

10-31-2003



10-31-03

Form PTO-1594

R1

(Rev. 10/02)

OMB No. 0651-0027 (exp. 6/30/2005)

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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):

Wellington Cordage, LLC
1140 Monticello Road
Madison, GA 30650

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☐ Corporation-State
☒ Other Limited Liability Company

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

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other

Execution Date: 10/17/03

2. Name and address of receiving party(ies)

Name: The CIT Group/Business Credit, Inc.

Internal

Address:

Street Address: 10 S. LaSalle St., Suite 2200

City: Chicago State: IL Zip: 60603

- ☐ Individual(s) citizenship
☐ Association
☐ General Partnership
☐ Limited Partnership
☒ Corporation-State New York
☐ 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)

Please see attached Schedule A

B. Trademark Registration No.(s)

Please see attached Schedule A

Additional number(s) attached ☒ Yes ☐ No

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

Name: The CIT Group/Business Credit, Inc.

Internal Address: Erica R. Hansen

Street Address: 10 S. LaSalle St., Suite 2200

City: Chicago State: IL Zip: 60603

6. Total number of applications and registrations involved:

11

7. Total fee (37 CFR 3.41).....\$290⁰⁰

- ☐ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Erica R. Hansen

Name of Person Signing

Signature

10/27/03

Date

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

12

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

11/03/2003 6TOM11 00000009 74639227

01 FC:8521
02 FC:852240.00 DP
250.00 DPTRADEMARK 168026
REEL: 002854 FRAME: 0643

**SCHEDULE A TO GRANT OF SECURITY INTEREST IN PATENTS,
TRADEMARKS AND LICENSES**

between

Wellington Cordage, LLC

and

THE CIT GROUP/BUSINESS CREDIT, INC.

U.S. TRADEMARKS AND SERVICE MARKS

NAME	REGISTRATION	SERIAL	OWNER/	STATUS
	NO.	NO.	ASSIGNEE	
MARINEGARD	R2057991	74-639227	WLP	REGISTERED
PURITAN WORKHORSE	R1381093	73-490661	WLP	REGISTERED
PRO-LINE	R1305967	73-432795	WLP	REGISTERED
RED ALERT	R1317033	73-469579	WLP	REGISTERED
RHINO ROPES	R1433950	73-617674	WLP	REGISTERED
TWIRL	R1071863	73-110534	WLP	RENEWED
TYSAL	R1169372	73-262710	WLP	REGISTERED
WATER DEVIL	R932854	72-381339	WLP	RENEWED
WELLINGTON	R2239581	75-298118	WLP	REGISTERED
WET TRAXX	R2292944	74-556885	WLP	REGISTERED
SPIRAL WRAP	R000000	76-032314	WLP	PENDING

SERVICE MARKS

None

GRANT OF SECURITY INTEREST IN TRADEMARKS AND LICENSES

THIS GRANT OF SECURITY INTEREST IN TRADEMARKS AND LICENSES (this "Agreement") is made as of this 17th day of October, 2003, by Wellington Cordage, LLC, a Delaware limited liability company (the "Company"), with a principal place of business at 1140 Monticello Road, Madison, Georgia 30650, and THE CIT GROUP/BUSINESS CREDIT, INC., a New York corporation ("CIT"), with offices at 10 South LaSalle Street, Chicago, Illinois 60603, pursuant to that certain Financing Agreement of even date herewith (the "Financing Agreement") between the Company and CIT.

W I T N E S S E T H:

WHEREAS, the Company and CIT are parties to a Financing Agreement of even date herewith (the "Financing Agreement") which provides for (i) CIT to make certain loans, advances and extensions of credit to or for the account of the Company, and (ii) the grant by the Company to CIT of a security interest in certain of the Company's assets, including, without limitation, the Company's trademarks, trademark applications and/or registrations, tradenames, goodwill and related licenses (if any), all as more fully set forth therein;

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

1. Definitions. Capitalized terms used herein and defined in the Financing Agreement shall have the meanings set forth therein unless otherwise specifically defined herein.

