

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
EFA, Inc.		07/26/2011	CORPORATION: NORTH CAROLINA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	SunTrust Bank		
<b>Street Address:</b>	303 Peachtree Street		
<b>Internal Address:</b>	23rd Floor		
<b>City:</b>	Atlanta		
<b>State/Country:</b>	GEORGIA		
<b>Postal Code:</b>	30308		
<b>Entity Type:</b>	CORPORATION: GEORGIA		
<b>PROPERTY NUMBERS Total: 2</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Serial Number:</b>	85354267	ELASTIC FABRICS OF AMERICA	
<b>Serial Number:</b>	73261275	EFA	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(312)558-5700		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	312 558-6352		
<b>Email:</b>	lkonrath@winston.com		
<b>Correspondent Name:</b>	Laura Konrath		
<b>Address Line 1:</b>	35 W Wacker Drive		
<b>Address Line 2:</b>	Winston & Strawn LLP, Suite 2800		
<b>Address Line 4:</b>	Chicago, ILLINOIS 60601		
<b>ATTORNEY DOCKET NUMBER:</b>	150016-2003		
<b>NAME OF SUBMITTER:</b>	Laura Konrath		

CH \$65.00 85354267

**900201222**

**TRADEMARK  
 REEL: 004615 FRAME: 0369**

Signature:	/Laura Konrath/
Date:	09/01/2011
Total Attachments: 8 source=EFA security ag#page1.tif source=EFA security ag#page2.tif source=EFA security ag#page3.tif source=EFA security ag#page4.tif source=EFA security ag#page5.tif source=EFA security ag#page6.tif source=EFA security ag#page7.tif source=EFA security ag#page8.tif	

## TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement (the "Agreement"), dated as of July 26, 2011, is made by and between EFA, INC., a North Carolina corporation having a business location at the address set forth below next to its signature (the "Company"), and SUNTRUST BANK ("SunTrust"), and having a business location at the address set forth below next to its signature.

### Recitals

A. Company and SunTrust are parties to a Loan Agreement (as amended, supplemented or restated from time to time, the "Loan Agreement") dated the same date as this Agreement, setting forth the terms on which SunTrust may now or hereafter extend credit to or for the account of Company.

B. As a condition to extending credit to or for the account of Company, SunTrust has required the execution and delivery of this Agreement by Company.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Loan Agreement that are not otherwise defined herein shall have the meanings given to them in the Loan Agreement. In addition, the following terms have the meanings set forth below:

"Security Interest" has the meaning given in Section 2.

"Trademarks" means all of Company's right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, and (iv) licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit A.

2. Security Interest. Company hereby irrevocably pledges and assigns to, and grants SunTrust a security interest (the "Security Interest") with power of sale to the extent permitted by law, in the Trademarks to secure payment of the Obligations. As set forth in the Loan Agreement and the Security Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of Company. This Agreement grants only the Security Interest herein described, is not intended to and does not affect any present transfer of title of any trademark registration or application and makes no assignment and

grants no right to assign or perform any other action with respect to any intent to use trademark application, unless such action is permitted under 15 U.S.C. § 1060.

3. Representations, Warranties and Agreements. Company represents, warrants and agrees as follows:

(a) **Existence; Authority.** Company is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of Company.

(b) **Trademarks.** Exhibit A accurately lists all Trademarks owned or controlled by Company as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit A need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to Company's or any Affiliate's business(es). If after the date hereof, Company owns or controls any Trademarks not listed on Exhibit A (other than common law marks which are not material to Company's or any Affiliate's business(es)), or if Exhibit A ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then Company shall promptly provide written notice to SunTrust with a replacement Exhibit A, which upon acceptance by SunTrust shall become part of this Agreement.

(c) **Affiliates.** As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by Company, constitute Trademarks. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then Company shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to Company; or (ii) notify SunTrust of such item(s) and cause such Affiliate to execute and deliver to SunTrust a trademark security agreement substantially in the form of this Agreement.

(d) **Title.** Company has absolute title to each Trademark listed on Exhibits A and B, free and clear of all Liens except Permitted Liens. Company (i) will have, at the time Company acquires any rights in Trademarks hereafter arising, absolute title to each such Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Trademarks free and clear of all Liens except Permitted Liens.

(e) **No Sale.** Except as permitted in the Loan Agreement or the Security Agreement, Company will not assign, transfer, encumber or otherwise dispose of the Trademarks, or any interest therein, without SunTrust's prior written consent.

(f) **Defense.** Company will at its own expense and using commercially reasonable efforts, protect and defend the Trademarks against all claims or demands of all Persons other than those holding Permitted Liens.

