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
HARBOR LINEN, LLC		1107/03/2008	LIMITED LIABILITY
			COMPANY: DELAWARE

RECEIVING PARTY DATA

Name:	PNC BANK, NATIONAL ASSOCIATION		
Street Address:	1600 MARKET STREET		
City:	PHILADELPHIA		
State/Country:	PENNSYLVANIA		
Postal Code:	19103		
Entity Type:	Bank: UNITED STATES		

PROPERTY NUMBERS Total: 9

Property Type	Number	Word Mark
Registration Number:	1636430	HARBOR HEALTHCARE
Registration Number:	3050316	SOFTIQUE
Registration Number:	3086878	ULTRA SOFT
Registration Number:	2832705	ADVANTA
Registration Number:	2767901	WONDER BLANKET
Registration Number:	2795746	CROWN IMPERIAL
Registration Number:	1294097	
Registration Number:	1294096	HARBOR LINEN
Serial Number:	77490278	GREEN GENERATION

CORRESPONDENCE DATA

Fax Number: (215)864-9273

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: (215) 864-8524

Email: rollingsj@ballardspahr.com

TRADEMARK REEL: 003811 FRAME: 0195

900110706

Correspondent Name: John S. Rollings Address Line 1: Ballard Spahr Andrews & Ingersoll, LLP Address Line 2: 1735 Market Street, 51st Floor Address Line 4: Philadelphia, PENNSYLVANIA 19103-7599 ATTORNEY DOCKET NUMBER: 018576 NAME OF SUBMITTER: John S. Rollings Signature: /John S. Rollings/ Date: 07/08/2008 **Total Attachments: 9** source=Harbor Linen#page1.tif source=Harbor Linen#page2.tif source=Harbor Linen#page3.tif source=Harbor Linen#page4.tif source=Harbor Linen#page5.tif source=Harbor Linen#page6.tif source=Harbor Linen#page7.tif

source=Harbor Linen#page8.tif source=Harbor Linen#page9.tif

PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

This Patent, Trademark and Copyright Security Agreement (the "Agreement"), dated as of July 3, 2008 is entered into by and between HARBOR LINEN, LLC., a Delaware limited liability company (the "Pledgor"), and PNC BANK, NATIONAL ASSOCIATION, as Agent for the Lenders referred to below (the "Agent").

WHEREAS, pursuant to that certain Credit Agreement (as amended, restated, modified or supplemented from time to time, the "Credit Agreement") of even date herewith by and among the Pledgor as borrower, the Guarantors party thereto, the Lenders party thereto and the Agent have agreed to provide certain loans to the Pledgor, and the Pledgor has agreed, among other things, to grant a security interest to the Agent in certain patents, trademarks, copyrights and other property as security for such loans and other obligations as more fully described herein.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

1. Defined Terms.

- (a) Except as otherwise expressly provided herein, (i) capitalized terms used in this Agreement shall have the respective meanings assigned to them in the Credit Agreement and (ii) the rules of construction set forth in Section 1.2 [Construction] of the Credit Agreement shall apply to this Agreement. Where applicable and except as otherwise expressly provided herein, terms used herein (whether or not capitalized) shall have the respective meanings assigned to them in the Uniform Commercial Code as enacted in Pennsylvania as amended from time to time (the "Code").
- (b) "Patents, Trademarks and Copyrights" shall mean and include all of the Pledgor's present and future right, title and interest in and to the following: all trade names, patent applications, patents, trademark applications, trademarks and copyrights, whether now owned or hereafter acquired by each Pledgor, including, without limitation, those listed on Schedule A hereto, including all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, and the goodwill of the business to which any of the patents, trademarks and copyrights relate.
- (c) "Debt" shall mean and include the following: (i) all now existing and hereafter arising Indebtedness and Obligations of the Pledgor to the Agent, the Lenders, or any Lender or Affiliate of a Lender which provides an Interest Rate Hedge ("IRH Provider") under the Credit Agreement or any of the other Loan Documents, including all obligations, liabilities, and indebtedness, whether for principal, interest, fees, expenses or otherwise, of the Pledgor to the Agent, the Lenders, or any of IRH Provider, now existing or hereafter incurred under the Credit Agreement or the Notes or the Guaranty Agreement or any of the other Loan Documents as any of the same or any one or more of them may from time to time be amended, restated, modified, or supplemented, together with any and all extensions, renewals, refinancings,

