

TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
ETG Holdings, Inc.		05/06/2005	CORPORATION: DELAWARE
Engineered Textile Group, Inc.		05/06/2005	CORPORATION: DELAWARE
Southern Weaving Company		05/06/2005	CORPORATION: NORTH CAROLINA

RECEIVING PARTY DATA

Name:	American Capital Financial Services, Inc.
Street Address:	2200 Ross Avenue
Internal Address:	Suite 4500W
City:	Dallas
State/Country:	TEXAS
Postal Code:	75201
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Registration Number:	1585736	SCUFF EDGE

CORRESPONDENCE DATA

Fax Number: (214)758-1550
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 2147581500

Email: estafford@pattonboggs.com

Correspondent Name: Darren W. Collins

Address Line 1: 2001 Ross Avenue; Suite 3000

Address Line 2: Patton Boggs, LLP

Address Line 4: Dallas, TEXAS 75201

NAME OF SUBMITTER:

Darren W. Collins

900030478

TRADEMARK
REEL: 003143 FRAME: 0770

CH \$40.00 1585736

Signature:

/Darren W. Collins/

Date:

08/18/2005

Total Attachments: 13

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (as amended, supplemented or otherwise modified from time to time, this "IP Security Agreement") is made and effective as of May 6, 2005, by and among ETG HOLDINGS, INC., a Delaware corporation ("Parent"), ENGINEERED TEXTILE GROUP, INC., a Delaware corporation ("Target"), SOUTHERN WEAVING COMPANY, a North Carolina corporation ("Southern Weaving," and together with Parent and Target, each a "Grantor" and collectively the "Grantors"), in favor of AMERICAN CAPITAL FINANCIAL SERVICES, INC., a Delaware corporation, as agent for the Purchasers (as defined in the Purchase Agreement (as defined below)) (in such capacity, the "Agent"). Capitalized terms used in this IP Security Agreement and not otherwise defined shall have the respective meanings ascribed to such terms in the Purchase Agreement.

RECITALS

WHEREAS, pursuant to that certain Revolving Loan, Term Loan, Note and Equity Purchase Agreement, dated as of the date hereof, by and among the Grantors, the Agent and the Purchasers (as amended, supplemented or otherwise modified from time to time, the "Purchase Agreement"), the Purchasers have agreed, among other things, subject to the terms and conditions set forth therein, to provide a revolving line of credit and purchase certain term notes and subordinated notes of Southern Weaving (collectively, the "Notes");

WHEREAS, the Grantors will derive substantial direct and indirect benefits from the purchase of the Notes and other financial accommodations provided by the Purchasers under the Purchase Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Agent and the Purchasers to execute and perform under the Purchase Agreement that the Grantors shall have executed and delivered this IP Security Agreement to the Agent, for the ratable benefit of the Purchasers;

NOW, THEREFORE, in consideration of the willingness of the Agent and the Purchasers to enter into the Purchase Agreement and to agree, subject to the terms and conditions set forth therein, to purchase the Notes of the Grantors pursuant thereto, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

AGREEMENT

1. **Grant of Security Interest.** To secure the Grantors' prompt, punctual and faithful payment of the Notes and the performance of all and each of the Grantors' obligations under the Purchase Agreement, each Grantor hereby grants to the Agent, for the ratable benefit of the Purchasers, a continuing security interest in all of the right, title and interest of such Grantors in and to any and all of the following collateral, whether now owned or hereafter acquired, but excluding any intellectual property rights licensed pursuant to any license agreements that prohibit the granting of a Lien in such rights (the "IP Collateral");

(a) The U.S. and foreign patents and patent applications set forth on Schedule A attached hereto (collectively, the “Patents”);

(b) The U.S., state and foreign trademark and service mark registrations, trademark and service mark applications set forth on Schedule B attached hereto and all goodwill associated with the foregoing (collectively, the “Trademarks”);

(c) The domain names and registrations set forth on Schedule C attached hereto and all goodwill associated with the foregoing (collectively, the “Domain Names”);

(d) Any and all claims and causes of action for past, present or future infringement of any of the IP Collateral, with the right, but not the obligation, to sue for and collect damages for infringement of the IP Collateral;

(e) Any and all licenses or rights granted under any of the IP Collateral, and all license fees and royalties arising from such licenses or rights;

(f) Any and all divisions, continuations, amendments, renewals, extensions, reissuances and replacements of any of the items listed in clauses (a) through (e) of this paragraph; and

(g) Any and all products and proceeds of any of the foregoing.

2. Requested Recordation. Each Grantor authorizes and requests that the Commissioner of Patents and Trademarks (and any state, foreign or other authority to which this IP Security Agreement is submitted) file and record this IP Security Agreement (and any corresponding or separate forms of such jurisdiction) in order to publicly reflect the interests of the Agent and the Purchasers in the IP Collateral.

