

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
Mount Vernon Mills, Inc.		07/21/2008	CORPORATION:
Mount Vernon Chemicals LLC		07/21/2008	LIMITED LIABILITY COMPANY:
Smith and Waters, Inc.		07/21/2008	CORPORATION:

RECEIVING PARTY DATA

Name:	Bank of America, N.A., as Agent
Street Address:	300 Galleria Parkway
Internal Address:	Suite 800
City:	Atlanta
State/Country:	GEORGIA
Postal Code:	30339
Entity Type:	national banking association:

PROPERTY NUMBERS Total: 39

Property Type	Number	Word Mark
Registration Number:	1554751	A BEAR FOR ALL SEASONS
Registration Number:	2144692	ALKON
Registration Number:	3275747	ALL AMERICAN JEANS
Registration Number:	2705369	AMERICAN BEAR
Registration Number:	2029459	APOLLO
Registration Number:	1608303	BABYCARE
Registration Number:	2144693	BARBALUBE
Registration Number:	2178137	BARFOAMKIL
Registration Number:	2279357	BARPEL
Registration Number:	2570116	CENEGEN
Registration Number:	2144694	DYBILD

CH \$990.00 1554751

Registration Number:	2709736	FEATHER X
Registration Number:	968261	R
Registration Number:	1963336	FLUOROGUARD
Registration Number:	2325185	FLUFTONE
Registration Number:	2147726	GARDOL
Registration Number:	1002437	INTRACARRIER
Registration Number:	1003680	INTRAFOMIL
Registration Number:	946602	INTRAQUEST
Registration Number:	946597	INTRASOFT
Registration Number:	1002438	INTRASSIST
Registration Number:	946598	INTRATEX
Registration Number:	2715159	INTRAWET
Registration Number:	932636	LA FRANCE
Registration Number:	548918	LA FRANCE
Registration Number:	1710097	M
Registration Number:	986509	NITEY NITE
Registration Number:	1007420	PERMALUX
Registration Number:	1790862	QS+ QUALITY SATISFACTION PLUS
Registration Number:	1900255	QUICKSTONE
Registration Number:	780113	RESOGEN
Registration Number:	792620	RIEGEL
Registration Number:	1323054	RIEGEL
Registration Number:	2398034	SILTOUCH
Registration Number:	1364552	TEDDY BEDDY BEAR
Registration Number:	1399572	TEDDY BEDDY BEAR
Registration Number:	1211196	ULTRA TOUCH
Registration Number:	1389177	UNDA-ONES
Registration Number:	2460123	

CORRESPONDENCE DATA

Fax Number: (404)522-8409

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

Phone: 404-420-5574

Email: ovs@phrd.com

Correspondent Name: Oksana Sepich

Address Line 1: 285 Peachtree Center Avenue

Address Line 2: Suite 1500

Address Line 4: Atlanta, GEORGIA 30303

ATTORNEY DOCKET NUMBER:	2689.55
NAME OF SUBMITTER:	Kathleen O. Currey
Signature:	/Kathleen O. Currey/
Date:	07/23/2008

Total Attachments: 28

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TRADEMARK SECURITY AGREEMENT

This **TRADEMARK SECURITY AGREEMENT** (this "Agreement") is made this 21st day of July, 2008, between **MOUNT VERNON MILLS, INC.**, a Maryland corporation ("Mount Vernon"); **MOUNT VERNON CHEMICALS LLC**, a South Carolina limited liability company ("Chemicals"); and **SMITH AND WATERS, INC.**, a South Carolina corporation ("Smith & Waters"; together with Mount Vernon and Chemicals, collectively referred to as "Companies" and each individually as a "Company"); and **BANK OF AMERICA, N.A.**, a national banking association having an office at 300 Galleria Parkway, Suite 800, Atlanta, Georgia 30339, in its capacity as agent (together with its successors in such capacity, "Agent"), for itself and the other Secured Parties (as defined in the Loan Agreement (as hereinafter defined)).

Recitals:

Companies desire to obtain loans and other financial accommodations from certain financial institutions (collectively, "Lenders") party from time to time to that certain Loan and Security Agreement dated July 21, 2008, (as at any time amended, restated, supplemented or otherwise modified, the "Loan Agreement") by and among Companies, Agent, and Lenders.

A condition to Agent's and Lenders' willingness to make loans or extend other financial accommodations under the Loan Agreement is each Company's execution and delivery of this Agreement. To induce Agent and Lenders to make loans and otherwise extend credit pursuant to the Loan Agreement, each Company has agreed to grant a continuing security interest in and to all of its right, title and interest in and to the Trademark Collateral (as hereinafter defined) to Agent, for the benefit of itself and the other Secured Parties, as security for the timely payment and performance of the Secured Obligations (as hereinafter defined).

It is in the interests of each Company that Agent and Lenders extend credit pursuant to the Loan Agreement, and therefore, each Company is prepared to ensure that in all circumstances the Secured Obligations are secured by the Trademark Collateral as hereinafter set forth.