and refundings thereof in whole or in part (and including obligations, liabilities, and indebtedness arising or accruing after the commencement of any bankruptcy, insolvency, reorganization, or similar proceeding with respect to the Pledgor or which would have arisen or accrued but for the commencement of such proceeding, even if the claim for such obligation, liability or indebtedness is not enforceable or allowable in such proceeding, and including all obligations. liabilities and indebtedness arising from any extensions of credit under or in connection with the Loan Documents from time to time, regardless whether any such extensions of credit are in excess of the amount committed under or contemplated by the Loan Documents or are made in circumstances in which any condition to extension of credit is not satisfied); (ii) all reimbursement obligations of the Pledgor with respect to any one or more Letters of Credit issued by the Agent or any Lender; (iii) all indebtedness, loans, obligations, expenses and liabilities of the Pledgor to the Agent or any of the Lenders, or any IRH Provider, arising out of any Interest Rate Hedge provided by the Agent, such Lenders or such IRH Provider pursuant to the Credit Agreement; and (iv) any sums advanced by the Agent or the Lenders or which may otherwise become due pursuant to the provisions of the Credit Agreement, the Notes, this Agreement, or any other Loan Documents or pursuant to any other document or instrument at any time delivered to the Agent in connection therewith, including commitment, letter of credit, agent or other fees and charges, and indemnification obligations under any such document or instrument, together with all interest payable on any of the foregoing, whether such sums are advanced or otherwise become due before or after the entry of any judgment for foreclosure or any judgment on any Loan Document or with respect to any default under any of the Obligations.

- 2. To secure the full payment and performance of all Obligations, the Pledgor hereby grants, and conveys a security interest to the Agent in the entire right, title and interest of the Pledgor in and to all of its Patents, Trademarks and Copyrights.
 - 3. The Pledgor covenants and warrants that:
- (a) the Patents, Trademarks and Copyrights are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;
- (b) to the best of the Pledgor's knowledge, each of the Patents, Trademarks and Copyrights is valid and enforceable;
- (c) the Pledgor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, Trademarks and Copyrights, free and clear of any liens, charges and encumbrances other than Permitted Liens, including without limitation pledges, assignments, licenses, shop rights and covenants by the Pledgor not to sue third persons;
- (d) the Pledgor has the corporate power and authority to enter into this Agreement and perform its terms;

- (e) as of the Closing Date, no claim has been made to the Pledgor or, to the knowledge of the Pledgor, any other person that the use of any of the Patents, Trademarks and Copyrights does or may violate the rights of any third party;
- (f) the Pledgor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of any material Patents, Trademarks and Copyrights, except for those Patents, Trademarks and Copyrights that are hereafter allowed to lapse in accordance with Paragraph 10 hereof;
- (g) the Pledgor will not change its state of incorporation, formation or organization, as applicable without providing thirty (30) days prior written notice the Agent;
- (h) the Pledgor will not change its name without providing thirty (30) days prior written notice to the Agent; and
- (i) the Pledgor shall preserve its limited liability company existence and except as permitted by the Credit Agreement, shall not (i) in one, or a series of related transactions, merge into or consolidate with any other entity, the survivor of which is not the Pledgor, or (ii) sell all or substantially all of its assets.
- 4. The Pledgor agrees that, until all of the Obligations shall have been indefeasibly satisfied in full, the Commitments have terminated and the Letters of Credit have expired, it will not enter into any agreement (for example, a license agreement) which is inconsistent with the Pledgor's obligations under this Agreement.
- 5. If, before the Obligations shall have been satisfied in full and the Commitments have terminated and the Letters of Credit have expired, the Pledgor shall own any new trademarks or any new copyrightable or patentable inventions, or any patent application or patent for any reissue, division, continuation, renewal, extension, or continuation in part of any Patent, Trademark or Copyright or any improvement on any Patent, Trademark or Copyright, the provisions of this Agreement shall automatically apply thereto and the Pledgor shall give to the Agent prompt notice thereof in writing. The Pledgor and the Agent agree to modify this Agreement by amending Schedule A to include any future patents, patent applications, trademark applications, trademarks, copyrights or copyright applications and the provisions of this Agreement shall apply thereto.
- 6. The Agent shall have, in addition to all other rights and remedies given it by this Agreement and those rights and remedies set forth in the Credit Agreement, those allowed by applicable Law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks and Copyrights may be located and, without limiting the generality of the foregoing, if an Event of Default has occurred and is continuing, the Agent may immediately, without demand of performance and without other notice (except as set forth below) or demand whatsoever to the Pledgor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in a city that the Agent shall designate by notice to the Pledgor, the whole or from

time to time any part of the Patents, Trademarks and Copyrights, or any interest which the Pledgor may have therein and, after deducting from the proceeds of sale or other disposition of the Patents, Trademarks and Copyrights all expenses (including fees and expenses for brokers and attorneys), shall apply the remainder of such proceeds toward the payment of the Obligations as the Agent, in its sole discretion, shall determine. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to the Pledgor. Notice of any sale or other disposition of the Patents, Trademarks and Copyrights shall be given to the Pledgor at least ten (10) days before the time of any intended public or private sale or other disposition of the Patents, Trademarks and Copyrights is to be made, which the Pledgor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, the Agent may, to the extent permissible under applicable Law, purchase the whole or any part of the Patents, Trademarks and Copyrights sold, free from any right of redemption on the part of the Pledgor, which right is hereby waived and released.