3. Assignment. Upon the request of the Agent after the occurrence and during the continuance of an Event of Default, each Grantor shall execute and deliver to the Agent an absolute assignment transferring its entire right, title, and interest in and to the IP Collateral to the Agent, for the ratable benefit of the Purchasers.

4. Power of Attorney. Each Grantor hereby irrevocably grants to the Agent, for the ratable benefit of the Purchasers, a power of attorney, to act as such Grantor’s attorney-in-fact, with full authority in the name, place and stead of such Grantor, from time to time in the Agent’s discretion, to take any action and to execute any instrument that the Agent may reasonably deem necessary or advisable to accomplish the purposes of this IP Security Agreement. This authority includes, without limitation, the following:

(a) To modify or amend (in the sole discretion of the Agent and the Purchasers and without first obtaining such Grantor’s approval thereof or signature thereto) Schedule A, Schedule B and/or Schedule C hereof, as appropriate, to include references to any registered intellectual property (or application or license therefor) acquired by such Grantor after the execution hereof or to delete any reference to any IP Collateral in which such Grantor no longer has or claims any right, title or interest;

(b) To execute, file and pursue (in the sole discretion of the Agent and the Purchasers and without first obtaining such Grantor's approval thereof or signature thereto, unless otherwise prohibited by applicable law) any application, form or other document in order to perfect, maintain, continue or otherwise protect the Agent's interest or such Grantor's rights in the IP Collateral, including, without limitation, executing and filing (i) any financing statement, any continuation statement or any amendment thereto, and (ii) any document in any proceeding before the United States Patent and Trademark Office or the relevant office of any state or foreign jurisdiction (including, without limitation, the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings) and to pay any fees and taxes in connection therewith or otherwise;

(c) To execute any document required to acknowledge, register or perfect the interest of the Agent and the Purchasers in any part of the IP Collateral without the signature of such Grantor unless prohibited by applicable law; and

(d) Upon the occurrence and during the continuation of an Event of Default, to (i) endorse the respective Grantor's name on all applications, documents, papers and instruments necessary or desirable for the Agent in the use of the IP Collateral, (ii) take any other actions with respect to the IP Collateral as the Agent deems in its discretion to be in the best interest of the Agent, (iii) grant or issue any exclusive or non-exclusive license under the IP Collateral to anyone or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the IP Collateral to anyone.

The foregoing power of attorney is coupled with an interest and is irrevocable until the Grantors' obligations under the Purchase Agreement (the "Obligations") (other than indemnity obligations under the Purchase Documents that are not then due and payable or for which events or claims that would give rise thereto are not then pending) secured hereby have been unconditionally and indefeasibly paid or performed in full and the Purchase Agreement has been terminated (except for any obligations designated under the Purchase Agreement as continuing on an unsecured basis).

5. Release. Unless otherwise agreed in writing by the parties, the security interests granted herein will terminate (and all rights to the IP Collateral will revert to each of the Grantors) upon satisfaction of the following conditions: (a) payment and performance in full of all the Obligations (other than indemnity obligations under the Purchase Documents that are not then due and payable or for which events or claims that would give rise thereto are not then pending) secured hereby (unconditionally and indefeasibly) and (b) the termination of the Purchase Agreement (except for any obligations designated thereunder as continuing on an unsecured basis). Upon any such termination, the Agent (at the Grantors' request and sole expense) will promptly execute and deliver to the Grantors (with such customary representations and warranties from a secured lender releasing its lien as the Grantors may reasonably request) such documents as the Grantors may reasonably request and as are provided to the Agent to evidence such termination.

6. Newly Registered Patents and Trademarks. Each Grantor hereby agrees to provide the Agent, for the ratable benefit of the Purchasers, every fiscal quarter of the Grantors

concurrent with the delivery of such Grantors' compliance certificate under Section 7.1(e)(iii) of the Purchase Agreement, a schedule of newly registered Patents and Trademarks (if any).

7. Miscellaneous.

(a) This IP Security Agreement has been entered into in conjunction with the provisions of and the security interest granted to the Agent, for the ratable benefit of the Purchasers, under the Purchase Agreement. The rights and remedies of the Grantors and the Agent with respect to the security interests granted herein are in addition and without prejudice to those set forth in the Purchase Agreement, all terms and provisions of which are hereby incorporated herein by reference. In the event that any provisions of this IP Security Agreement are deemed to conflict with the Purchase Agreement or the other Purchase Documents, the provisions of the Purchase Agreement or the other Purchase Documents shall govern.

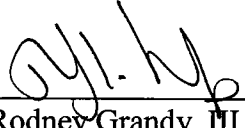
(b) This IP Security Agreement may be executed in any number of counterparts with the same effect as if all the signatures on such counterparts appeared on one document. Each such counterpart will be deemed to be an original, but all counterparts together will constitute one and the same instrument.