Each Company acknowledges that it will receive substantial direct and indirect benefits by reason of the making of loans and other financial accommodations as provided in the Loan Agreement and by virtue of Companies' inter-relationships.

NOW, THEREFORE, for Ten Dollars (\$10.00) in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Companies hereby agree with Agent as follows:

1. Each capitalized term used herein (including those used in the Recitals hereto), unless otherwise defined, shall have the meaning ascribed to such term in the Loan Agreement.
2. To secure the prompt payment and performance of all of the Obligations, each Company hereby grants, assigns and pledges to Agent, for the benefit of Secured Parties, a

continuing security interest in and Lien upon all of the following property of such Company, whether now owned or existing or hereafter created or acquired (collectively, the "Trademark Collateral"):

(a) all trademarks, trademark registrations, trade names and trademark applications, including, without limitation, the trademarks and applications listed on Exhibit A attached hereto and made a part hereof (as the same may be amended from time to time), and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trademark registrations, trade names and applications, together with the items described in clauses (i)-(iv), are hereinafter collectively referred to as the "Trademarks" and each individually, "Trademark");

(b) the goodwill of such Company's business connected with and symbolized by the Trademarks; and

(c) all proceeds of the foregoing.

3. Each Company represents and warrants to Secured Parties that:

(a) Each Trademark is subsisting and has not been adjudged invalid or unenforceable;

(b) Upon filing of a UCC-1 financing statement in the applicable recording office of such Company's jurisdiction of organization and this Agreement in the United States Patent and Trademark Office, this Agreement and such financing statement will create a legal, valid and perfected Lien upon and security interest in the Trademark Collateral that is registered in that office and that is listed on Exhibit A attached hereto, enforceable against such Company and all third Persons in accordance with its terms;

(c) No claim has been made that the use of any of the Trademarks does or may violate the rights of any Person;

(d) Such Company has the unqualified right to enter into this Agreement and perform its terms;

(e) Each Trademark listed in Exhibit A is valid and enforceable and Exhibit A lists all registered Trademarks and Trademark applications of such Company; and

(f) Such Company is now and shall continue to be the sole and exclusive owner of the entire and unencumbered right, title and interest in and to all of its Trademark Collateral (other than unregistered tradenames that are not material to its business), free and clear of any Liens, charges and encumbrances (except licenses permitted pursuant to paragraph 6 below), including, without limitation, pledges,

assignments, licenses, registered user agreements and covenants by such Company not to sue third Persons and Permitted Liens.

4. Each Company covenants and agrees with Secured Parties that:

(a) The Company will maintain the quality of the products associated with the Trademarks, at a level consistent with the quality at the time of this Agreement; and

(b) Except for Trademarks abandoned by such Company in the ordinary course of business (provided such abandonment could not be reasonably expected to have a Material Adverse Effect), or as otherwise permitted in the Loan Agreement, such company has maintained and will continue to maintain for the duration of this Agreement, registration of its registered Trademarks, including, without limitation, filing an affidavit of use with the United States Patent and Trademark Office and any applicable foreign filing office for each registered Trademark as required by Applicable Law to maintain the registration thereof without loss of protection therefor.

5. Each Company hereby grants to Agent, and its employees and agents (and any Lender or Lenders and their respective employees and agents), the visitation, audit, and inspection rights with respect to such Company and its Collateral as set forth in the Loan Agreement.

6. Until Full Payment of the Obligations, no Company shall enter into any license agreement relating to any of the Trademarks with any Person except non-exclusive licenses to customers, vendors, suppliers, agents or other service providers of such Company in the regular and ordinary course of such Company's business as presently conducted and for reasonable and customary compensation, and shall not become a party to any agreement with any Person that is inconsistent with such Company's obligations under this Agreement.

7. If, before Full Payment of all of the Obligations, any Company shall obtain rights to any new trademarks, or become entitled to the benefit of any trademark application or trademark or any renewal of any Trademark, the provisions of paragraph 2 hereof shall automatically apply thereto, and such Company shall give to Agent prompt notice thereof in writing.

8. Each Company irrevocably authorizes and empowers Agent to modify this Agreement by amending Exhibit A to include any future trademarks and trademark applications under paragraph 2 or paragraph 7 hereof.

9. At any time that an Event of Default exists, Agent shall have, in addition to all other rights and remedies given it by this Agreement and the other Loan Documents, all rights and remedies under Applicable Law and all rights and remedies of a secured party under the UCC and all other rights and remedies under any other Applicable Law. Without limiting the generality of the foregoing, Agent may immediately, for the benefit of Secured Parties, without demand of performance and without notice (except as described in the next sentence, if required by Applicable Law), or demand whatsoever to any Company, each of which each Company hereby expressly waives, collect directly any payments due to any Company in respect of the Trademark Collateral, or sell at public or private sale or otherwise realize upon all or from time

