

JUN. 4. 2004 1:30PM

CHOATE HALL & STEWART 6172484000

NO. 706 P. 3

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

Docket No.: 2003759-0052

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

1. Name of conveying party(ies):

Tubular Textile Machinery, Inc.

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation
☐ 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:
May 28, 2004

2. Name and address of receiving party(ies)

Name: **Massachusetts Mutual Life Insurance Company
c/o David L. Babson & Company Inc.**

Street Address: 1500 Main Street

City: Springfield State: MA ZIP: 01115

- ☐ Individual(s)
☐ Association
☐ General Partnership
☐ Limited Partnership
☒ Corporation
☐ Other:

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☐ No
(Designation 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)
76/492,218

B. Trademark Registration No.(s): 2,584,237; 1,297,392; 290,179;
842,831; 770,404;

Additional numbers attached? ☐ Yes ☒ No

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

Name: **Peter B. Cancelmo**

Internal Address: **Choate, Hall & Stewart**

Street Address: **Exchange Place
53 State Street**

City: Boston State: MA ZIP: 02109

6. Total number of applications and registrations involved: 6

7. Total fee (37 CFR 3.41)\$165.00

- ☐ Enclosed
☒ Authorized to be charged to deposit account (if underpayment)

8. Deposit account number: 03-1721

(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.

Peter B. Cancelmo

Name of person signing



Signature

June 4, 2004

Date

Total number of pages including cover sheet, attachments, and document: 53

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

**TRADEMARK
REEL: 002865 FRAME: 0431**

3703264v700089331

CH \$165.00 03-1721 76492218

Continuation of 2 Receiving Parties

C.M. LIFE INSURANCE COMPANY

c/o Massachusetts Mutual Life Insurance Company
c/o David L. Babson & Company Inc.
1500 Main Street
Springfield, MA 01115

MASSMUTUAL CORPORATE INVESTORS

c/o David L. Babson & Company Inc.
1500 Main Street
Springfield, MA 01115

MASSMUTUAL PARTICIPATION INVESTORS

c/o David L. Babson & Company Inc.
1500 Main Street
Springfield, MA 01115

TOWER SQUARE CAPITAL PARTNERS, L.P.

c/o David L. Babson & Company Inc.
1500 Main Street
Springfield, MA 01115

TSCP SELECTIVE, L.P.

c/o David L. Babson & Company Inc.
1500 Main Street
Springfield, MA 01115

JOHN HANCOCK LIFE INSURANCE COMPANY

200 Clarendon Street
Boston, MA 02117

HANCOCK MEZZANINE PARTNERS III L.P.

200 Clarendon Street
Boston, MA 02117

ALLSTATE LIFE INSURANCE COMPANY

c/o John Hancock Life Insurance Company
200 Clarendon Street
Boston, Ma. 02117

SIGNATURE 7 L.P.

c/o John Hancock Life Insurance Company
200 Clarendon Street
Boston, MA 02117

JUN. 4. 2004 1:31PM
JUN. 2. 2004 12:52PM

CHOATE HALL & STEWART 6172484000
06/02/2004

RIGHT FAX

NO. 706 3 P. 6
NO. 66

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

**RECORDATION COVER SHEET
TRADEMARKS ONLY**

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office
Docket No.: 2003709-0652

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

1. Name of conveying party(ies):

Tubular Textile Machinery, Inc.

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation
☐ Other:

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

2. Name and address of receiving party(ies)

Name: Massachusetts Mutual Life Insurance Company
c/o David L. Babson & Company Inc.

Street Address: 1500 Main Street

City: Springfield State: MA ZIP: 01115

- ☐ Individual(s)
☐ Association
☐ General Partnership
☐ Limited Partnership
☒ Corporation
☐ Other:

If assignee is not domiciled in the United States, a domestic
representative designation is attached: ☐ Yes ☒ No
(Designation 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:
May 28, 2004

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

A. Trademark Application No.(s)
76492,218; 1167510

B. Trademark Registration No.(s): 2,584,237; 1,297,392; 290,179;
842,831; 770,404; A154471; 62,736; BAZR983024A;
810101998; 157,008; 117,339; 100,388; Z-950865;

Additional numbers attached? ☒ Yes ☐ No

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

Name: Peter B. Cancelmo

Internal Address: Choate, Hall & Stewart

Street Address: Exchange Place
53 State Street

City: Boston State: MA ZIP: 02109

6. Total number of applications and registrations involved: 34

7. Total fee (37 CFR 3.41)\$865.00

- ☐ Enclosed
☒ Authorized to be charged to deposit account (if underpayment)

8. Deposit account number: 03-1721

(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.

Peter B. Cancelmo
Name of person signing

[Signature]
Signature

June 2, 2004
Date

Total number of pages including cover sheet, attachments, and document: 52

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

3703264v1

TRADEMARK
REEL: 002865 FRAME: 0433

SECURITY AND PLEDGE AGREEMENT

THIS AGREEMENT, dated the 28th day of May, 2004 is made by TUBULAR TEXTILE MACHINERY, INC., a Delaware company having its principal place of business and chief executive office at Hargrave Road at I-85, Lexington, North Carolina 27293 (the "Debtor"), for the benefit of JOHN HANCOCK LIFE INSURANCE COMPANY, HANCOCK MEZZANINE PARTNERS III, L.P., ALLSTATE LIFE INSURANCE COMPANY, SIGNATURE 7 L.P., MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY C.M. LIFE INSURANCE COMPANY, MASSMUTUAL CORPORATE INVESTORS, MASSMUTUAL PARTICIPATION INVESTORS, TOWER SQUARE CAPITAL PARTNERS, L.P. and TSCP SELECTIVE, L.P. (collectively, the "Institutional Investors") and each other holder of the Secured Obligations (as hereinafter defined) (the Institutional Investors and such other holders are hereinafter referred to collectively as the "Secured Parties" and each, individually, as a "Secured Party").

WITNESSETH:

WHEREAS, pursuant to those certain Securities Purchase Agreements dated May 28, 2004 (as amended, modified or supplemented from time to time, the "Securities Purchase Agreements"), the Institutional Investors have agreed to purchase, in addition to certain other securities, \$8,500,000 aggregate principal amount of the 8.75% Secured Senior Term Notes due June 30, 2011 issued by the Debtor (capitalized terms used herein without definition having the respective meanings ascribed to them in the Securities Purchase Agreements, unless the context clearly requires otherwise); and

WHEREAS, the obligation of the Institutional Investors to purchase any such securities is subject to the condition, among others, that the Debtor execute and deliver this Agreement and grant the Liens hereinafter described;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

1. Security Interest. As security for the due and punctual payment and performance of the Secured Obligations described in section 2 hereof, the Debtor hereby grants to the Secured Parties a continuing security interest in and to all of its right title and interest in the Collateral, whether now owned or existing or hereafter acquired or arising.

As used herein, "Collateral" shall mean all of the Debtor's tangible and intangible personal property and fixtures (but none of its obligations with respect thereto), including, without limitation, all of the Debtor's right, title and interest in the property described below, as

each such term is used in the Uniform Commercial Code as in effect from time to time in The Commonwealth of Massachusetts:

- (i) all investment property;
- (ii) goods;
- (iii) equipment;
- (iv) inventory;
- (v) instruments (including, without limitation, promissory notes);
- (vi) accounts;
- (vii) documents;
- (viii) chattel paper (whether tangible or electronic);
- (ix) deposit accounts;
- (x) fixtures;
- (xi) letter-of-credit rights and support obligations;
- (xii) the commercial tort claims (i.e., any claims arising in tort that the Debtor may have) set forth on Exhibit 1(x) hereto;
- (xiii) general intangibles (including, without limitation, payment intangibles and Intellectual Property Collateral (as defined below)); and
- (xiv) any and all additions, accessions and attachments to and of the foregoing and any and any substitutions, replacements, proceeds (including, without limitation, insurance proceeds), products and supporting obligations of the foregoing.

2. Secured Obligations. The Liens hereby granted shall secure equally and ratably the due and punctual payment and performance of the following liabilities and obligations (collectively, the "Secured Obligations"):

(a) principal of and premium (including, without limitation, the Applicable Premium and any Make Whole Amount), if any, and interest on and fees and other amounts payable with respect to the Notes (or any of them) and any guarantees thereof; and

(b) any and all other indebtedness and obligations of the Company and/or any of its Subsidiaries under the Securities Purchase Agreements and/or under any of the other Operative Documents or under any other agreement, document or instrument relating thereto, all as amended, modified or supplemented from time to time, related in

any way to the Notes (or any of them), other than any such indebtedness and obligations related solely and exclusively to the Senior Subordinated Notes, Purchased Common Shares, Warrants or Warrant Shares.

3. Special Warranties and Covenants of the Debtor. The Debtor hereby represents and warrants to and covenants and agrees with the Secured Parties that:

(a) The Debtor is the owner of and has good and marketable title to the Collateral free from any Liens, other than (i) the Liens arising hereunder and under the other Security Documents (including any restrictions on transfer of any Pledged Securities), (ii) Liens permitted under section 14.9 of the Securities Purchase Agreements, and (iii) restrictions on transfer of the Pledged Securities imposed by applicable securities laws, and the Debtor will defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein.