2. Grant of Security Interest. To secure the payment of the Obligations, the Company hereby grants to CIT a security interest, effective immediately, in all of the Company's right, title and interest in and to all of the following described property, whether now owned or hereafter acquired (collectively, the "Intellectual Property Collateral"):

(a) Trademarks, trademark registrations and/or applications and tradenames and service marks, including, without limitation, the trademarks, trademark registrations and applications, tradenames and service marks listed on Schedule A attached hereto and made a part hereof, and any and all reissues and/or renewals thereof, and all income, royalties, damages and payments now and hereafter due and/or payable in connection therewith including, without limitation, damages and payments for past or future infringements thereof (collectively, the "Trademark Collateral");

(b) Any license agreement in which the Company is or becomes licensed to use trademarks owned by a third party including, without limitation, the licenses, if any, listed on Schedule B attached hereto and made a part hereof (collectively, the "License Collateral");

(c) The goodwill of the Company's business connected with and symbolized by the Intellectual Property Collateral; and

(d) All Proceeds of the foregoing.

3. CIT's Rights. Upon the occurrence of any Event of Default hereunder, CIT shall have all the rights and remedies of a secured party under the Uniform Commercial Code and any other applicable state or federal law. CIT will give the Company reasonable notice of the time and place of any public sale of the Intellectual Property Collateral or the time after which any private sale of the Intellectual Property Collateral or any other intended disposition thereof is to be made. Unless otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed, postage prepaid to the address of the Company set forth above at least ten (10) days before the date of such sale or disposition. In addition to the foregoing and all other rights and remedies of CIT upon the occurrence of any Event of Default hereunder, CIT shall thereupon have the right after such notice to transfer to itself or to sell, assign and transfer to any other person all right, title and interest in and to all or any part of the Intellectual Property Collateral. A formal irrevocable power of attorney (in the form annexed hereto) is being executed and delivered by the Company to CIT concurrently with this Agreement to enable CIT to exercise such rights. The Company agrees that in the event CIT exercises its rights hereunder and/or pursuant to said power of attorney in accordance with its terms, after written notification of such exercise from CIT to the Company, the Company shall never thereafter, without the prior written authorization of the owner or owners of such Intellectual Property Collateral, use any of such Intellectual Property Collateral. The condition of the foregoing provision is such that unless and until there occurs an Event of Default under this Agreement, the Company shall continue to own and use the Intellectual Property Collateral in the normal course of its business and to enjoy the benefits, royalties and profits therefrom; provided that from and after the occurrence of an Event of Default and the exercise by CIT of the rights provided by this Agreement, such rights shall be revoked and the right of the Company to enjoy the uses, benefits, royalties and profits of said Intellectual Property Collateral will wholly cease, whereupon CIT or its transferee(s) shall be entitled to all of the Company's right, title and interest in and to the Intellectual Property Collateral hereby so assigned. This Agreement shall not operate impose upon CIT any duty or responsibility to maintain any of the Company's right, title or interest in or to the Intellectual Property Collateral.

4. Fees. The Company will pay all filing fees with respect to the security interest created hereby which CIT may deem necessary or advisable in order to perfect and maintain the perfection of its security interest in the Intellectual Property Collateral.

5. Representations and Warranties. The Company covenants with and represents and warrants to CIT that, except as provided in Section 6.6 of the Purchase Agreement: (a) the Company lawfully possesses and owns the Intellectual Property Collateral, except for non-exclusive licenses granted by Company to its customers in the ordinary course of business; (b) except for the security interest granted hereby and Permitted Encumbrances (as defined in the Financing Agreement), the

Intellectual Property Collateral will be kept free from all liens, security interests, claims and encumbrances whatsoever; (c) the Company has not made or given any prior assignment, transfer (except for non-exclusive licenses granted by Company in the ordinary course of business) or security interest in the Intellectual Property Collateral or any of the proceeds thereof; (d) the Intellectual Property Collateral is and will continue to be, in all respects, in full force and effect, except that Company may abandon such Intellectual Property Collateral that Company determines that reasonable business practices suggest that abandonment is appropriate.; and (e) there are no known infringements of the Intellectual Property Collateral.

