

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
Martex Fiber Southern Corp.		04/30/2012	CORPORATION: SOUTH CAROLINA
RECEIVING PARTY DATA			
Name:	Sovereign Bank, N.A.		
Street Address:	3 Terry Drive		
Internal Address:	Suite 102		
City:	Newtown		
State/Country:	PENNSYLVANIA		
Postal Code:	18940		
Entity Type:	Bank: UNITED STATES		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	2204518	JIMTEX	
Registration Number:	3529201	ECO2COTTON	
CORRESPONDENCE DATA			
Fax Number:	6784209301		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	215-864-8407		
Email:	riordana@ballardspahr.com		
Correspondent Name:	Sandra Wintner		
Address Line 1:	1735 Market Street, 51st Floor		
Address Line 2:	Ballard Spahr LLP		
Address Line 4:	Philadelphia, PENNSYLVANIA 19103		
ATTORNEY DOCKET NUMBER:	00127697		
NAME OF SUBMITTER:	Sandra Wintner		

CH \$65.00 2204518

Signature:	/Sandra Wintner/
Date:	05/08/2012
Total Attachments: 11 source=MARTEX_Security_Agreement_pdf#page1.tif source=MARTEX_Security_Agreement_pdf#page2.tif source=MARTEX_Security_Agreement_pdf#page3.tif source=MARTEX_Security_Agreement_pdf#page4.tif source=MARTEX_Security_Agreement_pdf#page5.tif source=MARTEX_Security_Agreement_pdf#page6.tif source=MARTEX_Security_Agreement_pdf#page7.tif source=MARTEX_Security_Agreement_pdf#page8.tif source=MARTEX_Security_Agreement_pdf#page9.tif source=MARTEX_Security_Agreement_pdf#page10.tif source=MARTEX_Security_Agreement_pdf#page11.tif	

TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement ("Agreement") is executed as of April 30, 2012 by Martex Fiber Southern Corp., a South Carolina corporation ("Martex" and together with the persons joined hereto as a borrower from time to time, each a "Borrower" and collectively "Borrowers"), and delivered to Sovereign Bank, N.A. ("Lender").

BACKGROUND

A. This Agreement is being executed contemporaneously with that certain Loan and Security Agreement of even date herewith among MFSC Holding Corp., Borrowers and Lender (as it may be amended, restated, supplemented or modified from time to time, the "Loan Agreement"), under which Borrowers are granting Lender a lien on and security interest in certain assets of Borrowers associated with or relating to services or products sold under Borrowers' trademarks and the goodwill associated therewith, and under which Lender is entitled to foreclose or otherwise deal with such assets under the terms and conditions set forth therein. Capitalized terms not defined herein shall have the meanings given to such terms in the Loan Agreement.

B. Borrowers have adopted, used and are using (or have filed applications for the registration of) the trademarks, service marks and tradenames listed on Schedule "A" attached hereto and made part hereof (all such marks or names hereinafter referred to as the "Trademarks").

C. Pursuant to the Loan Agreement, Lender is acquiring a lien on, security interest in and a license to use the Trademarks and the registration thereof, together with all the goodwill of Borrowers associated therewith and represented thereby, as security for all of the Obligations, and Lender desires to have its security interest in such Trademarks confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Loan Agreement, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the Obligations, each Borrower grants to Lender a lien on and security interest in all of such Borrower's present and future right, title and interest in and to the Trademarks, together with all the goodwill of such Borrower associated with and represented by the Trademarks, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. Each Borrower hereby covenants and agrees to maintain the Trademarks in full force and effect until all of the Obligations are paid and satisfied in full and the Loan Agreement is irrevocably terminated.

3. Each Borrower represents, warrants and covenants to Lender that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable;

(b) All of the Trademarks (other than applications for the registration thereof which have been filed) are registered and valid and enforceable;

(c) Such Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the applicable Trademarks set forth on Schedule A, and each of such Trademarks is free and clear of any liens, charges and encumbrances, including without limitation, pledges, assignments, licenses (other than to a Borrower and Lender hereunder) and covenants by such Borrower not to sue third persons, other than Permitted Liens;

(d) Such Borrower has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(e) Such Borrower has complied with, and will continue for the duration of this Agreement to comply with the requirements set forth in 15 U.S.C. §1051-1127 and any other applicable statutes, rules and regulations in connection with its use of the Trademarks; and

(f) Such Borrower has no notice of any suits or actions commenced or threatened against it, or notice of claims asserted or threatened against it with reference to the Trademarks.

4. Each Borrower further covenants that:

(a) Until all the Obligations are paid and satisfied in full and the Loan Agreement is irrevocably terminated, such Borrower will not enter into any agreement, including, without limitation, license agreements or options, which is inconsistent with such Borrower's obligations under this Agreement or the Loan Agreement or which restrict or impair, in any material respect, Lender's rights hereunder.