(b) The address shown at the beginning of this Agreement is the chief executive office and principal place of business of the Debtor and the location of all records concerning that portion of Collateral consisting of accounts receivable and other general intangibles. The Debtor's only additional places of business and the only additional locations of any Collateral (including Collateral located at warehouses and the like) are listed in Exhibit 3(b) attached hereto (which includes legal descriptions of all real property sufficient for fixture filings). Except as set forth on Exhibit 3(b) attached hereto, during the five years ended on the date hereof, neither the Debtor nor any of its predecessors-in-interest has conducted any business or sold any goods under any name (including any fictitious business or trade name) other than its legal name. Debtor's legal name and jurisdiction of organization is correctly set forth at the beginning of this Agreement. The Debtor will not change its corporate form or jurisdiction of organization, or change its chief executive office or principal place of business or any other place of business, or the location of any Collateral (other than inventory in transit) (including, without limitation, the records relating thereto), or make any change in its legal name or conduct business operations under any fictitious business or trade name (other than any names specified on Exhibit 3(b) attached hereto), (i) in contravention of Securities Purchase Agreements or (ii) without, in each such case, (A) giving at least 30 days' prior written notice thereof to the Secured Parties and (B) executing, delivering, filing and recording all necessary financing statements (or amendments thereto) or other instruments and documents in order to maintain the validity, enforceability, priority and perfection of the Liens arising hereunder and under the other Security Documents.

(c) Except as explicitly permitted by the Securities Purchase Agreements, (i) the Debtor will not sell or otherwise dispose of any of the Collateral or any interest therein (other than sales of inventory in the ordinary course of business) and (ii) the Debtor will not create, assume, incur or suffer to exist any Lien of any kind (whether senior, pari passu or subordinate) on the Collateral (including any restrictions on transfer of any Pledged Securities), other than (x) those arising hereunder and under the other Security Documents, (y) those permitted under section 14.9 of the Securities Purchase Agreements, and (z) restrictions on transfer of the Pledged Securities imposed by applicable securities laws.

(d) The Debtor will keep the Collateral, including, without limitation, all inventory and equipment, in good repair, working order and condition and adequately insured at all times in accordance with the provisions of the Securities Purchase Agreements and the other Operative Documents. Each insurance policy pertaining to any of the Collateral shall be in form and substance and shall have such limits and deductibles as shall be reasonably satisfactory to the Secured Parties and, without limiting the generality of the foregoing, shall:

(i) name the Secured Parties as loss payees (in the case of property insurance) and additional insureds (in the case of liability insurance) pursuant to a so-called standard mortgagee clause and shall contain the so-called agreed upon replacement cost endorsement and waiver of subrogation;

(ii) provide that no action of the Debtor or any of its Subsidiaries or any tenant or subtenant shall void such policy as to the Secured Parties;

(iii) provide that the Secured Parties shall be notified (and the Debtor shall notify the Secured Parties) of any expiration, cancellation or material amendment of such policy at least 30 days in advance of the effective date thereof and, if applicable, provide that the Secured Parties shall have the right to cure any deficiency resulting in the same;

(iv) provide that the Secured Parties shall receive (and the Debtor shall cause the Secured Parties to receive) annually certificates of insurance (or other appropriate documentation) demonstrating compliance by the Debtor with all provisions of the Operative Documents relating to insurance matters; and

(v) be issued by an insurance company or insurance companies licensed to do business in the jurisdiction in which the Collateral is located and having the highest or second highest rating available from A.M. Best Company or an equivalent Person.

Certified copies of all such insurance policies relating to the Collateral shall be delivered to the Secured Parties upon request. In the event of any material damage or destruction to the Collateral, the Debtor shall give prompt written notice to the Secured Parties and shall promptly commence and diligently continue to complete the repair and restoration of such Collateral so damaged or destroyed so as to reconstruct the Collateral in a good and workmanlike manner and in full compliance with all legal requirements and the provisions of this Agreement and the other Operative Documents, free and clear from all Liens, other than (x) the Liens arising hereunder and under the other Security Documents and (y) the Liens permitted under section 14.9 of the Securities Purchase Agreements. The Debtor shall not adjust, compromise or settle any claim for insurance proceeds in excess of \$100,000 without the prior written consent of the Secured Parties. Subject to the terms of the Securities Purchase Agreements and so long as no Event of Default shall have occurred and be continuing, the Debtor may apply the proceeds of any insurance to the repair and restoration of any of the Collateral which was the subject of the loss, provided that (i) the cost of repair and restoration shall not exceed \$250,000, (ii) the

Debtor continues to be the sole owner of the Collateral subject to the Liens arising hereunder and under the other Security Documents and, if applicable, said Permitted Encumbrances, (iii) the contemplated repair and restoration shall reconstruct the Collateral to substantially its previous condition within 180 days from the date of the damage or destruction to the Collateral, (iv) all sums necessary to effect the repair and restoration over and above any available insurance proceeds shall be at the sole cost and expense of the Debtor, (v) the Debtor shall deposit all available proceeds together with the additional sums referred to in subsection (iv) with the Secured Parties prior to commencing any repair and restoration and (vi) at all times during any repair and restoration the Debtor shall, at its sole cost and expense, maintain workers' compensation and public liability insurance in amounts satisfactory to the Secured Parties and in accordance with the provisions of this section 3(d). If at any time the Secured Parties determine, in good faith, that the foregoing conditions have not been or cannot be satisfied, then the Secured Parties may, subject to the provisions of the Intercreditor Agreement, apply the proceeds of insurance to the prepayment, without premium, of the Secured Obligations in accordance with section 9.5 of the Securities Purchase Agreements. Any insurance proceeds that are received at a time when an Event of Default shall have occurred and be continuing may be applied, subject to the provisions of the Intercreditor Agreement, by the Secured Parties to the repayment of the Secured Obligations in accordance with the terms of the Securities Purchase Agreements. If the Debtor fails to provide insurance as required by this Agreement or any of the other Operative Documents, the Secured Parties may, at their option, provide such insurance, and the Debtor will on demand pay to the Secured Parties the amount of any disbursement made by the Secured Parties for such purpose.

(e) To the extent required by the Securities Purchase Agreements, the Debtor will pay and discharge promptly as they become due and payable all taxes, assessments and other governmental charges or levies imposed upon it or its income or upon any of its properties, real, personal or mixed, or upon any part thereof, including, without limitation, the Collateral or any part of the Collateral, as well as all claims of any kind (including claims for labor, materials and supplies) which if unpaid might by law become a Lien or charge upon its property.

(f) The Debtor will, without the necessity of any request by the Secured Parties, promptly make, execute (as applicable), acknowledge and deliver and file and record in all proper offices and places, including, without limitation, the U.S. Patent and Trademark Office and the U.S. Copyright Office, such financing statements, continuation statements, certificates, collateral agreements and other agreements, documents or instruments as may be necessary to perfect or from time to time renew the Liens arising hereunder and under the other Security Documents, including, without limitation, those that may be necessary to perfect such Liens in any additional Collateral hereafter acquired by the Debtor or in any replacements or proceeds thereof, and the Debtor will take all such action as may be deemed necessary or advisable by the Secured Parties to carry out the intent and purposes of the Security Documents or for assuring and confirming to the Secured Parties the grant and perfection of the Liens in the Collateral, including, without limitation, the Intellectual Property Collateral (as defined below). To

the extent permitted by law, the Debtor authorizes and appoints (such appointment being coupled with an interest and irrevocable) each Secured Party to execute (as applicable) and to file and record such financing statements, continuation statements, certificates, collateral agreements and other agreements, documents and instruments in its stead, with full power of substitution, as the Debtor's attorney-in-fact.

(g) The Debtor agrees that if any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any of the inventory (or any other Collateral), such receipt shall not be "negotiable" (as such term is used in the Uniform Commercial Code as in effect in any relevant jurisdiction or under other relevant law). If, notwithstanding the foregoing, any negotiable warehouse receipts or other negotiable documents are issued with respect to any of the inventory (or other Collateral), all such instruments shall be held in trust for the Secured Parties and shall be immediately endorsed to the order of the Secured Parties and delivered to the Secured Parties to be held by the Secured Parties as Collateral hereunder. In addition, the Debtor will notify all warehousemen, bailees, agents, processors and other similar Persons of the Liens created pursuant to the Security Documents and will cause each to hold all Collateral for the account of, and subject to the instructions of, the Secured Parties.

(h) Except in the ordinary course of business or as otherwise explicitly permitted by the Securities Purchase Agreements, without the prior written consent of the Secured Parties, the Debtor shall not amend or modify, or waive any of its rights under or with respect to, any of the accounts receivable, if the effect thereof would be to reduce the amount payable to the Debtor thereunder, to extend the time of payment thereof, to waive any default by any account debtor or other obligor thereunder, or to waive or impair any remedies of the Debtor or the Secured Parties under or with respect thereto. Upon the occurrence and during the continuance of any Event of Default, the Secured Parties may notify or may require the Debtor to notify (and after any such notification the Debtor shall cause) all Persons obligated on the accounts receivable to make payment directly to (or in accordance with the instructions of) the Secured Parties. From and after the occurrence of any Event of Default, (i) all sums collected or received and all property recovered or possessed by the Debtor in connection with any of the Collateral, including, without limitation, all sums received in respect of any of the accounts receivable, shall be received and held by the Debtor in trust for the Secured Parties and shall be segregated from the assets and funds of the Debtor and shall be immediately delivered to the Secured Parties, subject to the terms of the Intercreditor Agreement, for application to the payment of the Secured Obligations in accordance with the terms hereof and (ii) the Debtor, upon the request of the Secured Parties, shall institute depository, lockbox and other similar credit procedures providing for the direct receipt of such sums.