to time, any of the Trademark Collateral. Each Company hereby agrees that ten (10) days written notice to such Company of any public or private sale or other disposition of any of the Trademark Collateral shall be reasonable notice; provided, however, that no notice shall be required hereunder if not otherwise required by Applicable Law. At any such sale or disposition, Agent may, to the extent permitted by Applicable Law, purchase the whole or any part of the Trademark Collateral sold, free from any right of redemption on the part of any Company, which right each Company hereby waives and releases. After deducting from the proceeds of such sale or other disposition of the Trademark Collateral all reasonable costs and expenses incurred by Agent in enforcing its rights hereunder (including, without limitation, all reasonable attorneys' fees), Agent shall apply the remainder of such proceeds to the payment of the Obligations in such order or manner as may be authorized or required by the Loan Agreement. Any remainder of the proceeds after Full Payment of all of the Obligations shall be paid over to such Company. If any deficiency shall arise, Companies shall remain jointly and severally liable therefor.

10. Each Company hereby makes, constitutes and appoints Agent and any officer or agent of Agent as Agent may select, as Company's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall exist: to endorse such Company's name on all applications, documents, papers and instruments necessary for Agent to continue the registration of or to use the Trademarks, or to grant or issue any exclusive or nonexclusive license under the Trademarks to any other Person, or to assign, pledge, convey or otherwise transfer title in or dispose of any Trademark Collateral to any other Person. Each Company 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 until Full Payment of all of the Obligations.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature (including, without limitation, reasonable attorneys' fees and legal expenses) incurred by Agent in connection with the preparation of this Agreement and any other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including, without limitation, all taxes in connection therewith) with the United States Patent and Trademark Office or in any other public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, Liens or otherwise in 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 Companies, jointly and severally (it being the intent of Companies and Agent that Companies shall be responsible for the payment of all sums, fees, costs and expenses, including, without limitation, all renewal fees with respect to the Trademarks) or, if paid by Agent in its sole discretion, shall be reimbursed by such Company **on demand** by Agent and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the per annum rate of interest then applicable to Revolver Loans.

12. Each Company shall use its commercially reasonable efforts to detect any infringers of the Trademarks and shall notify Agent in writing of material infringements detected. Except as expressly permitted in the last sentence of this Section 12, each Company shall have the duty, through counsel reasonably acceptable to Agent, to prosecute diligently any trademark application for a Trademark pending as of the date of this Agreement or thereafter until Full Payment of the Obligations, to make federal application on registrable but unregistered

Trademarks (subject to Company's reasonable discretion in the ordinary course of business or, if an Event of Default or a Default exists, promptly upon Agent's request), to file and prosecute opposition and cancellation proceedings, to file and prosecute lawsuits to enforce the Trademarks and to do any and all acts which are deemed necessary or desirable by Agent to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with such applications or proceedings shall be borne by Companies. No Company shall abandon any right to file a trademark application, or any pending trademark application or Trademark without the prior written consent of Agent, unless such Company has determined that such trademark application or trademark is no longer necessary or material to the conduct of its business.

13. Notwithstanding anything to the contrary contained in paragraph 12 hereof, at any time that an Event of Default exists, Agent shall have the right, but shall in no way be obligated, to bring suit instead in its own name to enforce the Trademarks and any license hereunder, or to defend any suit or counterclaim in its own name to protect the Trademarks or any license hereunder, in either of which events Companies shall at the request of Agent do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Agent to aid such enforcement, or defense, and Companies shall promptly, **upon demand**, reimburse and indemnify Agent for all reasonable costs and expenses incurred in the exercise of Agent's rights under this paragraph 13.

14. If any Company fails to comply with any of its obligations hereunder and at the time of such failure or as a result thereof an Event of Default exists, then to the extent permitted by Applicable Law, Agent may discharge such obligations in such Company's name or in Agent's name, in Agent's sole discretion, but at Companies' expense, and Companies agree, jointly and severally to reimburse Agent in full for all expenses, including, without limitation, reasonable attorneys' fees, incurred by Agent in prosecuting, defending or maintaining the Trademarks or Agent's interest therein pursuant to this Agreement.

15. No course of dealing between Companies and Agent or any Lender, nor any failure to exercise, nor any delay in exercising, on the part of Agent or any Lender, any right, power or privilege hereunder or under any of the other Loan Documents shall operate as a waiver thereof; 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.

16. All of Agent's rights and remedies with respect to the Trademark Collateral, whether established by this Agreement or by any of the other Loan Documents, or by any other agreements or by applicable law shall be cumulative and may be exercised singularly or concurrently.

17. 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.

18. This Agreement, together with the other Loan Documents, constitutes and expresses the entire understanding of the parties hereto with respect to the subject matter hereof, and supercedes all prior agreements and understandings, inducements, or conditions, whether expressed or implied, oral or written. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 8 hereof.

19. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of each Secured Party and upon the successors and permitted assigns of each Company. No Company shall assign its rights or delegate its duties hereunder without the prior written consent of Agent.

20. Each Company hereby waives notice of Agent's acceptance hereof.

21. This Agreement may be executed in counterparts, each of which shall be an original and all of which taken together shall constitute one agreement. Delivery of a signature page hereof by telecopy or electronic mail shall be as effective as delivery of a manually executed counterpart of this Agreement.

22. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Georgia.

23. To the fullest extent permitted by Applicable Law, each Company and Agent each waives the right to trial by jury in any action, suit, proceeding or counterclaim of any kind arising out of or related to this Agreement or the Trademark Collateral.

[Remainder of page intentionally left blank; Signatures appear on following page]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this agreement on the day and year first written above.

COMPANIES:

MOUNT VERNON MILLS, INC.

By: W. David Hastings
Name: W. David Hastings
Title: President

By: W.E. Dunstan
Name: W.E. Dunstan
Title: VP & CFO

MOUNT VERNON CHEMICALS LLC

By: E. K. Cashman
Name: E. K. Cashman
Title: Manager

SMITH AND WATERS, INC.

By: E. K. Cashman
Name: Dr. E. K. Cashman
Title: Director of Quality

Accepted by:

BANK OF AMERICA, N.A., as Agent
("Agent")

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have executed and delivered this agreement on the day and year first written above.

COMPANIES:

MOUNT VERNON MILLS, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

MOUNT VERNON CHEMICALS LLC

By: _____
Name: _____
Title: Manager

SMITH AND WATERS, INC.

By: _____
Name: _____
Title: _____

Accepted by:

BANK OF AMERICA, N.A., as Agent
("Agent")

By: *Robert B. Moore*
Name: ROBERT B. MOORE
Title: SVP

STATE OF South Carolina

COUNTY OF Greenville

BEFORE ME, the undersigned authority, on this day personally appeared W. David Hastings, the President of MOUNT VERNON MILLS, INC., to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 21st day of July, 2008.

Doris C. Baber

Notary Public

My Commission Expires:

My Commission Expires September 17, 2011

[NOTARIAL SEAL]

STATE OF South Carolina

COUNTY OF Greenville

BEFORE ME, the undersigned authority, on this day personally appeared William E. Dawson, the VP and CFO of MOUNT VERNON MILLS, INC., to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 21st day of July, 2008.

Doris C. Baber

Notary Public

My Commission Expires:

My Commission Expires September 17, 2011

[NOTARIAL SEAL]

TRADEMARK

REEL: 003820 FRAME: 0458

STATE OF South Carolina

COUNTY OF Greenville

BEFORE ME, the undersigned authority, on this day personally appeared Edward G Cochran, the Manager of MOUNT VERNON CHEMICALS LLC, to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 26th day of July, 2008.

Doris C. Larbu

Notary Public

My Commission Expires:

My Commission Expires September 17, 2011

[NOTARIAL SEAL]

STATE OF South Carolina

COUNTY OF Greenville

BEFORE ME, the undersigned authority, on this day personally appeared Edward G Cochran, the Director & Secretary of SMITH AND WATERS, INC., to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 26th day of July, 2008.

Doris C. Larbu

Notary Public

My Commission Expires:

My Commission Expires September 17, 2011

[NOTARIAL SEAL]

TRADEMARK

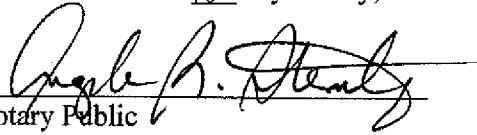
REEL: 003820 FRAME: 0459

STATE OF GEORGIA

COUNTY OF FULTON

BEFORE ME, the undersigned authority, on this day personally appeared Robert B. Moore the Senior Vice President of BANK OF AMERICA, N.A., as Agent, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said bank..

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 18th day of July, 2008.


Notary Public

My Commission Expires: Notary Public, Paulding County, Georgia
My Commission Expires June 6, 2009

[NOTARIAL SEAL]

EXHIBIT A

Trademarks

Trademark	Jurisdiction	Registration or Serial Number	Registration Date	Owner
A Bear for All Seasons	United States	1554751	9/05/1989	Mount Vernon Mills, Inc.
Alkon	United States	2144692	3/17/1998	Mount Vernon Chemicals LLC
All American Jeans	United States	3275747	8/07/2007	Mount Vernon Mills, Inc.
American Bear	United States	2705369	4/08/2003	Mount Vernon Mills, Inc.
Apollo	United States	2029459	1/14/1997	Mount Vernon Chemicals LLC
Babycare (AB)	United States	1608303	3/10/2004	Mount Vernon Mills, Inc.
Barbalube	United States	2144693	3/17/1998	Mount Vernon Chemicals LLC
Barfoamkil	United States	2178137	8/4/1998	Mount Vernon Chemicals LLC
Barpel	United States	2279357	9/21/1999	Mount Vernon Chemicals LLC
Cenegen	United States	2570116	5/14/2002	Mount Vernon Chemicals LLC
Dybild	United States	2144694	3/17/1998	Mount Vernon Chemicals LLC
Feather X	United States	2709736	4/22/2003	Mount Vernon Mills, Inc.
Fleur de Lis "R" (AB)	United States	968261	9/11/1973	Mount Vernon Mills, Inc.
Fluoroguard	United States	1963336	3/19/1996	Mount Vernon Chemicals LLC
Fluftone	United States	2325185	3/07/2000	Mount Vernon Chemicals LLC
Gardol	United States	2147726	3/13/1998	Mount Vernon Chemicals LLC
Intracarrier	United States	1002437	1/28/1975	Mount Vernon Chemicals LLC
Intrafamil	United States	1003680	2/04/1975	Mount Vernon Chemicals LLC