(b) If such Borrower acquires rights to any new trademarks, service marks or tradenames, the provisions of this Agreement shall automatically apply thereto and such trademarks shall be deemed part of the Trademarks. Borrowers shall give Lender prompt written notice thereof along with an amended Schedule "A."

5. So long as this Agreement is in effect and so long as Borrowers have not received notice from Lender that an Event of Default has occurred and is continuing under the Loan Agreement and that Lender has elected to exercise its rights hereunder: (i) Borrowers shall continue to have the exclusive right to use the Trademarks; and (ii) Lender shall have no right to

use the Trademarks or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Trademarks to anyone else.

6. Unless otherwise permitted by the Loan Agreement, each Borrower agrees not to sell, grant any option, assign or further encumber its rights and interest in the Trademarks to any entity or person other than Lender without the prior written consent of Lender.

7. Anything herein contained to the contrary notwithstanding, if and while an Event of Default has occurred and is continuing under the Loan Agreement, each Borrower hereby covenants and agrees that Lender, as the holder of a security interest under the Uniform Commercial Code, may take such action permitted hereunder, in its exclusive discretion, to foreclose upon the Trademarks covered hereby. For such purposes, while an Event of Default has occurred and is continuing, each Borrower hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in its exclusive discretion, as such Borrower's true and lawful attorney-in-fact, with the power to endorse such Borrower's name on all applications, documents, papers and instruments necessary for Lender to use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else including, without limitation, the power to execute a Trademark Assignment in the form attached hereto as Exhibit 1. Each Borrower hereby ratifies all that such attorney or agent shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or willful misconduct of such attorney or agent. This power of attorney shall be irrevocable for the life of this Agreement, the Loan Agreement and other Loan Documents, and until all Obligations are paid and satisfied in full and the Loan Agreement is irrevocably terminated.

8. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Loan Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

9. All rights and remedies herein granted to Lender shall be in addition to any rights and remedies granted to Lender under the Loan Documents. In the event of an inconsistency between this Agreement and Loan Agreement, the language of this Agreement shall control.

10. Upon each Borrowers' performance of all of the obligations under the Loan Agreement and the Loan Documents and after all Obligations are paid and satisfied in full and the Loan Agreement is irrevocably terminated, Lender shall, at Borrowers' expense, execute and deliver to Borrowers all documents reasonably necessary to terminate Lender's security interest in the Trademarks.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the 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, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Trademarks, or in defending or prosecuting any actions or

proceedings arising out of or related to the Trademarks, or defending, protecting or enforcing Lender's rights hereunder, in each case in accordance with the terms of this Agreement, shall be borne and paid by Borrowers to the extent provided for in Section 9.6 of the Loan Agreement.

12. Subject to the terms of the Loan Agreement, Borrowers shall have the duty to prosecute diligently any application and/or registration with respect to the Trademarks pending as of the date of this Agreement or thereafter, until Borrowers' Obligations are paid and satisfied in full and the Loan Agreement is irrevocably terminated, to preserve and maintain all rights in the Trademarks, and upon reasonable request of Lender, Borrowers shall make federal application on registerable but unregistered Trademarks belonging to any Borrower. Any reasonable expenses incurred in connection with such applications shall be borne exclusively by Borrowers. Unless otherwise permitted by the Loan Agreement, no Borrower shall abandon any Trademarks without the prior written consent of Lender.

13. Borrowers shall have the right to bring suit in their own name to enforce the Trademarks, in which event Lender may, if Lender reasonably deems it necessary, be joined as a nominal party to such suit if Lender shall have been satisfied, in its sole discretion, that it is not thereby incurring any risk of liability because of such joinder. Borrowers shall promptly, upon demand, reimburse and indemnify Lender for all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by Lender in the fulfillment of the provisions of this paragraph, in each case, to the extent provided for in Sections 9.4 and 9.6, as applicable, of the Loan Agreement.

14. Upon the occurrence and continuation of an Event of Default under the Loan Agreement, Lender may, without any obligation to do so, complete any obligation of any Borrower hereunder, in such Borrower's name or in Lender's name, but at the expense of Borrowers.

15. No course of dealing between Borrowers and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Loan Agreement or Loan Documents, or by any other future agreements between any Borrower and Lender or by law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

17. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

18. Any notices or consents required or permitted by this Agreement shall be in writing and shall be deemed given if delivered to the address set forth in Section 9.8 of the Loan Agreement in person, by first class mail, telecopy or by nationally recognized overnight courier. Any notice sent by Lender or any Borrower by any of the above methods shall be deemed to be given when so received.

19. THIS AGREEMENT, AND ALL MATTERS ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND ALL RELATED AGREEMENTS AND DOCUMENTS, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA. THE PROVISIONS OF THIS AGREEMENT AND ALL OTHER AGREEMENTS AND DOCUMENTS REFERRED TO HEREIN ARE TO BE DEEMED SEVERABLE, AND THE INVALIDITY OR UNENFORCEABILITY OF ANY PROVISION SHALL NOT AFFECT OR IMPAIR THE REMAINING PROVISIONS WHICH SHALL CONTINUE IN FULL FORCE AND EFFECT.