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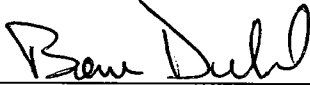
IN WITNESS WHEREOF, the parties hereto have executed this IP Security Agreement as of the date first written above.

GRANTORS:

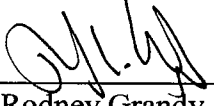
SOUTHERN WEAVING COMPANY,
a North Carolina corporation

By: 
Rodney Grandy, III
President, Chief Executive Officer
and Chief Financial Officer

ETG HOLDINGS, INC.,
a Delaware corporation


By: 
Bowen S. Diehl
President and Secretary

ENGINEERED TEXTILE GROUP, INC.,
a Delaware corporation

By: 
Rodney Grandy, III
President, Chief Executive Officer
and Chief Financial Officer

AGENT:

AMERICAN CAPITAL FINANCIAL SERVICES,
INC.

By: 
Bowen S. Diehl
Vice President

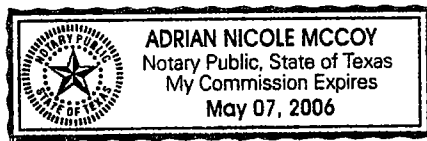
ACKNOWLEDGMENT

STATE OF TEXAS :

: SS

COUNTY OF DALLAS :

Before me, the undersigned, a Notary Public, on this ____ day of May, 2005, personally appeared Rodney Grandy, III, to me known personally, who, being by me duly sworn, did say that he is the President, Chief Executive Officer and Chief Financial Officer of each of Southern Weaving Company and Engineered Textile Group, Inc., each a Grantor, and that said Intellectual Property Security Agreement was signed on behalf of each Grantor, by authority of its board of directors, and the said President, Chief Executive Officer and Chief Financial Officer acknowledged said instrument to be his free act and deed.



Adrian Nicole McCoy
Notary Public

My Commission Expires: 05-07-2006

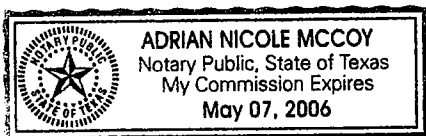
ACKNOWLEDGMENT

STATE OF TEXAS :

: SS

COUNTY OF DALLAS :

Before me, the undersigned, a Notary Public, on this ___ day of May, 2005, personally appeared Bowen S. Diehl to me known personally, who, being by me duly sworn, did say that he is the Vice President of American Capital Financial Services, Inc., as Agent, and that said Intellectual Property Security Agreement was signed on behalf of said Agent, and the said Vice President acknowledged said instrument to be his free act and deed.



Adrian Nicole McCoy
Notary Public
My Commission Expires: 05-07-2006

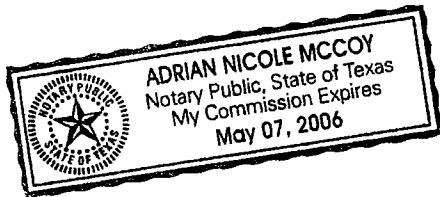
ACKNOWLEDGMENT

STATE OF TEXAS :

: SS

COUNTY OF DALLAS :

Before me, the undersigned, a Notary Public, on this ____ day of May, 2005, personally appeared Bowen S. Diehl to me known personally, who, being by me duly sworn, did say that he is the Vice President of American Capital Financial Services, Inc., as Agent, and that said Intellectual Property Security Agreement was signed on behalf of said Agent, and the said Vice President acknowledged said instrument to be his free act and deed.



Adrian Nicole McCoy
Notary Public
My Commission Expires: 05-07-2006

SCHEDULE A

PATENT COLLATERAL

Registered Patents

Company/Subsidiary	Patent Description	Application/ Registration Number	Country of Registration
Southern Weaving	"Reinforced cargo sling and method"	4,856,837	US
Southern Weaving	"Reinforced cargo sling and method"	4,856,837 1,300,666	Canada

Pending Patent Applications

None.

SCHEDULE B

TRADEMARK COLLATERAL

Registered Trademarks

Mark	Status	Registration #	Jurisdiction	Comment
"Scuff Edge"	registered	1,585,736	US	
"Southern Weaving Company"	(not registered)			
"Southern Weaving"	(not registered)			
southernweaving.com	(not registered)			
"Royal Cord"	(not registered)			
"Dura-Edge"	registered	TMA493,643	Canada	
"Collingwood Fabrics, Inc."	(not registered)			
"Collingwood Fabrics"	(not registered)			

Pending Trademark Applications

None.

Trademark Licenses

None.

SCHEDULE C

DOMAIN NAMES

<http://www.southernweaving.com>