Trademark	Jurisdiction	Registration or Serial Number	Registration Date	Owner
Intraquest	United States	946602	11/07/1972	Mount Vernon Chemicals LLC
Intrasoft	United States	946597	11/07/1972	Mount Vernon Chemicals LLC
Intrassist	United States	1002438	1/28/1975	Mount Vernon Chemicals LLC
Intratex	United States	946598	11/07/1972	Mount Vernon Chemicals LLC
Intrawet	United States	2715159	5/13/2003	Mount Vernon Chemicals LLC
LaFrance (AB)	United States	932636	4/08/1972	Mount Vernon Mills, Inc.
La France	United States	548918	7/08/1948	Mount Vernon Mills, Inc.
MV Logo (design)	United States	1710097	8/25/1992	Mount Vernon Mills, Inc.
Nitey Nite (AB)	United States	986509	6/18/1974	Mount Vernon Mills, Inc.
Permalux (AB)	United States	1,007,420	3/25/1975	Mount Vernon Mills, Inc.
Permalux (AB)	Canada	226,321	3/03/1978	Mount Vernon Mills, Inc.
QS+ Quality Satisfaction Plus	United States	1790862	8/31/1993	Mount Vernon Chemicals LLC
Quickstone	United States	1900255	6/20/1995	Mount Vernon Chemicals LLC
Resogen	United States	780113	11/17/1964	Mount Vernon Chemicals LLC
Riegel (AB)	United States	792620	7/13/1965	Mount Vernon Mills, Inc.
Riegel (AB)	United States	1323054	3/05/1985	Mount Vernon Mills, Inc.
Siltouch	United States	2398034	10/24/2000	Mount Vernon Chemicals LLC
Teddy Beddy Bear	United States	1364552	10/08/1985	Mount Vernon Mills, Inc.
Teddy Beddy Bear	United States	1399572	7/01/1986	Mount Vernon Mills, Inc.
Ultra Touch	United States	1211196	10/05/1982	Mount Vernon Mills, Inc.

Trademark	Jurisdiction	Registration or Serial Number	Registration Date	Owner
Unda-Ones	United States	1389177	4/08/1986	Mount Vernon Mills, Inc.
Weave Logo (design)	United States	2460123	6/12/2001	Mount Vernon Mills, Inc.

Trademark Applications

None

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2. To secure the prompt payment and performance of all of the Obligations, each Company hereby grants, assigns and pledges to Agent, for the benefit of Secured Parties, a

continuing security interest in and Lien upon all of the following property of such Company, whether now owned or existing or hereafter created or acquired (collectively, the "Trademark Collateral"):

(a) all trademarks, trademark registrations, trade names and trademark applications, including, without limitation, the trademarks and applications listed on Exhibit A attached hereto and made a part hereof (as the same may be amended from time to time), and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trademark registrations, trade names and applications, together with the items described in clauses (i)-(iv), are hereinafter collectively referred to as the "Trademarks" and each individually, "Trademark");

(b) the goodwill of such Company's business connected with and symbolized by the Trademarks; and

(c) all proceeds of the foregoing.

3. Each Company represents and warrants to Secured Parties that:

(a) Each Trademark is subsisting and has not been adjudged invalid or unenforceable;

(b) Upon filing of a UCC-1 financing statement in the applicable recording office of such Company's jurisdiction of organization and this Agreement in the United States Patent and Trademark Office, this Agreement and such financing statement will create a legal, valid and perfected Lien upon and security interest in the Trademark Collateral that is registered in that office and that is listed on Exhibit A attached hereto, enforceable against such Company and all third Persons in accordance with its terms;

(c) No claim has been made that the use of any of the Trademarks does or may violate the rights of any Person;

(d) Such Company has the unqualified right to enter into this Agreement and perform its terms;

(e) Each Trademark listed in Exhibit A is valid and enforceable and Exhibit A lists all registered Trademarks and Trademark applications of such Company; and

(f) Such Company is now and shall continue to be the sole and exclusive owner of the entire and unencumbered right, title and interest in and to all of its Trademark Collateral (other than unregistered tradenames that are not material to its business), free and clear of any Liens, charges and encumbrances (except licenses permitted pursuant to paragraph 6 below), including, without limitation, pledges,

assignments, licenses, registered user agreements and covenants by such Company not to sue third Persons and Permitted Liens.