(i) The Debtor will specifically assign to the Secured Parties all federal government contracts and will cooperate with the Secured Parties in giving notice of such assignment pursuant to the Federal Assignment of Claims Act. The Debtor will cooperate with the Secured Parties in providing such further information with respect to contracts with any governmental authority as the Secured Parties may request and will provide such instruments of further assurance with respect to such contracts as the Secured Parties may request. As of the date hereof, no contract of the Debtor with any

such governmental authority is material to the Debtor. The Debtor will notify the Secured Parties at such time as any such contract shall become material to the Debtor.

(j) The Debtor hereby constitutes and appoints each Secured Party its true and lawful attorney, irrevocably, with full power, upon the occurrence of any Event of Default, in the name of the Debtor or otherwise, at the expense of the Debtor and without notice to or demand upon the Debtor, to act, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due or to become due to the Debtor, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Secured Parties may deem to be necessary or advisable to protect the interests of the Secured Parties, which appointment as attorney is coupled with an interest and is irrevocable. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of any Event of Default, the Secured Parties shall have full power: (i) to demand, collect, receive payment of, receipt for, settle, compromise or adjust, and give discharges and releases in respect of any of the Collateral, including, without limitation, any Pledged Securities and/or any accounts receivable; (ii) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect and/or to enforce any other rights in respect of any of the Collateral, including, without limitation, any Pledged Securities and/or any accounts receivable; (iii) to defend any suit, action or proceeding brought against the Debtor with respect to any of the Collateral, including, without limitation, any Pledged Securities and/or any account receivable; (iv) to settle, compromise or adjust any suit, action or proceeding described in clause (ii) or (iii) above, and, in connection therewith, to give such discharges or releases as the Secured Parties may deem appropriate; (v) to endorse checks, notes, drafts, acceptances, money orders, bills of lading, warehouse receipts or other instruments or documents, including, without limitation, those relating to any of the Pledged Securities and/or those evidencing or securing the accounts receivable or any of them; (vi) to receive, open and dispose of all mail addressed to the Debtor and to notify the post office authorities to change the address of delivery of mail addressed to the Debtor to such address, care of the Secured Parties, as the Secured Parties may designate; (vii) to act as attorney for the Debtor in obtaining, adjusting, settling and canceling any insurance and endorsing any drafts and retaining any amounts collected or received under any policies of insurance; (viii) to discharge any taxes, assessments or other governmental charges or levies or any other Liens to which any Collateral is at any time subject and (ix) generally to sell, assign, transfer, pledge, make any agreement in respect of or otherwise deal with the Collateral as fully and completely as though the Secured Parties were the absolute owners thereof for all purposes. The Debtor agrees to reimburse each Secured Party on demand for any payments made or expenses incurred by such Secured Party pursuant to the foregoing authorization and any unreimbursed amounts shall constitute Secured Obligations for all purposes hereof.

(k) The powers conferred on the Secured Parties by this Agreement and the other Security Documents are solely to protect the interests of the Secured Parties and shall not impose any duty upon the Secured Parties (or any of them) to exercise any such power, and if the Secured Parties shall exercise any such power, such exercise by the Secured Parties shall not relieve the Debtor of any Default or Event of Default, and the

Secured Parties shall be accountable only for amounts actually received as a result thereof. The Secured Parties shall be under no obligation to take steps necessary to preserve the rights in or value of or to collect any sums due in respect of any Collateral against any other Person but may do so at their option. Without limiting the generality of the foregoing, the Secured Parties shall have no duty or liability with respect to any claim or claims regarding the Debtor's ownership or purported ownership, or rights or purported rights arising from, the Pledged Securities or the Intellectual Property Collateral (as defined below) (or any portion thereof) or any use, license, or sublicense thereof, whether arising out of any past, current or future event, circumstance, act or omission or otherwise. All of such duties and liabilities shall be exclusively the obligation of the Debtor. All expenses incurred in connection with the application, protection, maintenance, renewal or preservation of any of the Collateral, including, without limitation, the Intellectual Property Collateral (as defined below), shall be borne by the Debtor.

(l) The Debtor shall defend, indemnify and hold harmless each Secured Party from any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements (including reasonable attorneys' fees) of any kind whatsoever which may be imposed on, incurred by or asserted against such Secured Party in connection with or in any way arising out of or relating to the Collateral or this Agreement, other than those which result from a breach of this Agreement by the Secured Parties or their gross negligence or willful misconduct.

(m) It is the intention of the parties hereto that none of the Collateral shall become fixtures and the Debtor shall take all reasonable action or actions as may be necessary to prevent any of the Collateral from becoming fixtures. The Debtor will, if requested by the Secured Parties, use its best efforts to obtain waivers of Lien, in form satisfactory to the Secured Parties, from each Person (including lessors) having any interest in the real property on which any of the Collateral is or is to be located.

(n) All of the Debtor's Inventory has been (and from and after the date hereof will be) produced in compliance with all applicable laws, including, without limitation, the Fair Labor Standards Act, as amended.

(o) The Debtor will promptly notify the Secured Parties of any material loss or damage to any Collateral or any request by any other Person for any material credit or adjustment with respect to any Accounts Receivable other than in the ordinary course of business.

(p) The Debtor confirms that value has been given to it by the Institutional Investors, that it has rights in the Collateral and that it has not agreed with the Secured Parties or any of the Institutional Investors to postpone the time for attachment of any of the security interest in any of the Collateral. The security interests created by this Agreement will have effect and be deemed to be effective whether or not the Secured Obligations are owing or in existence before or after or upon the date of this Agreement.

(q) The Debtor will promptly notify the Secured Parties (which notification shall be deemed to automatically amend Exhibit 1(x) hereto) of any commercial tort claim of the Debtor not specifically identified herein and grant to the Secured Parties a security interest in any such commercial tort claim and the proceeds thereto.

(r) The Debtor shall and shall cause each of its subsidiaries to deliver promptly after receipt thereof to the Secured Parties or to such other Person as the Secured Parties shall designate, to act on their behalf, all Collateral in their original form consisting of negotiable instruments or documents, certificated securities, chattel paper and instruments (in each case, accompanied by stock powers, allonges or other instruments of transfer executed in blank).

(s) The Debtor shall take all steps necessary to grant the Secured Parties or to such other Person as the Secured Parties shall designate, to act on their behalf, control of all electronic chattel paper in accordance with the UCC and all "transferable records" as defined in each of the Uniform Electronic Transactions Act and any other applicable law.

4. Special Provisions Concerning Intellectual Property Collateral. Without limiting the generality of the other provisions of this Agreement:

(a) The Debtor hereby represents and warrants to and covenants and agrees with the Secured Parties that:

(i) a true and complete list of all trademarks, patents and copyrights currently owned, held (whether pursuant to a license or otherwise) or used by the Debtor, in whole or in part, in conducting its business is set forth in Exhibit 4(a)(i) attached hereto, and such exhibit correctly sets forth the information specified therein;

(ii) each and every trademark in use is subsisting; each and every trademark, patent and copyright is valid and enforceable; and, to the best of the Debtor's knowledge, there is no infringement or unauthorized use of any of the trademarks, patents or copyrights, in whole or in part;

(iii) no claim has been made that the use of any of the trademarks or copyrights or the practice of any of the patents does or may violate the rights of any other Person, and the Debtor is not aware of any basis for any such claim to be asserted;

(iv) the Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the trademarks, patents and copyrights, free and clear of any Lien, express or implied, other than the Liens created by the Security Documents and those permitted under section 14.9 of the Securities Purchase Agreements, and no other Person has any license or other right with respect to any of the trademarks, patents, copyrights or any other Intellectual Property Collateral; and

(v) each of the Debtor and, to the Debtor's knowledge its predecessors in interest has used the proper statutory notice in connection with its use of the trademarks in all material respects, and the Debtor has marked its products with all applicable patent numbers.

(b) If the Debtor shall create or obtain rights to any trademarks, patents or copyrights (or any other Intellectual Property Collateral) in addition to those set forth on Exhibit 4(a)(i) attached hereto, the provisions of this Agreement shall automatically apply thereto and the Debtor shall take such action as the Secured Parties may request to more fully evidence the same. The Debtor shall promptly notify the Secured Parties in writing of any new patent application or grant or trademark or copyright application or registration in which the Debtor has an ownership interest.

(c) The Debtor (i) authorizes the Secured Parties, without any further action by the Debtor, to amend Exhibit 4(a)(i) to reference any trademark, patent or copyright (or any other Intellectual Property Collateral (as defined below)) acquired by the Debtor after the date hereof or to delete any reference to any right, title or interest in any trademark or patent or copyright (or any other Intellectual Property Collateral (as defined below)) in which the Debtor no longer has or claims any right, title or interest; (ii) will promptly (but in any event within five Business Days after becoming aware thereof) notify the Secured Parties of the institution of, or any materially adverse determination in, any proceeding in the U.S. Patent and Trademark Office, U.S. Copyright Office or in any federal, state or foreign court or agency regarding the Debtor's claim of ownership, or the enforceability or validity of any of the Intellectual Property Collateral, or of any other event that does or could reasonably be expected to materially adversely affect the value of any of the Intellectual Property Collateral (as defined below), the ability of the Debtor or the Secured Parties to dispose of any of the same or the rights and remedies of the Secured Parties in relation thereto; (iii) will promptly notify the Secured Parties of any suspected infringement of any of the Intellectual Property Collateral (as defined below) by any third party or any claim by any third party that the Debtor is infringing upon the intellectual property rights of such third party that does or could reasonably be expected to materially adversely affect the value of any of the Intellectual Property Collateral (as defined below); (iv) concurrently with the filing of any patent application or application for registration of any trademark or copyright, will execute, deliver and record in all appropriate registers and offices, an appropriate form of a collateral security agreement evidencing the Secured Parties' security interest therein; and (v) will diligently keep accurate and complete records respecting the Intellectual Property Collateral (as defined below).

