



100926580

12-22-1998

T  
D

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):  
**WESLOCK GROUP, L.L.C.** *12/7/98*  
**10545 S. Memorial**  
**Tulsa, OK 74133**

Individuals(s)                       Association  
 General Partnership               Limited Partnership  
 Corporation-State  
 **Other OK limited liability company**

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies)  
Name: **CAPITAL BUSINESS CREDIT, a division of Capital Factors, Inc.**  
Internal Address:  
Street Address: **700 S. Flower, Ste. 2001**  
City: **Los Angeles** State: **California** ZIP: **90017**

Individual(s) citizenship  
 Association  
 General Partnership  
 Limited Partnership  
 Corporation-State **Florida**  
 Other

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No

(Designations must be a separate document from assignment)  
Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

Assignment                               Merger  
 **Security Agreement**               Change of Name  
 Other

Execution Date: **November 20, 1998**

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)  
**Armored Deadbolt (Reg. No. 1,134,347)**

Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:  
**Mr. Sigi Hinojosa**  
Name: **Buchalter, Nemer, Fields & Younger**  
Internal Address:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Street Address: **601 South Figueroa Street, 24th Floor**  
City: **Los Angeles** State: **California** ZIP: **90017**

6. Total number of applications and registrations involved: 22

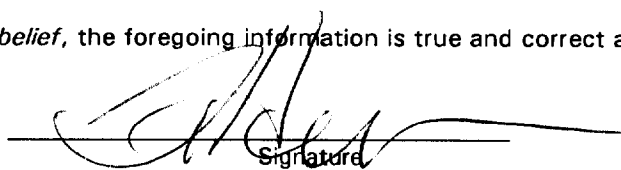
7. Total fee (37 CFR 3.41) ..... \$ 565<sup>00</sup>  
 Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number:  
\_\_\_\_\_  
(Attach duplicate copy of this page if paying by deposit account)

12/18/1998 DMGUYEN 00000243 1134347  
01 FC:441 40.00 OP  
02 FC:482 525.00 OP

DO NOT USE THIS SPACE

9. Statement and signature.  
To the best of *my knowledge and belief*, the foregoing information is true and correct and any attached copy is a true copy of the original document.

**MR. SIGI HINOJOSA**  
Name of Person Signing                       Signature

November 23, 1998  
Date

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

## Schedule B

## List of Trademark Registrations/Applications

<i>Mark</i>	<i>Country</i>	<i>Reg. No/Apln No.</i>	<i>Filing Date</i>	<i>Reg. Date</i>	<i>Record Owner</i>
ARMORED DEADBOLT	U.S.	1,134,347	11/11/77	04/29/80	WNI*
BORDEAU	U.S.	1,906,294	03/12/93	07/18/95	WNI
CHARLESTOWNE	U.S.	1,237,044	08/24/81	05/10/83	WNI
COUPLE-LOCK	U.S.	1,156,966	07/10/78	06/09/81	ABHC**
HERALD SQUARE	U.S.	1,895,881	04/06/94	05/30/95	WNI
MANSION	U.S.	1,887,727	03/30/92	04/04/95	WNI
NATIONAL LOCK	U.S.	885,825	10/18/68	02/10/70	WNI
NATIONAL LOCK	U.S.	886,168	10/18/68	02/17/70	WNI
"N" & design	<del>Canada</del>	<del>333,823</del>	07/29/83	04/13/84	ABHC
"N" & design	U.S.	751,919	01/29/62	07/02/63	ABHC
"N" & design	U.S.	842,195	10/14/66	01/09/68	ABHC
"N" & design	U.S.	1,292,209	06/16/83	08/28/84	ABHC
"N" & design	U.S.	1,321,761	08/22/83	02/26/85	ABHC
"N"	U.S.	1,372,110	07/07/83	11/26/85	ABHC
PLANTATION	U.S.	1,929,227	03/21/94	10/24/95	WNI
SONIC	U.S.	694,888	07/27/59	03/22/60	WNI
SPORTSLOCK	<del>Canada</del>	<del>817,004</del>	07/04/96	Pending	WNI
SPORTSLOCK	U.S.	2,014,008	05/07/92	11/05/96	WNI
SPORTSLOCK & design	U.S.	1,941,115	01/10/95	12/12/95	WNI
TOWNHOUSE	U.S.	1,930,771	03/21/94	10/31/95	WNI
TWINGARD	U.S.	1,091,248	11/02/76	05/16/78	WNI
WESLOCK	<del>Canada</del>	<del>128,800</del>	04/19/72	02/23/73	WC***