6. Application of Proceeds. The proceeds of any sale, transfer or disposition of the Intellectual Property Collateral shall be applied first to all reasonable costs and expenses (including reasonable attorneys' fees and expenses and court costs) incurred by CIT in connection with such sale and the exercise of CIT's rights and remedies hereunder and under the Financing Agreement; next, such proceeds shall be applied to the payment, in whole or in part, of the Obligations due to CIT in such order as CIT may elect; and the balance, if any, shall be paid to the Company or as a court of competent jurisdiction may direct.

7. Defense of Claims. The Company will defend at its own cost and expense any action, claim or proceeding affecting the Intellectual Property Collateral or the interest of CIT therein. The Company agrees to reimburse CIT for all costs and expenses incurred by CIT in defending any such action, claim or proceeding.

8. Rights Cumulative. This Agreement shall be in addition to the Financing Agreement and shall not be deemed to affect, modify or limit the Financing Agreement or any rights that the CIT has under the Financing Agreement. The Company agrees to execute and deliver to CIT (at the Company's expense) any further documentation or papers necessary to carry out the intent or purpose of this Agreement including, but not limited to, financing statements under the Uniform Commercial Code.

9. Construction and Invalidity. Any provisions hereof contrary to, prohibited by or invalid under, any applicable law, rule or regulation shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions of this Agreement.

10. Choice of Law. The Company agrees that the validity, interpretation and enforcement of this Agreement and all rights hereunder shall be governed by the laws of the State of Illinois.

11. Entire Agreement. This Agreement, together with the Financing Agreement, constitute the entire agreement of the Company CIT with respect to the Intellectual Property Collateral, may only be changed or modified in a writing signed by the Company and CIT, and shall bind and benefit the Company, CIT and their respective successors and assigns.

12. **WAIVER OF JURY TRIAL.** EACH OF THE COMPANY AND CIT HEREBY EXPRESSLY WAIVES ANY RIGHT OF TRIAL BY JURY ON ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING HEREUNDER.

13. **Events of Default.** Any of the following shall constitute an Event of Default under this Agreement: (a) the Company shall fail to perform or observe any agreement, covenant or condition required under this Agreement; (b) any warranty or representation made by Company in this Agreement shall be or become false or misleading in any material respect; or (c) any Event of Default shall occur under the Financing Agreement which is not waived by CIT in accordance with the terms thereof.

14. **Notices.** The Company covenants and agrees that, with respect to the Intellectual Property Collateral, it will give CIT written notice in the manner provided in the Financing Agreement of (a) any claim by a third party that the Company has infringed on the rights of a third party, (b) any suspected infringement by a third party on the rights of the Company or (c) any Intellectual Property Collateral created, arising or acquired by the Company after the date hereof.


15. **Further Assurances.** The Company will take any such action as CIT may reasonably require to further confirm or protect CIT's rights under this Agreement in the Intellectual Property Collateral. In furtherance thereof, the Company hereby grants to CIT a power of attorney coupled with an interest which shall be irrevocable during the term of this Agreement, to execute any documentation or take any action in the Company's behalf required to effectuate the terms, provisions and conditions of this Agreement.

16. **Termination.** This Agreement shall terminate upon termination of the Financing Agreement and full and final payment and satisfaction of all Obligations. Upon the Company's request, CIT shall within a reasonable time after any such termination execute and deliver to the Company (at the Company's expense) such documents and instruments as are reasonably necessary to evidence such termination and release of the security interest granted herein on any applicable public record.

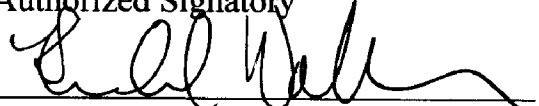
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[signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

WELLINGTON CORDAGE, LLC

By: _____

Its: Authorized Signatory

By: _____

Its: Authorized Signatory

Agreed to and accepted this 17th day of October, 2003:

THE CIT GROUP/BUSINESS CREDIT, INC.

By: _____

Title: _____

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

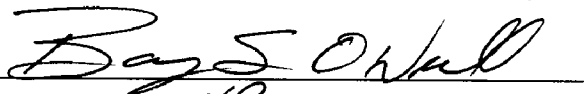
WELLINGTON CORDAGE, LLC

By: _____
Its: Authorized Signatory

By: _____
Its: Authorized Signatory

Agreed to and accepted this 1th day of October, 2003:

THE CIT GROUP/BUSINESS CREDIT, INC.