(d) The Debtor shall, as appropriate and commercially reasonable, (i) make and diligently prosecute federal application on any existing or future registrable but unregistered trademarks or copyrights or unpatented but patentable inventions, (ii) preserve, maintain and renew all of the Intellectual Property Collateral (as defined below) and rights and interests related thereto, including, without limitation, by payment of all taxes, annuities, issue and maintenance fees and by the use of all proper statutory notices, designations and patent numbers and (iii) initiate and diligently prosecute in its own name, for its own benefit and at its own expense, such suits, proceedings or other

actions for infringement, or other damage or opposition, cancellation, concurrent use or interference proceedings as are necessary to protect any of the trademarks, patents or copyrights or other Intellectual Property Collateral (as defined below) which Debtor reasonably determines is material to its business; provided that no such suit, proceeding or other action shall be settled or voluntarily dismissed, nor shall any party be released or excused from any claims or liability for infringement, unless, in the reasonable judgment of the Debtor, to do so is in the best interests of the Debtor and is not disadvantageous in any material respect to the Secured Parties.

(c) Without limiting the generality of the other provisions of this Agreement and the other Operative Documents and in addition to all other rights and remedies of the Secured Parties hereunder and thereunder and referred to herein and therein, the Debtor hereby assigns to the Secured Parties (such assignment to be conditioned and effective upon the occurrence and during the continuance of any Event of Default) all of its right, title and interest in and to all and any of the Intellectual Property Collateral (as defined below), including, without limitation, each patent, trademark and copyright, now owned or hereafter acquired by the Debtor, and all of the goodwill of the business of the Debtor symbolized by the same and all interest of the Debtor in and to any cause of action related thereto, and the Debtor hereby grants to the Secured Parties an absolute power of attorney (which grant is coupled with an interest and is irrevocable) to sign, upon the occurrence and during the continuance of any Event of Default, any document which may be necessary or required by the U.S. Patent and Trademark Office, the U.S. Copyright Office or by any other office or authority in order to further evidence (and to effect and to record) the foregoing assignment. The Debtor further agrees that, upon the occurrence and during the continuance of any Event of Default, the Secured Parties may take any or all of the following actions: (i) declare the entire right, title and interest of the Debtor in and to the Intellectual Property Collateral (as defined below) vested in the Secured Parties, in which event such right, title and interest shall immediately vest in the Secured Parties; (ii) take and use and/or sell the Intellectual Property Collateral (as defined below) (or any portion thereof) and carry on the business and use the assets of the Debtor in connection with which the Intellectual Property Collateral (or any portion thereof) has been used; (iii) bring suit to enforce the Trademarks, Patents and/or Copyrights or any of the other Intellectual Property Collateral (as defined below) and/or any licenses thereunder or other rights with respect thereto; (iv) direct the Debtor to refrain, in which event the Debtor shall refrain, from using the Intellectual Property Collateral (as defined below) (or any portion thereof) in any manner whatsoever, directly or indirectly and (v) direct the Debtor to execute, in which event the Debtor shall execute, such other and further documents that the Secured Parties may request to further confirm the provisions hereof and to further evidence the foregoing assignment. Upon request of the Secured Parties, the Debtor also shall make available to the Secured Parties, to the extent within the Debtor's power and authority, such individuals then in the Debtor's employ to assist in the production, advertisement and sale of the products and services sold under the Trademarks, Copyrights and Patents or any of the other Intellectual Property Collateral (as defined below), such individuals to be available to perform their prior functions on the Secured Parties' behalf and to be compensated at the expense of the Debtor.

(f) For the purposes of this Agreement, "Intellectual Property Collateral" means:

(i) all trademarks, trademark applications and registrations and trade names, together with the goodwill appurtenant thereto, owned, held (whether pursuant to a license or otherwise), used or to be used, in whole or in part, in conducting the Debtor's business, (the "Trademarks");

(ii) all patents and patent applications of the Debtor, including, without limitation, the inventions and improvements described and claimed therein (the "Patents");

(iii) all copyrights and applications for registration of copyrights of the Debtor and all rights in literary property (the "Copyrights");

(iv) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of any Trademarks, Patents and/or Copyrights; all income, royalties, damages and payments now or hereafter due and/or payable with respect to any Trademarks, Patents and/or Copyrights, including, without limitation, damages and payments for past or future infringements thereof; all rights (but no obligation) to sue for past, present and future infringements of any Trademarks, Patents and/or Copyrights or bring interference proceedings with respect thereto; and all rights corresponding to any Trademarks, Patents and/or Copyrights throughout the world;

(v) all rights and interests of the Debtor pertaining to common law and statutory trademark, service marks, trade names, slogans, labels, trade secrets, patents, copyrights, corporate names, company names, business names, fictitious business names, trademark or service mark registrations, designs, logos, trade styles, applications for trademark registration and any other indicia of origin; and

(vi) all operating methods, formulas, processes, know-how and the like of the Debtor (the foregoing items in clauses (i) through (vi), inclusive, being sometimes herein referred to collectively as the "Intellectual Property Collateral").

5. Special Provisions Concerning the Pledged Securities. Without limiting the generality of the other provisions of this Agreement, the Debtor hereby represents and warrants to and covenants and agrees with the Secured Parties as follows:

(a) All Pledged Securities existing on the date hereof have been, and all Pledged Securities existing after the date hereof shall be, delivered to the Secured Parties. As used herein, "Pledged Securities" shall mean all of the Debtor's now owned or hereafter acquired (i) promissory notes and other instruments evidencing Indebtedness owing to the Debtor and (ii) all certificates (and stock powers) currently evidencing the Debtor's ownership of investment property (as defined from time to time in the Uniform Commercial Code).

(b) The Pledged Securities are duly authorized, validly issued, fully paid and non-assessable and are and shall be at all times duly and validly pledged to the Secured Parties in accordance with law. The Pledged Securities constitute all of the presently issued and outstanding capital stock of each Subsidiary of the Debtor existing on the date hereof, and none of the Pledged Securities are subject to any option to purchase or similar right of any other Person. There are no other outstanding securities of any existing Subsidiary of the Debtor which are required to be pledged pursuant hereto. If any shares of capital stock, promissory notes or other securities of any Subsidiary of the Debtor are acquired by the Debtor after the date hereof, and if any shares of capital stock, promissory notes or other securities issued by any Subsidiary of the Debtor or issued by any other Person are acquired by the Debtor after the date hereof, the same shall without further action constitute Pledged Securities and shall be deposited and pledged to the Secured Parties simultaneously with such acquisition. The Secured Parties may at any time after and during the continuance of an Event of Default transfer into their names (or the name or names of their nominees), as pledgee, any of the Pledged Securities. Any of the Pledged Securities which are not evidenced by a certificate will be registered within five days of the issuance thereof in the names of the Secured Parties, as pledgees, on the records of the issuer thereof, all in form and substance satisfactory to the Secured Parties. All Pledged Securities owed by any Subsidiary or other Affiliate of the Debtor is (and from and after the date hereof shall be) on open account and is not (and from and after the date hereof shall not be) evidenced by any note or other instrument, unless the Secured Parties shall request otherwise, in which event a note or other instrument evidencing such Pledged Securities shall be deposited and pledged to the Secured Parties (together with bond powers executed in blank) within five days of such request.

(c) Unless an Event of Default shall have occurred and be continuing, (i) the Debtor shall be entitled, to the extent permitted by the Securities Purchase Agreements and the other Operative Documents, to receive all payments, dividends and distributions on or with respect to the Pledged Securities (except for any such payment, dividend or distribution that constitutes additional Pledged Securities, in which case the same shall be deposited and pledged to the Secured Parties (together with all necessary endorsements) at the time such payment, dividend or distribution is made) and (ii) the Debtor shall be entitled to vote or consent with respect to the Pledged Securities in any manner not inconsistent with the terms of the Securities Purchase Agreements and the other Operative Documents.

(d) Upon the occurrence and during the continuance of an Event of Default, (i) all payments, dividends and distributions on or with respect to the Pledged Securities shall be deposited and pledged to (or in accordance with the instructions of) the Secured Parties (together with all necessary endorsements) at the time such payment, dividend or distribution is made and (ii) the Secured Parties shall be entitled to vote or consent or take any other action with respect to the Pledged Securities and to exercise any and all other incidents of ownership thereof, including, without limitation, all rights of payment, conversion, exchange, subscription or any other rights, privileges or options pertaining to any of the Pledged Securities, as if the Secured Parties were the absolute owners thereof, all without liability except to account for amounts actually received; provided that the

Secured Parties shall have no duty to exercise any of the aforesaid rights, privileges or options and shall not be responsible for any failure to do so or delay in so doing.

6. Events of Default. The Debtor shall be in default under this Agreement if any one or more of the following events (each an "Event of Default") shall occur and continue (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), that is to say:

(a) if default shall be made in the performance or observance of any covenant, agreement or condition contained in sections 3(a), 3(b), 3(c), 3(d) or 3(r) of this Agreement;

(b) if default shall be made in the performance or observance of any other of the covenants, agreements or conditions contained in this Agreement and such default shall have continued for a period of 30 days after the earlier of (i) the Debtor's obtaining actual knowledge of such default or (ii) the Debtor's receipt of written notice of such default;

(c) if any representation or warranty made by or on behalf of the Debtor in this Agreement or in any agreement, document or instrument delivered under or pursuant to any provision hereof shall prove to have been materially false or incorrect on the date as of which made; or

(d) if any other Event of Default as defined in the Securities Purchase Agreements shall occur.