\* Weslock National, Inc., an Oklahoma corporation

\*\* American Builders Hardware Corporation

\*\*\* Weslock Corporation

<i>Mark</i>	<i>Country</i>	<i>Reg. No/Apln No.</i>	<i>Filing Date</i>	<i>Reg. Date</i>	<i>Record Owner</i>
<b>WESLOCK</b>	<b>Dominican Republic</b>	<del>36,838</del>	****	12/30/83	WC
<b>WESLOCK</b>	<b>Mexico</b>	<del>324897</del>	12/19/85	04/23/87	WC
<b>WESLOCK &amp; design</b>	<b>U.S.</b>	695,622	05/05/59	04/05/60	WNI
<b>WESLOCK</b>	<b>U.S.</b>	1,919,246	07/18/94	09/19/95	WNI
<b>WN WESLOCK NATIONAL &amp; design</b>	<b>U.S.</b>	1,921,469	02/08/94	09/26/95	WNI

\*\*\*\* Our records do not reflect the filing date of this registration.

# RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):  
**WESLOCK GROUP, L.L.C.**  
**10545 S. Memorial**  
**Tulsa, OK 74133**

Individuals(s)                       Association  
 General Partnership               Limited Partnership  
 Corporation-State  
 Other **OK limited liability company**

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies)  
Name: **CAPITAL BUSINESS CREDIT, a**  
**division of Capital Factors, Inc.**  
Internal Address:  
Street Address: **700 S. Flower, Ste. 2001**

City: **Los Angeles** State: **California** ZIP: **90017**

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State **Florida**  
 Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No

(Designations must be a separate document from assignment)  
Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

Assignment                               Merger  
 **Security Agreement**               Change of Name  
 Other \_\_\_\_\_

Execution Date: **November 20, 1998**

4. Application number(s) or patent number(s):  
A. Trademark Application No.(s)

Additional numbers attached?  Yes  No

B. Trademark Registration No.(s)  
**Armored Deadbolt (Reg. No. 1,134,347)**

5. Name and address of party to whom correspondence concerning document should be mailed:  
**Mr. Sigi Hinojosa**  
Name: **Buchalter, Nemer, Fields & Younger**

Internal Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Street Address: **601 South Figueroa Street, 24th Floor**  
City: **Los Angeles** State: **California** ZIP: **90017**

6. Total number of applications and registrations involved: 22

7. Total fee (37 CFR 3.41) ..... \$ 565<sup>00</sup>  
 Enclosed  
 Authorized to be charged to deposit account

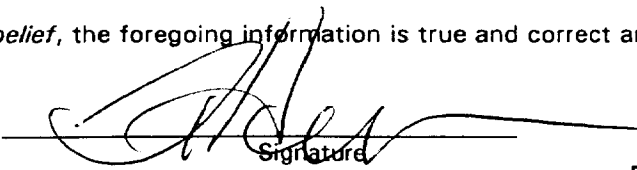
8. Deposit account number:  
\_\_\_\_\_

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.  
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

**MR. SIGI HINOJOSA**  
Name of Person Signing

  
Signature

**November 23, 1998**  
Date

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

**Intellectual Property  
Security Agreement**

**Grantor:** **Weslock Group, L.L.C.,  
an Oklahoma limited liability company**

**Address:** **10545 S. Memorial  
Tulsa, Oklahoma 74133**

**Date:** **November 20, 1998**

**THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT ("Agreement")** is entered into on the above date between CAPITAL BUSINESS CREDIT, a division of Capital Factors, Inc.. ("Capital"), a Florida corporation, with offices at 700 South Flower Street, Suite 2001, Los Angeles, California 90017, and the grantor named above ("Grantor"), whose chief executive office is located at the above address with respect to the following:

A. Grantor and Capital are, contemporaneously herewith, entering into that certain Loan and Security Agreement ("Loan Agreement") and other instruments, documents and agreements contemplated thereby or related thereto (collectively, together with the Loan Agreement, the "Loan Documents"); and

B. Grantor is the owner of certain intellectual property, identified below, in which Grantor is granting a security interest to Capital.