By: 
Title: VP

IRREVOCABLE POWER OF ATTORNEY

Wellington Cordage, LLC, a Delaware limited liability company (the "Company"), with a principal place of business at 1140 Monticello Road, Madison, Georgia 30650, hereby grants to The CIT Group/Business Credit, Inc., a New York corporation ("CIT"), the exclusive Irrevocable Power of Attorney to transfer to CIT or to any designee of CIT all Intellectual Property Collateral listed on the Schedules attached to the Grant of Security Interest in Trademarks and Licenses dated as of the date hereof between the Company and CIT (the "Agreement"), including, without limitation, all registrations, trademarks, trademark applications and/or registrations, and licenses together with the goodwill of the business connected with or symbolized by such Intellectual Property Collateral and the Company's entire inventory of labels and decals bearing any trademarks not affixed to its products, and the right to operate and control, sell, assign, and transfer the business under those trademarks under the following terms and conditions:

1. The Power of Attorney granted hereunder shall be effective as of the date hereof and shall last for as long as any now existing or hereafter arising indebtedness, liabilities or obligations of the Company to CIT are outstanding under the Financing Agreement referred to in the Agreement;

2. The Power of Attorney granted herein shall be irrevocable throughout the duration of its life as specified in Paragraph 1 above;

3. The Power of Attorney granted herein shall only be exercisable by CIT after the occurrence of an Event of Default under the Agreement; and

4. CIT shall give the Company ten (10) days prior written notice of the exercise of the powers granted hereby, and the waiver by CIT or CIT of any particular Event of Default under the Agreement shall have no force or effect unless made in accordance with the Financing Agreement described therein. Even then, such waiver shall not constitute or be considered a waiver of any other Event of Default then existing or thereafter arising whether similar or not.

IN WITNESS WHEREOF, the Company has caused this Power of Attorney to be executed as of the 17th day of October, 2003.

WELLINGTON CORDAGE, LLC

By: 

Its: Authorized Signatory

By: 

Its: Authorized Signatory

STATE OF Georgia)
COUNTY OF Fulton)

On October 17, 2003, before me, the undersigned, a notary public in and for said State, personally appeared William Mono and Richard Wolfson, each known to me, who stated that they are authorized signatories of Wellington Cordage, LLC, the limited liability company that executed the foregoing instrument and power of attorney, and acknowledged to me that they executed such instrument and power of attorney on behalf of such company pursuant to authority granted by the members of such company, as its free act and deed for the uses and purposes therein set forth.

WITNESS my hand and official seal.

Shonda L Taylor
Notary Public
Commission Expires: 12/20/03

**SCHEDULE A TO GRANT OF SECURITY INTEREST IN PATENTS,
TRADEMARKS AND LICENSES**

between

Wellington Cordage, LLC

and

THE CIT GROUP/BUSINESS CREDIT, INC.

U.S. TRADEMARKS AND SERVICE MARKS

NAME	REGISTRATION	SERIAL	OWNER/	STATUS
	NO.	NO.	ASSIGNEE	
MARINEGARD	R2057991	74-639227	WLP	REGISTERED
PURITAN WORKHORSE	R1381093	73-490661	WLP	REGISTERED
PRO-LINE	R1305967	73-432795	WLP	REGISTERED
RED ALERT	R1317033	73-469579	WLP	REGISTERED
RHINO ROPES	R1433950	73-617674	WLP	REGISTERED
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TYSAL	R1169372	73-262710	WLP	REGISTERED
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WET TRAXX	R2292944	74-556885	WLP	REGISTERED
SPIRAL WRAP	R000000	76-032314	WLP	PENDING

SERVICE MARKS

None

**SCHEDULE B TO GRANT OF SECURITY INTEREST IN PATENTS,
TRADEMARKS AND LICENSES**

**between
Wellington Cordage, LLC
and
THE CIT GROUP/BUSINESS CREDIT, INC.**

U.S. LICENSES

<u>Name</u>	<u>Registration No.</u>	<u>Registration Date</u>
None		