7. Rights and Remedies; Required Secured Parties.

(a) Upon the occurrence and during the continuance of any Event of Default, the Secured Parties shall have the following rights and remedies:

(i) all rights and remedies provided by law or in equity, including, without limitation, those provided by the Uniform Commercial Code;

(ii) all rights and remedies provided in this Agreement; and

(iii) all rights and remedies provided in the Securities Purchase Agreements, the other Operative Documents or in any other agreement, document or instrument pertaining to any of the Secured Obligations.

(b) Notwithstanding anything to the contrary set forth herein, the Required Holders of the Notes at the time outstanding (exclusive of any Notes then owned by the Debtor or any of its Affiliates) (the Required Holders of the Notes being herein referred to as the "Required Secured Parties") shall have the right to exercise (whether before or after the occurrence of any Event of Default) on behalf of and for the benefit of all of the Secured Parties, all of the rights and remedies of the Secured Parties relating to the Collateral which arise under or are referred to in this Agreement (including the exercise

of any power of attorney granted herein and the right to enforce this Agreement, by judicial proceedings or otherwise, to foreclose the Liens created hereby, to take possession of and to sell the Collateral (or any part thereof), and/or to direct the time, method and place of conducting any proceeding for any such remedy or exercising any such right) and all such rights and remedies may only be exercised by the Required Secured Parties or by a duly authorized representative (or representatives) appointed by the Required Secured Parties.

8. Right to Dispose of Collateral, etc.

(a) Without limiting the scope of section 7 hereof, upon the occurrence and during the continuance of any Event of Default, the Secured Parties shall have the right and power, subject to the terms of the Intercreditor Agreement, to take possession of all or any part of the Collateral and, in addition thereto, the right to enter upon any premises on which all or any part of the Collateral may be situated and remove the same therefrom and the Secured Parties may, subject to the terms of the Intercreditor Agreement, sell, resell, assign and deliver, or otherwise dispose of any or all of the Collateral, for cash and/or credit, in one or more parcels, at any exchange or broker's board, or at public or private sale and upon such terms and at such place or places and at such time or times and to such Persons (including, without limitation, the Secured Parties (or any of them)), to the extent permitted by law, as the Secured Parties deem expedient, all without demand for performance by the Debtor or any notice or advertisement whatsoever except as may be required by this Agreement or by law. The Secured Parties may require the Debtor to make all or any part of the Collateral (to the extent the same is moveable) available to the Secured Parties at a place to be designated by the Secured Parties which is reasonably convenient to the Secured Parties and the Debtor. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Secured Parties will give the Debtor at least ten (10) days' prior written notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. Any such notice shall be deemed to meet any requirement hereunder or under any applicable law (including the Uniform Commercial Code) that reasonable notification be given of the time and place of such sale or other disposition. After deducting all costs and expenses of collection, storage, custody, sale or other disposition and delivery (including legal costs and reasonable attorneys' fees) and all other charges against the Collateral, the residue of the proceeds of any such sale or disposition shall be applied, subject to the terms of the Intercreditor Agreement, to the payment of the Secured Obligations in such order of priority as the Secured Parties shall determine and, unless otherwise provided by law or by a court of competent jurisdiction, any surplus shall be returned to the Debtor or to any Person lawfully entitled thereto (including, if applicable, any subordinated creditors of the Debtor). In the event the proceeds of any sale, lease or other disposition of the Collateral hereunder are insufficient to pay all of the Secured Obligations in full, the Debtor will be liable for the deficiency, including interest thereon at a rate per annum equal to 2.00% above the highest rate borne by any of the Secured Obligations until paid, and the cost and expenses of collection of such deficiency, including, without limitation, reasonable attorneys' fees, expenses and disbursements. Without limiting the generality of the foregoing or the scope of section 7 hereof, upon the occurrence of any Event of Default,

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any amount owing by the Secured Parties to the Debtor may, without regard to the value of the Collateral, be offset and applied toward the payment of the Secured Obligations as aforesaid, whether or not the Secured Obligations, or any part thereof, shall be then due.

(b) The Debtor recognizes that the Secured Parties may be unable to effect a public sale of all or a part of the Pledged Securities by reason of certain prohibitions contained in the Securities Act, as amended, or any other applicable securities law, but may be compelled to resort to one or more private sales to a restricted group of purchasers, each of whom will be obligated to agree, among other things, to acquire such Pledged Securities for its own account, for investment and not with a view to the distribution or resale thereof. The Debtor acknowledges that private sales so made may be at prices and upon other terms less favorable to the seller than if such Pledged Securities were sold at public sales, and that the Secured Parties have no obligation to delay sale of any such Pledged Securities for the period of time necessary to permit such Pledged Securities to be registered for public sale under the Securities Act, as amended.

(c) The Debtor acknowledges that portions of the Collateral could be difficult to preserve and dispose of and be further subject to complex maintenance and management. Accordingly, the Secured Parties, in exercising their respective rights hereunder, or otherwise, shall have the widest possible latitude to preserve and protect the Collateral and such Secured Party's Lien therein. Moreover, the Debtor acknowledges and agrees that Secured Parties shall have no obligation to, and the Debtor hereby waives to the fullest extent permitted by law any right that it may have to require Secured Parties to, (i) clean up or otherwise prepare any of the Collateral for sale, (ii) pursue any Person to collect any of the Obligations, or (iii) exercise collection remedies against any Persons obligated on the Collateral. The Secured Parties' compliance with applicable local, state or federal law requirements, in addition to those imposed by the Uniform Commercial Code, in connection with a disposition of any or all of the Collateral will not be considered to adversely affect the commercial reasonableness of any disposition of any or all of the Collateral under the Uniform Commercial Code.

9. Right to Use the Collateral, etc. Without limiting the scope of section 7 hereof, upon the occurrence and during the continuance of any Event of Default, but subject to the provisions of the Uniform Commercial Code or other mandatory provisions of applicable law, and subject to the terms of the Intercreditor Agreement, the Secured Parties shall have the right and power to take possession of all or any part of the Collateral, and to exclude the Debtor and all Persons claiming under the Debtor wholly or partly therefrom, and thereafter to hold, store, and/or use, operate, manage and control the same. Upon any such taking of possession, the Secured Parties, from time to time, at the Debtor's expense, may (but shall not be obligated to) make all such repairs, replacements, alterations and improvements to any of the Collateral and may manage and control the Collateral and carry on the business and exercise all rights and powers of the Debtor in respect thereto as the Secured Parties shall deem best, including, without limitation, the right to enter into any and all such agreements with respect to the use of the Collateral or any part thereof as the Secured Parties may see fit (including, without limitation, licensing agreements related to the Intellectual Property Collateral); and the Secured Parties shall be entitled and, subject to the terms of the Intercreditor Agreement, to collect and receive all rents, issues, profits, fees, revenues and other income of the same and every part thereof. Such

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rents, issues, profits, fees, revenues and other income shall be applied to pay the expenses of so holding, storing, using, operating, managing and controlling the Collateral, and of conducting any business related thereto, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Secured Parties may be required or may elect to make, if any, for taxes, assessments, insurance and other charges upon the Collateral or any part thereof, and all other payments which the Secured Parties may be required or authorized to make under any provision of this Agreement or any of the other Operative Documents (including legal costs and reasonable attorneys' fees). The remainder of such rents, issues, profits, fees, revenues and other income shall be applied, subject to the terms of the Intercreditor Agreement, to the payment of the Secured Obligations in such order of priority as the Secured Parties shall determine and, unless otherwise provided by law or by a court of competent jurisdiction, any surplus shall be returned to the Debtor or to any Person lawfully entitled thereto (including, if applicable, any subordinated creditors of the Debtor). Without limiting the generality of the foregoing, the Secured Parties shall have the right to have a trustee, liquidator, receiver or similar official appointed to enforce their rights and remedies hereunder or under any of the other Operative Documents, including, without limitation, (a) to take possession of and to manage, protect and preserve the Collateral and all other properties of the Debtor, (b) to continue the operation of the business of the Debtor, (c) to sell, transfer, assign or otherwise dispose of the Collateral (or any portion thereof) and (d) to collect all rents, issues, profits, fees, revenues and other income and proceeds thereof and apply the same to the payment of all expenses and other charges of such receivership, including the compensation of such official, and to the payment of the Secured Obligations as aforesaid, and the Debtor hereby consents to such appointment without regard to the presence or absence of any misfeasance or malfeasance or any other fact or circumstance which otherwise would provide a defense to such appointment. If the Secured Parties shall request, or shall apply or petition for, the appointment of or taking possession by any such trustee, liquidator, receiver or other similar official, the Debtor will promptly evidence its consent thereto and will fully cooperate with such official.

