired item of Pledged Collateral material to Pledgor's business, and each Pledged Collateral registration, application or License which it is now or later becomes entitled, except where a failure to do any of the foregoing will not result in a material adverse effect on the business, finances or operations of Pledgor or the Collateral. Pledgor shall not abandon any right to file any Pledged Collateral application, or abandon any Pledged Collateral registration application or Pledged Collateral, without the written consent of the Lender, unless the loss thereof will not result in a material adverse effect on the business, finances or operations of Pledgor or the Collateral.

(f) Pledgor agrees to notify the Lender promptly and in writing if it learns (i) that any material item of the Pledged Collateral contained on Schedule I has become abandoned or dedicated or (ii) of any adverse determination or the institution of any proceeding (including, without limitation, the institution of any proceeding in the United States Trademark and Patent Office and the United States Copyright Office or any court) regarding any material item of the Pledged Collateral.

(g) In the event that Pledgor becomes aware that any material item of the Pledged Collateral is infringed or misappropriated by a third party, Pledgor shall promptly notify the Lender and shall

take such actions as Pledgor reasonably deems appropriate under the circumstances to protect such Pledged Collateral, including, without limitation, suing for infringement or misappropriation and for an injunction against such infringement or misappropriation. Any expense incurred in connection with such activities shall be borne by Pledgor.

(h) Pledgor shall continue to use proper statutory notice in connection with its copyright registrations contained in Schedule I (to the extent it deems reasonable in its best business judgment).

SECTION 6. Transfers and Other Liens. Pledgor shall not (a) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any item of the Pledged Collateral, except if expressly permitted in the Loan Agreement, or (b) create or suffer to exist any Lien upon or with respect to any of the Pledged Collateral except for the pledge, assignment, and security interest created by this Agreement.

SECTION 7. Lender Appointed Attorney-in-Fact. Pledgor hereby irrevocably appoints the Lender as Pledgor's attorney-in-fact, with full authority in the place and stead of Pledgor and in the name of Pledgor or otherwise, from time to time in the Lender's discretion, after the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument that the Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to ask for, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Pledged Collateral,

(b) to receive, indorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above, and

(c) to file any claims or take any action or institute any proceedings that the Lender may deem necessary or desirable for the collection of any payments relating to any of the Pledged Collateral or otherwise to enforce the rights of the Lender with respect to any of the Pledged Collateral.

To the extent permitted by law, Pledgor hereby ratifies all that the Lender shall lawfully do or cause to be done as attorney-in-fact for Pledgor. This power of attorney is a power coupled with an interest and is irrevocable.

SECTION 8. The Lender May Perform. If Pledgor fails to perform any agreement contained herein, after the expiration of any applicable grace period, the Lender may itself perform, or cause performance of, such agreement after

reasonable notice to Pledgor to the extent practicable, and the expenses of the Lender incurred in connection therewith shall be payable by Pledgor under Section 11.

SECTION 9. The Lender's Duties. The powers conferred on the Lender hereunder are solely to protect its interest in the Pledged Collateral and shall not impose any duty upon the Lender to exercise any such powers. Except for the safe custody of any Pledged Collateral in its possession and the accounting for any moneys actually received by it hereunder, the Lender shall have no duty as to any Pledged Collateral or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Pledged Collateral. The Lender shall be deemed to have exercised reasonable care in the custody and preservation of any Pledged Collateral in its possession if such Pledged Collateral is accorded treatment substantially equal to that which the Lender accords its own property.

SECTION 10. Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Lender may exercise in respect of the Pledged Collateral, in addition to other rights and remedies provided for herein or otherwise available to it and to the fullest extent permitted by law, all the rights and remedies of a secured party upon default under the Uniform Commercial Code in effect in the State of Rhode Island at such time (the "RI Uniform Commercial Code") (whether or not the RI Uniform Commercial Code applies to the affected Pledged Collateral) and also may (i) require Pledgor to, and Pledgor hereby agrees that it will, at its expense and upon request of the Lender forthwith, assemble all or part of the documents and things embodying the Pledged Collateral as directed by the Lender and make them available to the Lender at a place to be designated by the Lender that is reasonably convenient to both parties, (ii) occupy any premises owned or leased by Pledgor where documents and things embodying the Pledged Collateral or any part thereof are assembled for a reasonable period in order to effectuate the Lender's rights and remedies hereunder or under law, without obligation to Pledgor in respect of such occupation, and (iii) without notice as specified below, sell the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any of the Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Lender may deem commercially reasonable. In the event of any sale, assignment, or other disposition of any of the Pledged Collateral, Pledgor shall supply to the Lender or its designee Pledgor's know-how and expertise, and documents and things embodying the same, relating to the manufacture, distribution, advertising and sale of products or the

provision of services relating to any Pledged Collateral subject to such disposition, and Pledgor's customer lists and other records and documents relating to Pledged Collateral and to the manufacture, distribution, advertising and sale of such products and services. Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Lender shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The 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.

