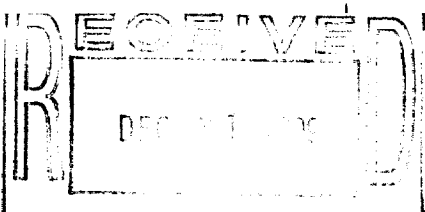


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01-04-2010



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Form PTO-1594 (Rev. 01-09)
OMB Collection 0651-0027 (exp. 02/28/2009)

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

Twin City Knitting Company, Inc.

Individual(s) Association
 General Partnership Limited Partnership
 Corporation- State: North Carolina
 Other _____

Citizenship (see guidelines) North Carolina, United States

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies) Yes No

Additional names, addresses, or citizenship attached? Yes No

Name: FCC, LLC d/b/a First Capital
Internal Address: _____
Street Address: 125 Town Park Drive, Suite 190
City: Kennesaw
State: Georgia
Country: United States Zip: 30144

Association Citizenship _____
 General Partnership Citizenship _____
 Limited Partnership Citizenship _____
 Corporation Citizenship _____
 Other LLC Citizenship Florida, United States

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)

3. Nature of conveyance)/Execution Date(s) :

Execution Date(s) December 21, 2009

Assignment Merger
 Security Agreement Change of Name
 Other _____

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s) _____
B. Trademark Registration No.(s) 3472823; 3133568; 2504102; 2215249; 2280938

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

TCK SLOG SERIES (SERIAL #78933710)

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

Name: John M. Flynn, Esq.
Internal Address: _____
Street Address: 235 N. Edgeworth Street
City: Greensboro
State: North Carolina Zip: 27401
Phone Number: (336) 478 - 1146
Fax Number: (336) 478 - 1145
Email Address: jmf@crjlaw.com

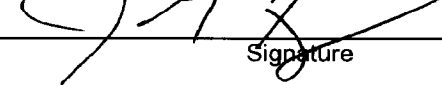
6. Total number of applications and registrations involved: 6

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 165.00

Authorized to be charged to deposit account
 Enclosed

8. Payment Information:

01/04/2010 DBYRNE 00000012 3472823
Deposit Account Number _____ 48.00 OP
02 FC:8522 _____ 125.00 OP
Authorized User Name _____

9. Signature:  _____
Signature _____ Date 12/28/09
John M. Flynn
Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 10

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement"), is made and entered into as of this 21 day of December, 2009, between TWIN CITY KNITTING COMPANY, INC., a North Carolina corporation (the "Grantor"), and FCC, LLC d/b/a First Capital, a Florida limited liability company ("Lender").

WITNESSETH:

WHEREAS, Grantor and Lender are parties to a certain Factoring and Inventory Advances and Security Agreement dated of even date herewith (as amended, modified, supplemented or restated from time to time, herein the "Factoring Agreement"), pursuant to which Lender has agreed to factor the accounts of Grantor and make loans and extend credit to Grantor, all as more particularly described therein; and

WHEREAS, it has been agreed that all of the Obligations of Grantor to Lender under the Factoring Agreement be secured by a lien and security interest in all of Grantor's trademarks, tradenames, and goodwill;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Grantor agrees with Lender as follows:

1. Defined Terms. All capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Factoring Agreement.

2. Grant of Security Interest. As security for the payment and performance of the Obligations, Grantor hereby assigns, grants, transfers and conveys to Lender, for security purposes, all of Grantor's right, title and interest in, to and under the following property, in each case whether now existing or hereafter acquired or arising and whether registered and unregistered and wherever the same may be located (the "Trademark Collateral"):

(a) all state (including common law), federal and foreign trademarks, service marks and trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, domain names, designs and general intangibles of like natures, now existing or hereafter adopted or acquired, together with and including all licenses therefor held by Grantor (unless otherwise prohibited by any license or related licensing agreement under circumstances where the granting of the security interest would have the effect under applicable law of the termination or permitting termination of the license for breach and where the licensor has elected such termination remedy), and all registrations and recordings thereof, and all applications filed or to be filed in connection therewith, including registrations and applications in the United States Patent and Trademark Office, any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof, including any of the foregoing identified on Schedule A hereto (as the same may be amended, modified or supplemented from time to time), and the right (but not the obligation) to register claims under any state or

federal trademark law or regulation or any trademark law or regulation of any foreign country and to apply for, renew and extend any of the same, to sue or bring opposition or cancellation proceedings in the name of Grantor or in the name of Lender for past, present or future infringement or unconsented use thereof, and all rights arising therefrom throughout the world (collectively, the "Trademarks");

(b) all claims, causes of action and rights to sue for past, present or future infringement or unconsented use of any Trademarks and all rights arising therefrom and pertaining thereto;

(c) all general intangibles related to or arising out of any of the Trademarks and all the goodwill of Grantor's business symbolized by the Trademarks or associated therewith; and

(d) all proceeds of any and all of the foregoing Trademark Collateral, including, without limitation, license royalties, rights to payment, accounts receivable, proceeds of infringement suits and all payments under insurance or any indemnity, warranty or guaranty payable by reason or loss or damage to or otherwise with respect to the foregoing Trademark Collateral.