20. Each Borrower and Lender each hereby irrevocably consent to the non-exclusive jurisdiction of the Courts of the Commonwealth of Pennsylvania or the United States District Court for the Eastern District of Pennsylvania in any and all actions and proceedings whether arising hereunder or under any other agreement or undertaking. Each Borrower waives any objection which such Borrower may have based upon lack of personal jurisdiction, improper venue or forum non conveniens. Each Borrower irrevocably agrees to service of process by certified mail, return receipt requested to the address of the appropriate party set forth herein.

21. EACH BORROWER AND LENDER EACH HEREBY WAIVE ANY AND ALL RIGHTS IT MAY HAVE TO A JURY TRIAL IN CONNECTION WITH ANY LITIGATION, PROCEEDING OR COUNTERCLAIM ARISING WITH RESPECT TO RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO OR UNDER THE LOAN DOCUMENTS OR WITH RESPECT TO ANY CLAIMS ARISING OUT OF ANY DISCUSSIONS, NEGOTIATIONS OR COMMUNICATIONS INVOLVING OR RELATED TO ANY PROPOSED RENEWAL, EXTENSION, AMENDMENT, MODIFICATION, RESTRUCTURE, FORBEARANCE, WORKOUT, OR ENFORCEMENT OF THE TRANSACTIONS CONTEMPLATED BY THE LOAN DOCUMENTS.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Trademark Security Agreement, under seal, the day and year first above written.

Borrowers:

MARTEX FIBER SOUTHERN CORP.

By: Thomas E. Schut
Name: Thomas E. Schut
Title: CEO

Approved and Accepted:

SOVEREIGN BANK, N.A.

By: _____

Name: John Siegrist

Title: Senior Vice President

IN WITNESS WHEREOF, the parties hereto have executed this Trademark Security Agreement, under seal, the day and year first above written.

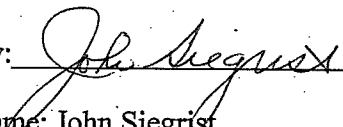
Borrowers:

MARTEX FIBER SOUTHERN CORP.

By: _____
Name: _____
Title: _____

Approved and Accepted:

SOVEREIGN BANK, N.A.

By:  _____

Name: John Siegrist

Title: Senior Vice President

CORPORATE ACKNOWLEDGMENT

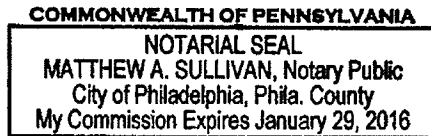
UNITED STATES OF AMERICA :
STATE OF Pennsylvania :SS
COUNTY OF Philadelphia :

On this 30th day of April, 2012, before me personally appeared Thomas Kohut to me known and being duly sworn, deposes and says that he/she is the _____ of Martex Fiber Southern Corp., the South Carolina corporation described in the foregoing Agreement; that he knows the seal of the corporation; that the seal so affixed to the Agreement is such corporate seal; that he/she signed the agreement and affixed the seal of the corporation thereto as such officer pursuant to the authority vested in him/her by law; that the within Agreement is the voluntary act of such corporation; and he/she desires the same to be recorded as such.

Matthew A. Sullivan

Notary Public

My Commission Expires: 1-29-2016



SCHEDULE A TO TRADEMARK SECURITY AGREEMENT

<u>TRADEMARK</u>	<u>APPLICATION OR REGISTRATION NO.</u>	<u>COUNTRY</u>	<u>FILING DATE</u>
JIMTEX	2204518	USA	11/17/1998
ECO2COTTON	3529201	USA	11/4/2008

EXHIBIT 1 TO TRADEMARK SECURITY AGREEMENT

TRADEMARK ASSIGNMENT

WHEREAS, Martex Fiber Southern Corp. ("Grantor") is the registered owner of the United States trademarks, tradenames and registrations listed on Schedule "A" attached hereto and made a part hereof (the "Trademarks"), which are registered in the United States Patent and Trademark Office; and

WHEREAS, _____ ("Grantee"), having a place of business at _____, is desirous of acquiring the Trademarks;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Trademarks and all proceeds thereof and all goodwill associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Trademark Assignment to be executed as of the 30th day of April, 2012.

MARTEX FIBER SOUTHERN CORP.

Witness: _____

By: Thomas E. Bell
As Attorney-in-fact

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF Pennsylvania : SS
COUNTY OF Philadelphia :

On this the 30th day of April, 2012 before me a Notary Public for the said County and State, personally appeared Thomas Kohut known to me or satisfactorily proven to me to be attorney-in-fact on behalf of Martex Fiber Southern Corp., a South Carolina corporation ("Grantor"), and he/she acknowledged to me that he/she executed the foregoing Trademark Assignment on behalf of Grantor, and as the act and deed of Grantor for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Matthew A. Sullivan
(Individual Notary)

My Commission Expires: 1-29-2016