(g) **Maintenance.** Company will at its own expense maintain the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to trademark registrations and applications therefor. Company covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing SunTrust: (i) sufficient written notice, of at least 30 days, to allow SunTrust to timely pay any such maintenance fees or annuities which may become due on any Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(h) **SunTrust's Right to Take Action.** If Company fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after SunTrust gives Company written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or lapse of time), or if Company notifies SunTrust that it intends to abandon a Trademark, SunTrust may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of Company (or, at SunTrust's option, in SunTrust's own name) and may (but need not) take any and all other actions which SunTrust may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(i) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Company shall pay SunTrust on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by SunTrust in connection with or as a result of SunTrust's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by SunTrust at the Default Rate.

(j) **Power of Attorney.** To facilitate SunTrust's taking action under subsection (i) and exercising its rights under Section 6, Company hereby irrevocably appoints (which appointment is coupled with an interest) SunTrust, or its delegate, as the attorney-in-fact of Company with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of Company, any and all instruments, documents, applications, financing statements,

and other agreements and writings required to be obtained, executed, delivered or endorsed by Company under this Section 3, or, necessary for SunTrust, after an Event of Default, to enforce or use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Trademarks to any third party. Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Loan Agreement as provided therein and the payment and performance of all Indebtedness.

4. Debtor's Use of the Trademarks. Company shall be permitted to control and manage the Trademarks, including the right to exclude others from making, using or selling items covered by the Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Loan Agreement, shall occur; or (b) Company shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, SunTrust may, at its option, take any or all of the following actions:

(a) SunTrust may exercise any or all remedies available under the Loan Agreement and/or the Security Agreement.

(b) SunTrust may sell, assign, transfer, pledge, encumber or otherwise dispose of the Trademarks.

(c) SunTrust may enforce the Trademarks and any licenses thereunder, and if SunTrust shall commence any suit for such enforcement, Company shall, at the request of SunTrust, do any and all lawful acts and execute any and all proper documents required by SunTrust in aid of such enforcement.

7. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by SunTrust. A waiver signed by SunTrust shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of SunTrust's rights or remedies. All rights and remedies of SunTrust shall be cumulative and may be exercised singularly or concurrently, at SunTrust's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition

to nor bar the exercise or enforcement of any other. All notices to be given to Debtor under this Agreement shall be given in the manner and with the effect provided in the Loan Agreement. SunTrust shall not be obligated to preserve any rights Company may have against prior parties, to realize on the Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Company and SunTrust and their respective participants, successors and assigns and shall take effect when signed by Company and delivered to SunTrust, and Company waives notice of SunTrust's acceptance hereof. SunTrust may execute this Agreement if appropriate for the purpose of filing, but the failure of SunTrust to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by Company shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of Georgia without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Indebtedness.

**THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.**

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

EFA, Inc.  
3112 Pleasant Garden Road  
Greensboro, NC 27406

EFA, INC.

By: [Signature]  
Name: Rick Bauer  
Title: VP Finance

STATE OF NC )  
  ) )  
COUNTY OF Wilkes )

The foregoing instrument was acknowledged before me this 20 day of July, 2011, by Rick Bauer, the VP Finance of EFA, Inc., a North Carolina corporation, on behalf of the corporation.


[Signature]  
Notary Public

[Signature Page to Trademark Security Agreement]



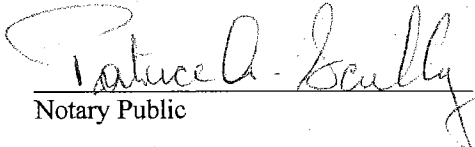
SunTrust Bank  
303 Peachtree Street, 23<sup>rd</sup> Floor  
Mail Code: GA-Atlanta 1981  
Atlanta, GA 30308

SUNTRUST BANK

By:   
Name: Hector Molina  
Title: Vice President

STATE OF GEORGIA )  
                                  )  
COUNTY OF DEKALB )

The foregoing instrument was acknowledged before me this 25 day of July, 2011,  
by Hector Molina, a Vice President of SunTrust Bank, on behalf of the  
corporation.

  
Notary Public

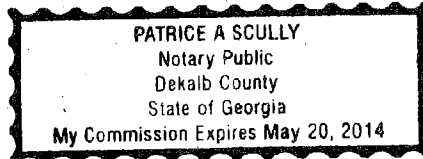
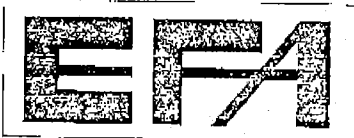


EXHIBIT A

UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS

AND COLLECTIVE MEMBERSHIP MARKS

REGISTRATIONS

<u>Mark</u>	<u>Serial Number</u>	<u>Filing Date</u>
ELASTIC FABRICS OF AMERICA	85354267	06/23/2011
	73261275	05/08/1980

APPLICATIONS

None.

COLLECTIVE MEMBERSHIP MARKS

None.

UNREGISTERED MARKS

None.

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