4. Each Company covenants and agrees with Secured Parties that:

(a) The Company will maintain the quality of the products associated with the Trademarks, at a level consistent with the quality at the time of this Agreement; and

(b) Except for Trademarks abandoned by such Company in the ordinary course of business (provided such abandonment could not be reasonably expected to have a Material Adverse Effect), or as otherwise permitted in the Loan Agreement, such company has maintained and will continue to maintain for the duration of this Agreement, registration of its registered Trademarks, including, without limitation, filing an affidavit of use with the United States Patent and Trademark Office and any applicable foreign filing office for each registered Trademark as required by Applicable Law to maintain the registration thereof without loss of protection therefor.

5. Each Company hereby grants to Agent, and its employees and agents (and any Lender or Lenders and their respective employees and agents), the visitation, audit, and inspection rights with respect to such Company and its Collateral as set forth in the Loan Agreement.

6. Until Full Payment of the Obligations, no Company shall enter into any license agreement relating to any of the Trademarks with any Person except non-exclusive licenses to customers, vendors, suppliers, agents or other service providers of such Company in the regular and ordinary course of such Company's business as presently conducted and for reasonable and customary compensation, and shall not become a party to any agreement with any Person that is inconsistent with such Company's obligations under this Agreement.

7. If, before Full Payment of all of the Obligations, any Company shall obtain rights to any new trademarks, or become entitled to the benefit of any trademark application or trademark or any renewal of any Trademark, the provisions of paragraph 2 hereof shall automatically apply thereto, and such Company shall give to Agent prompt notice thereof in writing.

8. Each Company irrevocably authorizes and empowers Agent to modify this Agreement by amending Exhibit A to include any future trademarks and trademark applications under paragraph 2 or paragraph 7 hereof.

9. At any time that an Event of Default exists, Agent shall have, in addition to all other rights and remedies given it by this Agreement and the other Loan Documents, all rights and remedies under Applicable Law and all rights and remedies of a secured party under the UCC and all other rights and remedies under any other Applicable Law. Without limiting the generality of the foregoing, Agent may immediately, for the benefit of Secured Parties, without demand of performance and without notice (except as described in the next sentence, if required by Applicable Law), or demand whatsoever to any Company, each of which each Company hereby expressly waives, collect directly any payments due to any Company in respect of the Trademark Collateral, or sell at public or private sale or otherwise realize upon all or from time

to time, any of the Trademark Collateral. Each Company hereby agrees that ten (10) days written notice to such Company of any public or private sale or other disposition of any of the Trademark Collateral shall be reasonable notice; provided, however, that no notice shall be required hereunder if not otherwise required by Applicable Law. At any such sale or disposition, Agent may, to the extent permitted by Applicable Law, purchase the whole or any part of the Trademark Collateral sold, free from any right of redemption on the part of any Company, which right each Company hereby waives and releases. After deducting from the proceeds of such sale or other disposition of the Trademark Collateral all reasonable costs and expenses incurred by Agent in enforcing its rights hereunder (including, without limitation, all reasonable attorneys' fees), Agent shall apply the remainder of such proceeds to the payment of the Obligations in such order or manner as may be authorized or required by the Loan Agreement. Any remainder of the proceeds after Full Payment of all of the Obligations shall be paid over to such Company. If any deficiency shall arise, Companies shall remain jointly and severally liable therefor.

10. Each Company hereby makes, constitutes and appoints Agent and any officer or agent of Agent as Agent may select, as Company's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall exist: to endorse such Company's name on all applications, documents, papers and instruments necessary for Agent to continue the registration of or to use the Trademarks, or to grant or issue any exclusive or nonexclusive license under the Trademarks to any other Person, or to assign, pledge, convey or otherwise transfer title in or dispose of any Trademark Collateral to any other Person. Each Company 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 until Full Payment of all of the Obligations.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature (including, without limitation, reasonable attorneys' fees and legal expenses) incurred by Agent in connection with the preparation of this Agreement and any other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including, without limitation, all taxes in connection therewith) with the United States Patent and Trademark Office or in any other public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, Liens or otherwise in 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 Companies, jointly and severally (it being the intent of Companies and Agent that Companies shall be responsible for the payment of all sums, fees, costs and expenses, including, without limitation, all renewal fees with respect to the Trademarks) or, if paid by Agent in its sole discretion, shall be reimbursed by such Company **on demand** by Agent and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the per annum rate of interest then applicable to Revolver Loans.

12. Each Company shall use its commercially reasonable efforts to detect any infringers of the Trademarks and shall notify Agent in writing of material infringements detected. Except as expressly permitted in the last sentence of this Section 12, each Company shall have the duty, through counsel reasonably acceptable to Agent, to prosecute diligently any trademark application for a Trademark pending as of the date of this Agreement or thereafter until Full Payment of the Obligations, to make federal application on registrable but unregistered

Trademarks (subject to Company's reasonable discretion in the ordinary course of business or, if an Event of Default or a Default exists, promptly upon Agent's request), to file and prosecute opposition and cancellation proceedings, to file and prosecute lawsuits to enforce the Trademarks and to do any and all acts which are deemed necessary or desirable by Agent to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with such applications or proceedings shall be borne by Companies. No Company shall abandon any right to file a trademark application, or any pending trademark application or Trademark without the prior written consent of Agent, unless such Company has determined that such trademark application or trademark is no longer necessary or material to the conduct of its business.