- 7. If any Event of Default shall have occurred and be continuing, the Pledgor hereby authorizes and empowers the Agent to make, constitute and appoint any officer or agent of the Agent, as the Agent may select in its exclusive discretion, as the Pledgor's true and lawful attorney-in-fact, with the power to endorse the Pledgor's name on all applications, documents, papers and instruments necessary for the Agent to use the Patents, Trademarks and Copyrights, or to grant or issue, on commercially reasonable terms, any exclusive or nonexclusive license under the Patents, Trademarks and Copyrights to any third person, or necessary for the Agent to assign, pledge, convey or otherwise transfer title in or dispose, on commercially reasonable terms, of the Patents, Trademarks and Copyrights to any third Person. The Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable for the life of this Agreement.
- 8. At such time as the Pledgor shall have paid in full in cash all of the Obligations and the Commitments shall have terminated and the Letters of Credit have expired, this Agreement shall terminate and Agent shall execute and deliver to the Pledgor all deeds, assignments and other instruments as may be necessary or proper to re-vest in the Pledgor full title to the Patents, Trademarks and Copyrights, subject to any disposition thereof which may have been made by the Agent pursuant hereto.
- 9. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and expenses incurred by the Agent 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, the protection, maintenance or preservation of the Patents, Trademarks and Copyrights, or the defense or prosecution of any actions or proceedings arising out of or related to the Patents, Trademarks and Copyrights, shall be borne and paid by the Pledgor within fifteen (15) days of demand by the Agent, and if not paid within such time, shall be added to the principal amount of the Obligations and shall bear interest at the highest rate prescribed in the Credit Agreement.

- 10. The Pledgor shall have the duty, through counsel reasonably acceptable to the Agent, to prosecute diligently any patent applications of the Patents, Trademarks and Copyrights pending as of the date of this Agreement if commercially reasonable or thereafter until the Obligations shall have been paid in full in cash and the Commitments shall have terminated, and the Letters of Credit have expired, to make application on unpatented but patentable inventions (whenever it is commercially reasonable in the reasonable judgment of the Pledgor to do so) and to preserve and maintain all rights in patent applications and patents of the Patents, including without limitation the payment of all maintenance fees. Any expenses incurred in connection with such an application shall be borne by Pledgors. The Pledgor shall not abandon any material Patent, Trademark or Copyright without the consent of Agent, which shall not be unreasonably withheld.
- 11. The Pledgor shall have the right, with the consent of the Agent, which shall not be unreasonably withheld, to bring suit, action or other proceeding in its own name, and to join the Agent, if necessary, as a party to such suit so long as the Agent is satisfied that such joinder will not subject it to any risk of liability, to enforce the Patents, Trademarks and Copyrights and any licenses thereunder. The Pledgor shall promptly, upon demand, reimburse and indemnify the Agent for all damages, costs and expenses, including reasonable legal fees, incurred by the Agent as a result of such suit or joinder by the Pledgor.
- 12. No course of dealing between the Pledgor and the Agent, nor any failure to exercise nor any delay in exercising, on the part of the Agent, any right, power or privilege hereunder or under the Credit Agreement or other Loan Documents shall operate as a waiver of such right, power or privilege, nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- 13. All of the Agent's rights and remedies with respect to the Patents, Trademarks and Copyrights, whether established hereby or by the Credit Agreement or by any other agreements or by Law, shall be cumulative and may be exercised singularly or concurrently.
- 14. 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 clause or provision of this Agreement in any jurisdiction.
- 15. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Paragraph 5.
- 16. 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, <u>provided</u>, <u>however</u>, that the Pledgor may not assign or transfer any of its rights or obligations hereunder or any interest herein and any such purported assignment or transfer shall be null and void.