10. Waivers, Remedies Cumulative, etc.

(a) The Debtor hereby waives presentment, demand, notice, protest and, except as is otherwise explicitly provided herein, all other demands and notices in connection with this Agreement or the enforcement of any of the rights and remedies of the Secured Parties hereunder or in connection with any Secured Obligations or any Collateral; consents to and waives notice of the granting of renewals, extensions of time for payment or other indulgences to the Debtor or any other Person, or substitution, release or surrender of any Collateral, the addition or release of Persons primarily or secondarily liable on any Secured Obligation, the acceptance of partial payments on any Secured Obligation and/or the settlement or compromise thereof. To the extent permitted by law, the Debtor also hereby waives any rights and/or defenses the Debtor may have under any anti-deficiency laws or other laws limiting, qualifying or discharging the Secured Obligations and/or any of the remedies of the Secured Parties against the Debtor. The Debtor further waives, to the extent permitted by law: (i) any right it may have under any applicable law (including the constitution of any jurisdiction in which any of the Collateral may be located and the Constitution of the United States of America) to notice (other than any requirement of notice explicitly provided herein) or to a judicial hearing prior to the exercise of any right or remedy provided by this Agreement or any of

the other Operative Documents and any right to set aside or invalidate any sale duly consummated in accordance with the foregoing provisions hereof on the grounds (if such be the case) that the sale was consummated without a prior judicial hearing; (ii) any right to damages occasioned by any lawful exercise by the Secured Parties of any right or remedy hereunder or referred to herein, including any damages arising as a result of any taking of possession of the Collateral; (iii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Secured Parties' rights hereunder; and (iv) all rights of redemption, appraisement, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. The Secured Parties shall not be required to marshal any Collateral (or any part thereof) in any particular order. To the extent permitted by law, the Debtor hereby agrees it will not invoke any right it may have under any law to require the marshalling of Collateral or any other right under any law which might cause delay in or impede the enforcement of the rights of the Secured Parties under any of the Security Documents or any other Operative Documents, and the Debtor hereby irrevocably waives the benefits of all such laws. Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the Debtor therein and thereto, and shall be a perpetual bar both at law and in equity against the Debtor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under the Debtor.

(b) Except as disclosed in and contemplated by the Securities Purchase Agreements, the Debtor hereby represents and warrants to the Secured Parties that there is no restriction imposed by the charter or by-laws of any issuer of any of the Pledged Securities or by any other agreement, document or instrument which will in any way affect or impair the pledge of the Pledged Securities hereunder or the exercise by the Secured Parties of any right granted hereunder, including, without limitation, the right of the Secured Parties to dispose of the Pledged Securities in accordance with the terms hereof. The Debtor further covenants and agrees that it will, and will cause each issuer of any Pledged Securities to, take all necessary action to prevent any such restriction from arising at any time in the future. The Debtor hereby agrees that it will take any further action which the Secured Parties may reasonably request in order that the Secured Parties may obtain and enjoy the full rights and benefits granted to the Secured Parties by this Agreement free of any such restrictions.

(c) To the extent permitted by law, the obligations of the Debtor under this Agreement shall remain in full force and effect without regard to, and shall not be impaired by (i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of the Debtor, or of any other Person; (ii) any exercise or nonexercise, or any waiver, by the Secured Parties, of any right, remedy, power or privilege under or in respect of any of the Secured Obligations or any of the Collateral or any other security therefor; (iii) any amendment to or modification of this Agreement or any of the other Operative Documents; or (iv) the taking of additional security for or any guarantee of any of the Secured Obligations or the release or discharge or termination of any security or guarantee for any of the Secured Obligations; and whether or not the Debtor shall have notice or knowledge of any of the foregoing.

(d) No remedy conferred herein or in any of the other Operative Documents upon the Secured Parties is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any of the other Operative Documents or now or hereafter existing at law or in equity or by statute or otherwise. No course of dealing between the Debtor or any Affiliate of the Debtor and the Secured Parties and no delay in exercising any rights hereunder or under any of the other Operative Documents shall operate as a waiver of any right of the Secured Parties. No waiver by the Secured Parties of any default shall be effective unless made in writing and otherwise in accordance with the terms of section 19 of the Securities Purchase Agreements and no such waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon.

(e) The Debtor's waivers set forth in this Agreement (including, without limitation, those set forth in this section 10) have been made voluntarily, intelligently and knowingly and after the Debtor has been apprised and counseled by its attorneys as to the nature thereof and its possible alternative rights.

11. Termination. This Agreement and the Liens on the Collateral created hereby shall terminate when all of the Secured Obligations have been indefeasibly paid and finally discharged in full in cash (and all commitments of the holders of the Notes (or any of them) to lend any additional amounts to the Debtor or any of its Affiliates shall have been terminated). Upon termination as aforesaid, the Secured Parties shall execute and deliver such releases and discharges as the Debtor may reasonably request.

12. Reinstatement. Notwithstanding the provisions of section 11 to the contrary and notwithstanding anything else to the contrary contained herein, this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by the Secured Parties in respect of the Collateral or the Secured Obligations is rescinded, or must otherwise be restored or returned by the Secured Parties upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Debtor or any of its Affiliates or any guarantor of all or any part of the Secured Obligations, or upon the appointment of any intervenor, receiver or conservator of, or trustee or similar official for, the Debtor or any such Affiliate or guarantor, or any substantial part of their respective properties or assets, or otherwise, all as though such payment had not been made.

13. Consents, Approvals, etc. Upon the exercise by the Secured Parties of any power, right, privilege or remedy pursuant to this Agreement or any of the other Operative Documents which requires any consent, approval, registration, qualification or authorization of, or declaration or filing with, or other action by, any other Person, including, without limitation, any governmental authority or instrumentality, the Debtor will execute and deliver, or will cause the execution and delivery of, all such agreements, documents, applications, certificates, instruments and other documents and papers and will take, or will cause to be taken, such other action that may be required to obtain such consent, approval, registration, qualification or authorization of or other action by such other Person and/or that may be reasonably requested by the Secured Parties in connection therewith.

14. Certain Definitions. In addition to the descriptions contained in section 1 hereof, the items of Collateral referred to therein shall have all of the meanings ascribed to them in the Uniform Commercial Code of The Commonwealth of Massachusetts as in effect from time to time.

15. Amendments. All amendments of this Agreement and all waivers of compliance herewith shall be in writing and shall be effected in compliance with the provisions of section 19 of the Securities Purchase Agreements.

16. Communications. All communications provided for herein shall be mailed by certified mail (return receipt requested) at the addresses referred to and shall be effective at the time specified in section 23 of the Securities Purchase Agreements.

17. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by the Secured Parties and the Debtor, successors to the Debtor and the successors and assigns of the Secured Parties, and, in addition, shall inure to the benefit of and be enforceable by each holder from time to time of any of the Notes who, upon acceptance of any such Notes, shall, without further action, be entitled to enforce the provisions and enjoy the benefits hereof and thereof, whether or not an express assignment to such holder of rights hereunder and thereunder has been made.

18. Governing Law; Jurisdiction; Waiver of Jury Trial. This Agreement, including the validity hereof and the rights and obligations of the parties hereunder, and all amendments and supplements hereof and all waivers and consents hereunder, shall be construed in accordance with and governed by the domestic substantive laws of The Commonwealth of Massachusetts without giving effect to any choice of law or conflicts of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction. The Debtor, to the extent that it may lawfully do so, hereby consents to service of process, and to be sued, in The Commonwealth of Massachusetts and consents to the jurisdiction of the courts of The Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of any of its obligations hereunder and under the other Operative Documents or with respect to the transactions contemplated hereby or thereby, and expressly waives any and all objections it may have as to venue in any such courts. The Debtor further agrees that a summons and complaint commencing an action or proceeding in any of such courts shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it in accordance with section 16 or as otherwise provided under the laws of The Commonwealth of Massachusetts. Notwithstanding the foregoing, the Debtor agrees that nothing contained in this section 18 shall preclude the institution of any such suit, action or other proceeding in any jurisdiction other than The Commonwealth of Massachusetts. THE DEBTOR IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING INSTITUTED BY OR AGAINST IT IN RESPECT OF ITS OBLIGATIONS HEREUNDER AND UNDER ANY OF THE OTHER OPERATIVE DOCUMENTS AND THE TRANSACTIONS CONTEMPLATED HEREBY AND BY THE OTHER OPERATIVE DOCUMENTS.

19. Miscellaneous. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. This Agreement (together with the other Operative Documents) embodies the entire agreement and understanding between the Secured Parties and the Debtor and supersedes all prior agreements and understandings relating to the subject matter hereof. Each covenant contained herein and in each of the other Operative Documents shall be construed (absent an express provision to the contrary) as being independent of each other covenant contained herein and therein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. If any provision in this Agreement or in any of the other Operative Documents refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable, whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision. In case any provision in this Agreement or in any of the other Operative Documents shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof and thereof shall not in any way be affected or impaired thereby. This Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts but all such counterparts shall together constitute but one and the same instrument.

[The remainder of this page is left blank intentionally.]

IN WITNESS WHEREOF, the Debtor has executed this Agreement as a sealed instrument as of the date first above written.

TUBULAR TEXTILE MACHINERY, INC.

By: Julianne S. Lis-Milam
Julianne S. Lis-Milam (Title)
President

JOHN HANCOCK LIFE INSURANCE
COMPANY

By _____
(Title)

HANCOCK MEZZANINE PARTNERS III,
L.P.

By: Hancock Mezzanine Investments III,
LLC, its General Partner

By: John Hancock Life Insurance
Company, its Investment Manager

By _____
(Title)

ALLSTATE LIFE INSURANCE COMPANY

By: John Hancock Life Insurance Company,
its Attorney in Fact

By _____
(Title)

[Signature Page to Security and Pledge Agreement]

TRADEMARK
REEL: 002865 FRAME: 0455

IN WITNESS WHEREOF, the Debtor has executed this Agreement as a sealed
document as of the date first above written.

TUBULAR TEXTILE MACHINERY, INC.

By: _____
(Title)

JOHN HANCOCK LIFE INSURANCE
COMPANY

By: Scott B. Garfield
Director (Title)

HANCOCK MEZZANINE PARTNERS III,
L.P.