(b) All cash proceeds received by the Lender in respect of any sale of, collection from, or other realization upon all or any part of, the Pledged Collateral shall be applied against the Secured Obligations.

(c) The Lender may exercise any and all rights and remedies of Pledgor under or otherwise in respect of the Pledged Collateral.

(d) All payments received by Pledgor under or in connection with any of the Pledged Collateral shall be received in trust for the benefit of the Lender, shall be segregated from other funds of Pledgor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary endorsement).

SECTION 11. Indemnity and Expenses.

(a) Pledgor agrees to indemnify the Lender from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting from the Lender's gross negligence or willful misconduct as determined by a final judgment of a court of competent jurisdiction.

(b) Pledgor will upon demand pay to the Lender the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, that the Lender may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Pledged Collateral, (iii) the exercise or enforcement of any of the rights of the Lender hereunder or (iv) the failure by Pledgor to perform or observe any of the provisions hereof.

SECTION 12. Amendments, Waivers, Etc. No amendment or waiver of any provision of this Agreement, and no consent to any departure by Pledgor here from, shall in any event be effective unless the same shall be in writing and signed by the Lender and, in the case of an amendment, by Pledgor and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of the Lender to exercise, and no delay in exercising any right hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

SECTION 13. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing, and shall be given and shall be effective as set forth in the Loan Agreement.

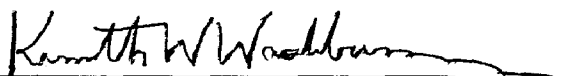
SECTION 14. Continuing Security Interest, Etc. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (a) remain in full force and effect until the later of the indefeasible payment in full in cash of the Secured Obligations, the termination of the Loan Agreement in accordance with the terms thereof, and the termination of Lender's obligations to provide additional credit thereunder, (b) be binding upon the Pledgor, its successors and assigns, and (c) inure, together with the rights and remedies of the Lender hereunder, to the benefit of the Lender, and its respective successors, transferees and assigns.

SECTION 15. This Agreement may be executed in any number of counterparts and by different parties to this Agreement on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same Agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

SECTION 16. Terms. THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, AND THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF RHODE ISLAND.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered under seal as of the date first above written.

UNION WADDING COMPANY

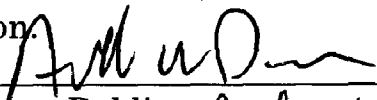
By: 

Name: Kenneth W. Washburn

Title: President

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In Providence, on the 20th day of August, 2002, before me personally appeared Kenneth W. Washburn, to me known and known by me to be the President of Union Wadding Company, ("Union") and the party executing the foregoing instrument for and on behalf of Union and he acknowledged said instrument by him executed to be his free act and deed, his free act and deed as aforesaid and the free act and deed of Union.


Notary Public: Andrew W. Davis
My Commission Expires: 7/4/03



Agreed and consented to as of
the date first above written:

CITIZENS BANK OF RHODE ISLAND

By: _____
Name: Matthew E. Murphy
Title: Vice President

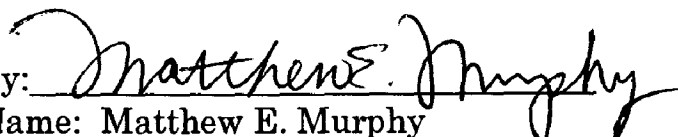
STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In Providence, on the 24th day of August, 2002, before me personally appeared Kenneth W. Washburn, to me known and known by me to be the President of Union Wadding Company, ("Union") and the party executing the foregoing instrument for and on behalf of Union and he acknowledged said instrument by him executed to be his free act and deed, his free act and deed as aforesaid and the free act and deed of Union.


Notary Public: 
My Commission Expires: 7/11/05

Agreed and consented to as of
the date first above written:

CITIZENS BANK OF RHODE ISLAND

By: 
Name: Matthew E. Murphy
Title: Vice President

Schedule II

Licenses

None