13. Notwithstanding anything to the contrary contained in paragraph 12 hereof, at any time that an Event of Default exists, Agent shall have the right, but shall in no way be obligated, to bring suit instead in its own name to enforce the Trademarks and any license hereunder, or to defend any suit or counterclaim in its own name to protect the Trademarks or any license hereunder, in either of which events Companies shall at the request of Agent do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Agent to aid such enforcement, or defense, and Companies shall promptly, **upon demand**, reimburse and indemnify Agent for all reasonable costs and expenses incurred in the exercise of Agent's rights under this paragraph 13.

14. If any Company fails to comply with any of its obligations hereunder and at the time of such failure or as a result thereof an Event of Default exists, then to the extent permitted by Applicable Law, Agent may discharge such obligations in such Company's name or in Agent's name, in Agent's sole discretion, but at Companies' expense, and Companies agree, jointly and severally to reimburse Agent in full for all expenses, including, without limitation, reasonable attorneys' fees, incurred by Agent in prosecuting, defending or maintaining the Trademarks or Agent's interest therein pursuant to this Agreement.

15. No course of dealing between Companies and Agent or any Lender, nor any failure to exercise, nor any delay in exercising, on the part of Agent or any Lender, any right, power or privilege hereunder or under any of the other Loan Documents shall operate as a waiver thereof; 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.

16. All of Agent's rights and remedies with respect to the Trademark Collateral, whether established by this Agreement or by any of the other Loan Documents, or by any other agreements or by applicable law shall be cumulative and may be exercised singularly or concurrently.

17. 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.

18. This Agreement, together with the other Loan Documents, constitutes and expresses the entire understanding of the parties hereto with respect to the subject matter hereof, and supercedes all prior agreements and understandings, inducements, or conditions, whether expressed or implied, oral or written. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 8 hereof.

19. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of each Secured Party and upon the successors and permitted assigns of each Company. No Company shall assign its rights or delegate its duties hereunder without the prior written consent of Agent.

20. Each Company hereby waives notice of Agent's acceptance hereof.

21. This Agreement may be executed in counterparts, each of which shall be an original and all of which taken together shall constitute one agreement. Delivery of a signature page hereof by telecopy or electronic mail shall be as effective as delivery of a manually executed counterpart of this Agreement.

22. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Georgia.

23. **To the fullest extent permitted by Applicable Law, each Company and Agent each waives the right to trial by jury in any action, suit, proceeding or counterclaim of any kind arising out of or related to this Agreement or the Trademark Collateral.**

[Remainder of page intentionally left blank; Signatures appear on following page]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this agreement on the day and year first written above.

COMPANIES:

MOUNT VERNON MILLS, INC.

By: W. David Hastings
Name: W. David Hastings
Title: President

By: W.E. Duncan
Name: W.E. Duncan
Title: VP & CFO

MOUNT VERNON CHEMICALS LLC

By: E. Cashman
Name: E. Cashman
Title: Manager

SMITH AND WATERS, INC.

By: E. Cashman
Name: Dr. E. Cashman
Title: Director & Secretary

Accepted by:

BANK OF AMERICA, N.A., as Agent
("Agent")

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have executed and delivered this agreement on the day and year first written above.

COMPANIES:

MOUNT VERNON MILLS, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

MOUNT VERNON CHEMICALS LLC

By: _____
Name: _____
Title: Manager

SMITH AND WATERS, INC.

By: _____
Name: _____
Title: _____

Accepted by:

BANK OF AMERICA, N.A., as Agent
("Agent")

By: *Robert B. Moore*
Name: ROBERT B. MOORE
Title: SVP

STATE OF South Carolina

COUNTY OF Greenville

BEFORE ME, the undersigned authority, on this day personally appeared W. David Hastings, the President of MOUNT VERNON MILLS, INC., to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 21st day of July, 2008.

Noris C. Barber

Notary Public

My Commission Expires:

My Commission Expires September 17, 2011

[NOTARIAL SEAL]

STATE OF South Carolina

COUNTY OF Greenville

BEFORE ME, the undersigned authority, on this day personally appeared William E. Draccon, the VP and CFO of MOUNT VERNON MILLS, INC., to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 21st day of July, 2008.

Noris C. Barber

Notary Public

My Commission Expires:

My Commission Expires September 17, 2011

[NOTARIAL SEAL]

STATE OF South Carolina

COUNTY OF Greenville

BEFORE ME, the undersigned authority, on this day personally appeared Edward G Cochran, the Manager of **MOUNT VERNON CHEMICALS LLC**, to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 21st day of July, 2008.

Doris C. Larbu

Notary Public

My Commission Expires:

My Commission Expires September 17, 2011

[NOTARIAL SEAL]

STATE OF South Carolina

COUNTY OF Greenville

BEFORE ME, the undersigned authority, on this day personally appeared Edward G Cochran, the Director & Secretary of **SMITH AND WATERS, INC.**, to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 21st day of July, 2008.