By: Hancock Mezzanine Investments III,
LLC, its General Partner

By: John Hancock Life Insurance
Company, its Investment Manager

By: Stephen J. Blum
(Title)
Senior Managing Director

ALLSTATE LIFE INSURANCE COMPANY

By: John Hancock Life Insurance Company,
its Attorney in Fact

By: Stephen J. Blum
(Title)
Senior Managing Director

SIGNATURE 7 L.P.*

By: John Hancock Life Insurance Company,
as Portfolio Advisor

By: 
Senior Managing Director (Title)

* Signature 7 L.P. ("Signature 7") is purchasing the Securities (the "Investment") with funds lent by Goldman Sachs Credit Partners L.P. ("GSCP"). Lending from GSCP enables Signature 7 to acquire investments prior to Signature 7's collateral debt obligation securitization. Until the date of such securitization, GSCP will have certain rights with respect to the Investment under its lending agreements with Signature 7. John Hancock Life Insurance Company currently serves as the portfolio advisor to Signature 7 and will continue to serve in such role after Signature 7's securitization.

MASSACHUSETTS MUTUAL LIFE
INSURANCE COMPANY

By: David L. Babson & Company Inc.,
its Investment Adviser

By: _____
(Title)

C.M. LIFE INSURANCE COMPANY

By: David L. Babson & Company Inc.,
its Investment Sub-Adviser

By: _____
(Title)

[Signature Page to Security and Pledge Agreement]

SIGNATURE 7 L.P.*

By: John Hancock Life Insurance Company,
as Portfolio Advisor

By: _____ (Title)

* Signature 7 L.P. ("Signature 7") is purchasing the Securities (the "Investment") with funds lent by Goldman Sachs Credit Partners L.P. ("GSCP"). Lending from GSCP enables Signature 7 to acquire investments prior to Signature 7's collateral debt obligation securitization. Until the date of such securitization, GSCP will have certain rights with respect to the Investment under its lending agreements with Signature 7. John Hancock Life Insurance Company currently serves as the portfolio advisor to Signature 7 and will continue to serve in such role after Signature 7's securitization.

**MASSACHUSETTS MUTUAL LIFE
INSURANCE COMPANY**

By: David L. Babson & Company Inc.,
its Investment Adviser

By: Richard C. Morrison
Richard C. Morrison (Title)
Managing Director

C.M. LIFE INSURANCE COMPANY

By: David L. Babson & Company Inc.,
its Investment Sub-Adviser

By: Richard C. Morrison
Richard C. Morrison (Title)
Managing Director

**MASSMUTUAL CORPORATE
INVESTORS**

AB By: Richard C. Morrison
Richard C. Morrison (Title)
Vice President

The foregoing is executed on behalf of MassMutual Corporate Investors, organized under a Declaration of Trust, dated September 13, 1985, as amended from time to time. The obligations of such Trust are not personally binding upon, nor shall resort be had to the property of, any of the Trustees, shareholders, officers, employees or agents of such Trust, but the Trust's property only shall be bound.

**MASSMUTUAL PARTICIPATION
INVESTORS**

AB By: Richard C. Morrison
Richard C. Morrison (Title)
Vice President

The foregoing is executed on behalf of MassMutual Participation Investors, organized under a Declaration of Trust, dated April 7, 1988, as amended from time to time. The obligations of such Trust are not personally binding upon, nor shall resort be had to the property of, any of the Trustees, shareholders, officers, employees or agents of such Trust, but the Trust's property only shall be bound.

TOWER SQUARE CAPITAL PARTNERS,
L.P.

By: David L. Babson & Company Inc.,
its Investment Manager

AB By: Richard C. Morrison
Richard C. Morrison (Title)
Managing Director

TSCP SELECTIVE, L.P.

By: David L. Babson & Company Inc.,
its Investment Manager

sc By: Richard C. Morrison
Richard C. Morrison (Title)
Managing Director

Exhibit 1(x)

Commercial Tort Claims

Debtor's predecessor in interest, Tubular Textile LLC, is considering commencing a proceeding in India based on alleged infringement of certain Indian copyright registrations. The copyright registrations apply to blueprints for two machines

Exhibit 3(b)

Places of Business
Location of Collateral: Names

Owned Real Property:

2130 Appalachian Drive
Martinsville, VA 24115
See Exhibit 3(b)(1) for a legal description

Leased Real Property:

113 Woodside Drive
Lexington, NC 27293
See Exhibit 3(b)(2) for a legal description

Rosenwald School Road
PO Box 98
Mt. Gilead, NC 27306

620 South Pleasantburg Drive
Greenville, SC 29607
See Exhibit 3(b)(3) for a legal description

301 Airport Road
Greenville, SC 29606
See Exhibit 3(b)(4) for a legal description

156 Dixon Street
Lexington, NC 27292

4683 Old Salisbury Road
Lexington, NC 27292

Inventory Locations:

Fruit of the Loom	Rabun Gap, GA
Fruit of the Loom	Jamestown, KY

National Textiles	Greenwood, SC
Main Knitting & Lian Textiles	Canada
Caracol	Honduras
Agent's warehouses	Bangladesh & Mexico

Prior Names:

TT Machinery Enterprises, Inc.
Tubular Textile LLC
Marshall & Williams Products, Inc.
Ashby Enterprises, Inc.
RFG Industries, Inc.
Jacumin Engineering & Machine Company

Assumed Names:

Marshall & Williams
Marshall & Williams Products
Tube-Text

Exhibit 3(b)(1)

Legal Description
2130 Appalachian Drive

Exhibit 3(b)(2)

Legal Description
113 Woodside Drive

All of that tract or parcel of land located in Davidson County, North Carolina and being all of Tract No. 1, containing 14.300 acres, as shown on a plat entitled Tubular Textile Machinery recorded in Plat Book 20, page 83, of the Davidson County, North Carolina records.

Exhibit 3(b)(3)

Legal Description
620 South Pleasantburg Drive

All that certain piece, parcel or lot of land in the State of South Carolina, County of Greenville, on the Western side of By-Pass S.C. Highway No. 29, near the City of Greenville, being shown as Lot No. 48 on plat of the Estate of Tully P. Babb, recorded in Plat Book "GG" at pages 158 and 159, and described as follows: BEGINNING at a stake on the western side of By-Pass S.C. Highway No. 29 at corner of property of City of Greenville, and running thence with the line of said property N. 83-04 W. 360.2 feet to a stake at corner of Lot 49; thence with the line of said lot S. 6-50 E. 282.3 feet to a stake at corner of Lot 47; thence with the line of said lot N. 83-10 E. 350 feet to a stake on By-Pass S.C. Highway No. 29; thence with the western side of said highway N. 6-50 W. 197.1 feet to the beginning corner.

ALSO: ALL that certain piece, parcel or lot of land in the State of South Carolina, County of Greenville, on the eastern side of Winterberry Court near the City of Greenville, being shown as Lot No. 49 on a plat of the Estate of Tully P. Babb, recorded in Plat Book "GG" at pages 158 and 159, and described as follows: BEGINNING at a stake on the eastern side of said Winterberry Court 225 feet north from Skyview Drive at the corner of Lot 50 and running thence with the line of said Lot N. 83-10 E. 250 feet to a stake at the corner of Lot 48; thence with the line of said Lot N. 6-50 W. 282.3 feet to a stake in line of property of City of Greenville; thence with the line of said property N. 83-04 W. 142.3 feet to a stake at corner of Lot 59; thence with the line of said lot S. 25-10 W. 179.5 feet to a stake on Winterberry Court; thence with the curve of the eastern side of said court, the chords of which are S. 40-51 E. 60 feet, S. 60-20 W. 60 feet, and S. 25-27 W. 65 feet, the beginning corner.

ALSO: All that certain piece, parcel and triangular tract of land located in the City of Greenville, County of Greenville, State of South Carolina, containing 2620 square feet, more or less, as shown on plat prepared by Freeland & Associates, dated May 26, 1986, and further described as follows:

BEGINNING on the western side of SC Wwy. #291 at a new iron pin; thence S. 7-03 E. 21 feet to an old nail and cap; thence N. 82-57 W. 257.2 feet to an old iron pin; thence S. 87-34 E. 252.9 feet to the point of beginning.

620 Pleasantburg Ave.
(State Highway 291)
Greenville, SC

Exhibit 3(b)(4)**Legal Description**
301 Airport Road

ALL that piece, parcel or lot of land situated, lying and being on the northwestern side of Airport Road and on the western side of Ramseur Court in the City of Greenville, County of Greenville, State of South Carolina, also shown on a plat of survey entitled "ALTA/ACSM Land Title Survey for Marshall and Williams Products, Inc." prepared by Freeland & Associates, Inc., dated March 9, 2001, recorded in Plat Book 43-T, page 97, reference to which is craved for a complete metes and bounds description.