3. Representations, Warranties and Covenants of Grantor. Grantor represents, warrants and covenants that:

(a) The Trademark Collateral is, to the best of its knowledge, subsisting and has not been judged invalid or unenforceable;

(b) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Trademark Collateral;

(c) Grantor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Trademark Collateral;

(d) Grantor will ensure that the quality of the products associated with the Trademark Collateral is maintained, generally at a level consistent with the quality as of the effective date of this Agreement, subject to the introduction of new products from time to time, and product modifications in the ordinary course of business; and

(e) Grantor has the unqualified right to enter into this Agreement and perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained.

4. Visits and Inspections. Grantor hereby grants to Lender and its employees and agents the right on prior notice to Grantor to visit any plants and facilities which manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours. Grantor shall do any and all acts required by Lender to ensure Grantor's compliance with paragraph 3(d) of this Agreement.

5. Restrictions on Future Agreements. Grantor agrees that, until all of the Obligations have been satisfied in full and the Factoring Agreement has been terminated in writing, it will not without Lender's prior written consent, enter into any agreement which is inconsistent with Grantor's duties under this Agreement, and Grantor further agrees that it will not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would affect the validity and enforcement of the rights granted to Lender under this Agreement.

6. After-Acquired Trademark Rights. If, before the Obligations have been satisfied in full, Grantor shall obtain rights to any new trademarks, or become entitled to the benefit of any trademark application or trademark for any renewal of any Trademark, the provisions of paragraph 1 hereof shall automatically apply thereto, and Grantor shall give to Lender prompt notice thereof in writing. Grantor authorizes Lender to modify this Agreement by amending Schedule A to include any future trademarks and trademark applications which are Trademark Collateral under paragraph 1 hereof or this paragraph 6.

7. Grantor's Rights Prior to Default. Unless and until there shall have occurred and be continuing an Default (as defined in the Factoring Agreement), Grantor shall continue to own, and may use and enjoy the Trademark Collateral in connection with its business operations, but only in a manner consistent with the presentation of their current substance, validity and registration.

8. Remedies Upon Default. If an Default shall have occurred and be continuing, Lender shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and, specifically, those of a Lender under the Code. Notice of any sale or other disposition of the Trademark Collateral shall be deemed reasonable and sufficient if given the Grantor at least ten (10) days before the time of any intended public or private sale or other disposition of any of the Trademark Collateral is to be made.

9. Power of Attorney. Grantor hereby makes, constitutes and appoints Lender and any officer or agent of Lender as Lender may select as Grantor's true and lawful attorney-in-fact, with full power to do any or all of the following if an Default shall occur and be continuing: to endorse Grantor's name on all applications, documents, papers and instruments necessary for Lender to use the Trademark Collateral, or to grant or issue any exclusive or nonexclusive license under the Trademark Collateral to anyone else as necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Trademark Collateral to anyone else. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all of the Obligations shall have been satisfied in full and the Factoring Agreement shall have been terminated in writing.

10. Release of Security Interest. At such time as all of the Obligations shall have been satisfied and paid in full, Lender shall execute and deliver to Grantor all releases, termination statements, and other instruments as may be necessary or proper to release or reflect the release of Lender's security interest in the Trademark Collateral, including all documentation necessary to reflect such release in the United States Patent and Trademark Office.

11. Costs and Expenses. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining, or preserving the Trademark Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademark Collateral, shall be borne and paid by Grantor on demand by Lender and until so paid shall be added to the amount of the Obligations and shall bear interest at the rate prescribed in the Factoring Agreement.

12. Litigation and Proceedings.

(a) Grantor shall have the duty, through counsel acceptable to Lender, to prosecute diligently any trademark application of the Trademarks pending as of the date of this Agreement or thereafter, other than those discontinued or abandoned in the ordinary course of business, until the Obligations shall have been paid in full and to preserve and maintain all rights in trademark applications and trademarks of the Trademarks in the ordinary course of business. Any expenses incurred in connection with such an application shall be borne by Grantor. Grantor shall not abandon any right to file a trademark application, or any pending trademark application or trademark, other than those discontinued or abandoned in the ordinary course of business without the consent of Lender, which consent shall not be unreasonably withheld.