Doris C. Larbu

Notary Public

My Commission Expires:

My Commission Expires September 17, 2011

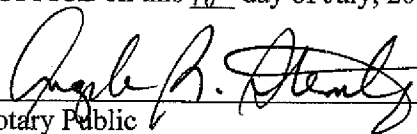
[NOTARIAL SEAL]

STATE OF GEORGIA

COUNTY OF FULTON

BEFORE ME, the undersigned authority, on this day personally appeared Robert B. Moore
the Senior Vice President of BANK OF AMERICA, N.A., as Agent, known to
me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to
me that he executed the same for the purposes and consideration therein expressed, in the
capacity therein stated, and as the act and deed of said bank..

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 18th day of July, 2008.



Notary Public

My Commission Expires: Notary Public, Paulding County, Georgia
My Commission Expires June 6, 2009

[NOTARIAL SEAL]

EXHIBIT A

Trademarks

Trademark	Jurisdiction	Registration or Serial Number	Registration Date	Owner
A Bear for All Seasons	United States	1554751	9/05/1989	Mount Vernon Mills, Inc.
Alkon	United States	2144692	3/17/1998	Mount Vernon Chemicals LLC
All American Jeans	United States	3275747	8/07/2007	Mount Vernon Mills, Inc.
American Bear	United States	2705369	4/08/2003	Mount Vernon Mills, Inc.
Apollo	United States	2029459	1/14/1997	Mount Vernon Chemicals LLC
Babycare (AB)	United States	1608303	3/10/2004	Mount Vernon Mills, Inc.
Barbalube	United States	2144693	3/17/1998	Mount Vernon Chemicals LLC
Barfoamkil	United States	2178137	8/4/1998	Mount Vernon Chemicals LLC
Barpel	United States	2279357	9/21/1999	Mount Vernon Chemicals LLC
Cenegen	United States	2570116	5/14/2002	Mount Vernon Chemicals LLC
Dybild	United States	2144694	3/17/1998	Mount Vernon Chemicals LLC
Feather X	United States	2709736	4/22/2003	Mount Vernon Mills, Inc.
Fleur de Lis "R" (AB)	United States	968261	9/11/1973	Mount Vernon Mills, Inc.
Fluoroguard	United States	1963336	3/19/1996	Mount Vernon Chemicals LLC
Fluftone	United States	2325185	3/07/2000	Mount Vernon Chemicals LLC
Gardol	United States	2147726	3/13/1998	Mount Vernon Chemicals LLC
Intracarrier	United States	1002437	1/28/1975	Mount Vernon Chemicals LLC
Intrafomil	United States	1003680	2/04/1975	Mount Vernon Chemicals LLC

Trademark	Jurisdiction	Registration or Serial Number	Registration Date	Owner
Intraquest	United States	946602	11/07/1972	Mount Vernon Chemicals LLC
Intrasoft	United States	946597	11/07/1972	Mount Vernon Chemicals LLC
Intrassist	United States	1002438	1/28/1975	Mount Vernon Chemicals LLC
Intratex	United States	946598	11/07/1972	Mount Vernon Chemicals LLC
Intrawet	United States	2715159	5/13/2003	Mount Vernon Chemicals LLC
LaFrance (AB)	United States	932636	4/08/1972	Mount Vernon Mills, Inc.
La France	United States	548918	7/08/1948	Mount Vernon Mills, Inc.
MV Logo (design)	United States	1710097	8/25/1992	Mount Vernon Mills, Inc.
Nitey Nite (AB)	United States	986509	6/18/1974	Mount Vernon Mills, Inc.
Permalux (AB)	United States	1,007,420	3/25/1975	Mount Vernon Mills, Inc.
Permalux (AB)	Canada	226,321	3/03/1978	Mount Vernon Mills, Inc.
QS+ Quality Satisfaction Plus	United States	1790862	8/31/1993	Mount Vernon Chemicals LLC
Quickstone	United States	1900255	6/20/1995	Mount Vernon Chemicals LLC
Resogen	United States	780113	11/17/1964	Mount Vernon Chemicals LLC
Riegel (AB)	United States	792620	7/13/1965	Mount Vernon Mills, Inc.
Riegel (AB)	United States	1323054	3/05/1985	Mount Vernon Mills, Inc.
Siltouch	United States	2398034	10/24/2000	Mount Vernon Chemicals LLC
Teddy Beddy Bear	United States	1364552	10/08/1985	Mount Vernon Mills, Inc.
Teddy Beddy Bear	United States	1399572	7/01/1986	Mount Vernon Mills, Inc.
Ultra Touch	United States	1211196	10/05/1982	Mount Vernon Mills, Inc.

Trademark	Jurisdiction	Registration or Serial Number	Registration Date	Owner
Unda-Ones	United States	1389177	4/08/1986	Mount Vernon Mills, Inc.
Weave Logo (design)	United States	2460123	6/12/2001	Mount Vernon Mills, Inc.

Trademark Applications

None