Exhibit 4(a)(i)Intellectual Property

PATENTS			
Country	Title	Reg. No./ Application No.	Issue Date/ Filing Date
U.S.	Suction Drum System For Processing Web Material Particularly Knitted Fabrics	5,669,155	09/23/97
U.S.	Non-Marking Spreader for Tubular Knitted Fabric	5,794,317	08/18/98
U.S.	Method and Apparatus for Treating Knitted Fabric	5,724,689	03/10/98
U.S.	Heating System for Compressive Shrinkage Machines	6,047,483	4/11/00
Canada	Heating System for Compressive Shrinkage Machines	2,315,822	3/16/04
China	Heating System for Compressive Shrinkage Machines	98812113.1 (Application Number)	12/09/98 (Filing Date)
Hong Kong	Heating System for Compressive Shrinkage Machines	01104806.5 (Application Number)	07/11/01 (Filing Date)
India	Heating System for Compressive Shrinkage Machines	3722/Del/98 (Application Number)	12/10/98 (Filing Date)
Mexico	Heating System for Compressive Shrinkage Machines	PA/a/2000/ 005803 (Application Number)	06/12/00 (Filing Date)

Turkey	Heating System for Compressive Shrinkage Machines	TR2000/ 0171013	12/09/98
Europe	Heating System for Compressive Shrinkage Machines	98963825.9 (Application Number)	12/09/98 (Filing Date)
U.S.	Detwisting Mechanism for Fabric Processing Line	5,666,704	09/16/97
U.S.	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	5,655,275	08/12/97
Austria	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	235592	09/13/96
Bangladesh	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	1,002,852	09/25/96
Belgium	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	0,851,947	09/13/96
Canada	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	2,232,513	09/13/96
Lichenstein	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	0,851,947	09/13/96
Germany	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	0,851,947	09/13/96
Denmark	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	0,851,947	09/13/96
Spain	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	0,851,947	09/13/96

Finland	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	0,851,947	09/13/96
France	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	0,851,947	09/13/96
Greece	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	0,851,947	09/13/96
Ireland	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	0,851,947	09/13/96
India	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	2048/Del/96	09/18/96
Italy	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	0,851,947	09/13/96
Luxembourg	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	0,851,947	09/13/96
Monaco	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	0,851,947	09/13/96
Netherlands	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	0,851,947	09/13/96
Pakistan	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	135,458	09/25/96
Portugal	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	0,851,947	09/13/96
Sweden	Adjustment and Cleaning Mechanisms for compressive	0,851,947	09/13/96

	Shrinkage Apparatus		
United Kingdom	Adjustment and Cleaning Mechanisms for compressive Shrinkage Apparatus	0,851,947	09/13/96
Canada	Method for Drying Tubular Knitted Fabric: High Velocity Gas Flow	1,245,432	11/29/88
U.S.	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	4,882,819	11/28/89
Argentina	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	241,814	12/30/92
Australia	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	599,840	10/13/90
Austria	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	0,311,897	10/6/88
Belgium	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	0,311,897	10/6/88
Brazil	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	P18805226-5	10/11/88
Canada	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	1,300,864	5/19/92
China	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	88107003.3	10/13/88
Egypt	Method for Compressively Shrinking of Tubular Knitted	18,710	12/30/93

	Fabrics and the Like		
France	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	0,311,897	10/6/88
Germany	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	0,311,897	10/6/88
Greece	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	0,311,897	10/6/88
Hungary	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	209,698	10/13/88
Israel	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	87,941	10/6/88
Italy	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	0,311,897	10/6/88
Japan	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	1,658,145	3/5/91
S. Korea	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	044120	10/12/88
Luxembourg	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	0,311,897	10/6/88
Mexico	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	170,281	8/13/93
Netherlands	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	0,311,897	10/6/88

New Zealand	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	226,509	10/10/88
Poland	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	158,705	2/6/92
South Africa	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	88/7560	10/7/88
Spain	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	0,311,897	10/6/88
Sweden	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	0,311,897	10/6/88
Switzerland	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	0,311,897	10/6/88
Turkey	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	23,556	10/13/88
U.K.	Method for Compressively Shrinking of Tubular Knitted Fabrics and the Like	0,311,897	10/6/88
U.S.	Apparatus for Compressive Shrinkage of Tubular Knitted Fabrics and the Like	5,016,329	05/21/91
U.S.	Fabric Distributor	5,644,818 (see note 1)	07/08/97
U.S.	Bleaching Kier for Continuous Bleaching of Elongated Fabric	5,119,646	6/9/92
U.S.	Continuous Fabric Detwister	5,271,131	12/21/93
U.S.	Fabric Detwister Cylinder	6,363,701	4/2/02

	Apparatus		
Canada	Spreader – Propeller Apparatus for Tubular Knitted Fabric	1,242,333	9/27/88
Canada	Apparatus and Method for Pad Batch Dyeing of Tubular Knitted Fabrics	1,228,740	11/3/87
U.S.	Tenter Frame and Method	5,797,172	8/25/98
U.S.	Tenter Assembly and Method	5,613,284	3/25/97
U.S.	Tenter Frame Apparatus and Method	5,067,214	11/26/91
U.S.	Tenter Clip with Replaceable Bushings	4,949,438	8/21/90
U.S.	Tenter Frame Apparatus and Method	4,926,529	5/22/90
U.S.	Tenter Chain	4,620,844	11/4/86

REGISTERED TRADEMARKS

Country	Mark	Reg. No.	Date
U.S.	PRO-PAD-DELTA-PLUS	2,584,237 (see note 2)	6/25/02
U.S.	DYROL	1,297,392	9/25/84
U.S.	TUBE-TEX (stylized)	290,179	12/22/31
U.S.	TUBE-TEX (stylized)	842,831	1/23/68
U.S.	PAK-NIT (& Des.)	770,404	5/26/64
Australia	TUBE-TEX (stylized)	A154471	6/18/59
Benelux	TUBE-TEX	62,736	9/24/71
Bosnia-Herzegovina	PAK-NIT	BAZR983024A	8/15/00
Brazil	TUBE-TEX (Stylized)	810101998	3/22/83
Canada	TUBE-TEX (Stylized)	157,008	5/31/68
Canada	REELAX-JET (Stylized)	117,339	3/25/60
Canada	TUBE-TEX (Stylized)	100,588	5/6/55
Croatia	PAK-NIT	Z-950865	8/15/80
France	TUBE-TEX	1389543	2/9/67
France	PAK-NIT (Stylized)	1411628	3/21/62
Indonesia	PAK-NIT	433898	10/29/99
Indonesia	PAK-NIT	433899	10/29/99
Ireland	TUBE-TEX (Stylized)	B74485	2/21/67
Italy	TUBE-TEX	792387	2/9/67
Japan	PAK-NIT (Katakana)	808383	2/19/69

Japan	PAK-NIT	616143	6/5/63
Japan	PAK-NIT	612048	5/13/63
Japan	TUBE-TEX	820824	6/10/69
Macedonia	PAK-NIT	4594	8/15/80
Mexico	TUBE-TEX (Stylized)	99256 (see note 3)	10/24/59
Mexico	TUBE-TEX	167678 (see note 3)	4/29/71
Philippines	TUBE-TEX (Stylized)	1384	10/11/54
Singapore	PAK-NIT	57490	4/4/73
Slovenia	PAK-NIT	Z-9570404	3/29/95
U.K.	TUBE-TEX (Stylized)	580653	10/15/37
U.K.	TUBE-TEX (Stylized)	906723	3/14/67
Yugoslavia	PAK-NIT	24801	8/15/80

PENDING TRADEMARKS

Country	Mark	App. No.	Filing Date
U.S.	PAK-NIT	76/492,218	2/19/03
Canada	PAK-NIT	1167510	2/14/03

COMMON LAW MARKS

JEMCO
 JEMCO III
 2000CBR
 1000CBR
 Squeeze-Less Pulley System
 Dry Storage J
 Ashby-JEMCO
 Ashby

The Finishing Touch Before Fashion Begins**Tube Tex****Pak-Nit****Pak-Nit II****Tube-Tex Pak Nit II Delta-Plus****Tube-Tex Pak Nit II Delta-Plus "SP"****Touch-O-Matic****C2000****Relax Dryer****Multi-pass Dryer****Ultra Dry Relax Conveyor Dryer****4-Roll Pad-Delta Plus****Tubetex****Tube-tex****The Finish Line****RFG****American Eagle****M & W****Marshall and Williams****Marshall and Williams Plastics**

The Finish Line

Finishing News For The Knitted Textile Industry

tube-tex.
The Finishing Touch Before Fashion Begins.





REGISTERED COPYRIGHTS

Country	Mark	Registration No.
India	MODULAR PAKNIT DRAWING	A-64427/2003
India	MODULAR PAKNIT DRAWING	A-64428/2003
India	MODULAR PAKNIT DRAWING	A64429/2003
India	MODULAR PAKNIT DRAWING	A64430/2003
India	DRAWING E3668600	A-62809/2002
India	DRAWING B3673000	A-62813/2002
India	DRAWING E3682100	A-62812/2002
India	DRAWING D3943400	A-62811/2002
India	DRAWING D3674100	A-62810/2002
India	DRAWING E3669100	A-62818/2002
India	DRAWING D3673200	A-62817/2002
India	DRAWING C3675700	A-62816/2002
India	DRAWING B3672100	A62815/2002
India	DRAWING B3672700	A-62814/2002
India	DRAWING B3672200	A-62824/2002
India	DRAWING B3681200	A-62823/2002
India	DRAWING E3669800	A-62826/2002
India	DRAWING E3669900	A-62825/2002
India	DRAWING C2922400	A-62822/2002

India	DRAWING C2965900	A-62821/2002
India	DRAWING D3202400	A-62820/2002
India	DRAWING D2933700	A-62819/2002
India	DRAWING D3202300	A-62828/2002
India	DRAWING E2655300	A-62827/2002
India	DRAWING D3300700	A-62829/2002
India	DRAWING D3300500	A-62830/2002
India	DRAWING B3672600	A-62831/2002
India	DRAWING D3670200	A-62832/2002

DOMAIN NAMES

Tubetex.com

Ashby-jemco.com

Rfgnappers.com

Mwproducts.com

Marshall-and-williams.com

Notes:

1. Assignment from inventors to Tubular Textile Machinery Corporation is not recorded and cannot be located.
2. Registered incorrectly in the name of Tubular Textile Machinery Corporation.
3. Assignment from Tubular Textile Machinery Corporation to Tube Tex cannot be located. Sellers will undertake commercially reasonable efforts to obtain and record an assignment to Tube Tex post-Closing.