(b) Lender shall have the right, but shall in no way be obligated, to bring suit in its own name, as the holder of a security interest in the Trademark Collateral, to enforce the Trademarks, and any license thereunder, in which event Grantor shall at the request of Lender do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Lender in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify the Lender for all costs and expenses incurred in the exercise of its rights under this paragraph 12. Nothing herein shall be deemed to prohibit Grantor from bringing any such suit in its own name at any time that a Default does not exist, if Lender declines to institute suit.

13. Lender May Perform. If Grantor fails to comply with any of its obligations hereunder, Lender may do so in Grantor's name or in Lender's name, but at Grantor's expense, and Grantor agrees to reimburse Lender in full for all expenses, including reasonable attorney's fees, incurred by Lender in prosecuting, defending or maintaining the Trademarks or Lender's interest therein pursuant to this Agreement.

14. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

15. Modification. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 6 hereof.

16. Binding Effect; Benefits. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

17. Notices. All notices, requests and demands to or upon a party hereto, to be effective, shall be in writing and shall be sent by certified or registered mail, return receipt requested, by personal delivery against receipt, by overnight courier or by facsimile transmission and, unless expressly provided herein, shall be deemed to have been validly served, given or delivered immediately when delivered against receipt, three (3) Business Days after deposit in the mail, postage prepaid, or, in the case of facsimile transmission, when received (if on a Business Day and, if not received on a Business Day, then on the next Business Day after receipt), addressed as follows:

- (i) If to the Lender, at: FCC, LLC d/b/a First Capital
125 Town Park Drive, Suite 190
Kennesaw, GA 30144
Attention: John Nooney
Facsimile No.: (678) 594-5901

- (ii) If to Grantor, at: Twin City Knitting Company, Inc.
P.O. Box 1179
Conover, North Carolina 28613
Attention: Joseph E. Lamb
Facsimile No.: 828-464-8072


or to such other address as each party may designate for itself by notice given in accordance with this Section 17. Any written notice or demand that is not sent in conformity with the provisions hereof shall nevertheless be effective on the date that such notice is actually received by the noticed party.

18. Governing Law; Consent to Forum. **THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF GEORGIA.**

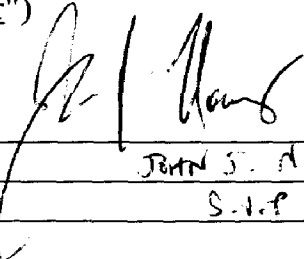
19. Waiver of Jury Trial. **EACH PARTY HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREUNDER.**

WITNESS the execution hereof on the day and year first above written.

TWIN CITY KNITTING COMPANY, INC.
("Grantor")

By: 
Name: Paul M. Boyd
Title: Secretary

FCC, LLC d/b/a First Capital
("Lender")

By: 
Name: John S. Hickey
Title: S.I.P.

STATE OF North Carolina

COUNTY OF Guilford

I, Tiffany Alston Young, a Notary Public of the State and County aforesaid, certify that Paul M. Boyd personally appeared before me this day and acknowledged that he is Secretary of TWIN CITY KNITTING COMPANY, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed by him/her in the corporation's name.

WITNESS my hand and official stamp or seal, this 21st day of December, 2009.

Tiffany Alston Young
Notary Public

My Commission Expires: April 21, 2013

STATE OF NC

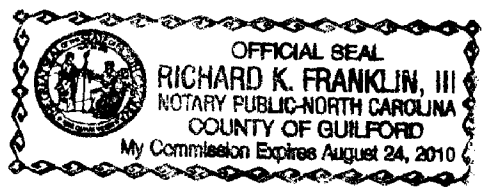
COUNTY OF Guilford

I, Richard K. Franklin, III, a Notary Public of the State and County aforesaid, certify that John J. Nooney personally appeared before me this day and acknowledged that he is Senior V.P. of FCC, LLC d/b/a First Capital, and that by authority duly given and as the act of the company, the foregoing instrument was signed by him/her in the company's name.

WITNESS my hand and official stamp or seal, this 21st day of December, 2009.

Richard K. Franklin, III
Notary Public

My Commission Expires: August 24, 2010



SCHEDULE A TO
TRADEMARK SECURITY AGREEMENT

Trademarks

<u>Mark</u>	<u>Serial Number</u>	<u>Registration Number</u>	<u>Filing Date</u>
TCK SLOG SERIES	78933710	(Unavailable)	July 20, 2006
REACS	77009529	3472823	September 28, 2006
FANTASY LEAGUE	76617372	3133568	October 22, 2004
TCK	76163691	2504102	November 14, 2000
(None)	75248343	2215249	February 26, 1997
REACS	754680335	2280938	April 14, 1998