- 17. This Agreement shall be governed by and construed in accordance with the internal Laws of the Commonwealth of Pennsylvania without regard to its conflicts of law principles.
- 18. THE PLEDGOR HEREBY IRREVOCABLY CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF THE COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY AND THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA, AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO THE PLEDGOR AT THE ADDRESSES PROVIDED FOR IN SECTION 10.6 [NOTICES] OF THE CREDIT AGREEMENT AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT THEREOF. THE PLEDGOR WAIVES ANY OBJECTION TO JURISDICTION AND VENUE OF ANY ACTION INSTITUTED AGAINST IT AS PROVIDED HEREIN AND AGREES NOT TO ASSERT ANY DEFENSE BASED ON LACK OF JURISDICTION OR VENUE. THE PLEDGOR HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OR ANY KIND ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE COLLATERAL TO THE FULL EXTENT PERMITTED BY LAW.
- 19. This Agreement may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument. The Pledgor acknowledges and agrees that a telecopy transmission to the Agent or any Lender of the signature pages hereof purporting to be signed on behalf of any Pledgor shall constitute effective and binding execution and delivery hereof by the Pledgor.
- 20. All notices, requests, demands, directions and other communications (collectively, "notices") given to or made upon any party hereto under the provisions of this Agreement shall be as set forth in Section 10.6 [Notices] of the Credit Agreement.
- 21. The Pledgor acknowledges and agrees that, in addition to the other rights of the Agent hereunder and under the other Loan Documents, because the Agent's remedies at law for failure of the Pledgor to comply with the provisions hereof relating to the Agent's rights (i) to inspect the books and records related to the Pledged Collateral, (ii) to receive the various notifications the Pledgor is required to deliver hereunder, (iii) to obtain copies of agreements and documents as provided herein with respect to the Pledged Collateral, (iv) to enforce the provisions hereof pursuant to which the Pledgor has appointed the Agent its attorney-in-fact, and (v) to enforce the Agent's remedies hereunder, would be inadequate and that any such failure would not be adequately compensable in damages, the Pledgor agrees that each such provision hereof may be specifically enforced.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or agents thereunto duly authorized, as of the date first above written.

ATTEST:

HARBOR LINEN, LLC

By:

Name: Gordon Munson

Title: Executive Vice President

PNC BANK, NATIONAL

ASSOCIATION, as Agent

By:

Name:

Title:

by their respective officers or agents thereunto duly authorized, as of the date first above written.

ATTEST:

HARBOR LINEN, LLC

By:
Name:
Title:

PNC BANK, NATIONAL
ASSOCIATION, as Agent

By:
Name: Rossent a key, Jr.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed

SCHEDULE A

TO

PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT LIST OF REGISTERED PATENTS, TRADEMARKS, TRADE NAMES AND COPYRIGHTS

	TRADEMARKS		
Mark	Registration No./Application	Registration Date/Filing	
	No.	Date	
HARBOR HEALTHCARE	1,636,430	February 26, 1991	
(and design)		_	
SOFTIQUE	3,050,316	January 24, 2006	
ULTRA SOFT	3,086,878	April 25, 2006	
ADVANTA	2,832,705	April 13, 2004	
WONDER BLANKET	2,767,901	September 23, 2003	
CROWN IMPERIAL	2,795,746	December 16, 2003	
DESIGN ONLY	1,294,097	September 11, 1984	
HARBOR LINEN	1,294,096	September 11, 1984	
GREEN GENERATION	77/490278	June 4, 2008	
U	NREGISTERED TRADEMARI	I	
Total Line Control	Cape Cod blanket	New General Bedding	
Management System		Collection	
Convertible Collection	Dutchess Towels	Excellence Collection Towel	
Imperial Towels	Imperial Shield	Imperial Comfort Soft	
Malibu Stripe	New Generation Pillow	Noelle Table Linen	
Omega	The Orchid Collection Towels	Pima Towel Collection	
Queen's Towel Collection	Imperial Sentry	Sofisticate Bedspread	
Soft & Downy Pillow	Sparkle gowns	Zone Pillow	
Harbor Sof-zorb	Comfort Knit	Advanta Table Linen	
Imperial Guard	Ultimate Knit	Crown Imperial Towels	
Imperial Stripe	Ultracale	Ultra Soft Towels	
Crosscheck	Everwear Blankets	Wonder Blanket	
Design Line	Imperial Guardian	Wonder Robe	
Imperial Designer Collection	Bronze Star Mattress Pads	New General Duvet	
Silver Star Mattress Pads	Gold Star Mattress Pads	New General Blanket	
New Generation Mattress	Bed Shield Waterproof		
Toppers	Mattress Protector		
	PATENTS	1 11000	
Title	Registration No.	Registration Date	
Weft knitted blanket fabric and method of manufacturing the same	6,745,600	June 8, 2004	

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RECORDED: 07/08/2008