NOW THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereinafter set forth and for other good and valuable consideration, the parties hereto mutually agree as follows:

**1. DEFINITIONS AND CONSTRUCTION.**

**1.1 Definitions.** The following terms, as used in this Agreement, have the following meanings:

**"Code"** means the California Uniform Commercial Code, as amended and supplemented from time to time, and any successor statute.

**"Collateral"** means:

(i) Each of the copyrights and rights and interests capable of being protected as copyrights, which are presently, or in the future may be, owned, authored, acquired, or used (whether pursuant to a license or otherwise) by Grantor, in whole or in part, and all copyright rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and all tangible property embodying the copyrights (including books, records, films, computer tapes or disks, photographs, specification sheets, source codes, object codes, and other physical manifestations of the foregoing);

(ii) Each of the trademarks and rights and interest which are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, trade names, corporate names,

company names, business names, fictitious business names, trade styles, and other source or business identifiers, and applications pertaining thereto), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Grantor, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(iii) Each of the patents and patent applications which are presently, or in the future may be, owned, issued, acquired, or used (whether pursuant to a license or otherwise) by Grantor, in whole or in part, and all patent rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), foreign filing rights, and rights to extend such patents and patent rights;

(iv) All of Grantor's right, title, and interest, in and to the copyrights and copyright registrations listed on Schedule A, attached hereto, as the same may be updated hereafter from time to time;

(v) All of Grantor's right to the trademarks and trademark registrations listed on Schedule B, attached hereto, as the same may be updated hereafter from time to time;

(vi) All of Grantor's right, title, and interest, in and to the patents and patent applications listed on Schedule C, attached hereto, as the same may be updated hereafter from time to time;

(vii) All of Grantor's right to register copyright claims under any federal copyright law or regulation of any foreign country and to apply for registrations on original works, compilations, derivative works, collective works, and works for hire, the right (without obligation) to sue in the name of Grantor or in the name of Capital for past, present, and future infringements of the copyrights, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(viii) All of Grantor's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Grantor or in the name of Capital for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country, and the associated goodwill;

(ix) All of Grantor's right, title, and interest in all patentable inventions, and to file applications for patent under federal patent law or regulation of any foreign country, and to request reexamination and/or reissue of the patents, the right (without obligation) to sue or bring interference proceedings in the name of Grantor or in the name of Capital for past, present, and future infringements of the patents, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(x) All general intangibles relating to the foregoing; and

(xi) All proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

**"Obligations"** means all obligations, liabilities, and indebtedness of Grantor to Capital, whether direct, indirect, liquidated, or contingent, and whether arising under this Agreement, the Loan Agreement, any other of the Loan Documents, or otherwise, including all costs and expenses described in Section 11.8 hereof.

**1.2 Construction.** Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, and the term "including" is not limiting. The words "hereof," "herein," "hereby," "hereunder," and other similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement. Any initially capitalized terms used but not defined herein shall have the meaning set forth in the Loan Agreement. Any reference herein to any of the Loan Documents includes any and all alterations, amendments, extensions, modifications, renewals, or supplements thereto or thereof, as applicable. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Capital or Grantor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by Grantor, Capital, and their respective counsel, and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of Capital and Grantor.

**2. GRANT OF SECURITY INTEREST.**

**2.1 Grant of Security Interest.** Grantor hereby grants to Capital a first-priority security interest in all of Grantor's right, title, and interest in and to the Collateral to secure the Obligations.

**3. REPRESENTATIONS, WARRANTIES AND COVENANTS.**

Grantor hereby represents, warrants, and covenants that:

**3.1 Collateral.**

(i) A true and complete schedule setting forth all federal copyright registrations owned or controlled by Grantor or licensed to Grantor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule A;

(ii) A true and complete schedule setting forth all federal and state trademark registrations owned or controlled by Grantor or licensed to Grantor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule B;

(iii) A true and complete schedule setting forth all patent and patent applications owned or controlled by Grantor or licensed to Grantor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule C;

**3.2 Ownership; Right of Use.** Upon the recordation of the assignment and other instruments executed and delivered to Borrower by Seller in connection with the consummation of the Asset Purchase Agreement, Borrower will have ownership of record of the United States patents, copyrights, and trademarks identified in the Schedules attached hereto as currently owned of record by Seller, and will have the right to use the trademarks "Weslock" and "Sportlock" within the United States in connection with Borrower's products. Grantor is not presently aware of any claim by any third party that Grantor's use of any trademark on the attached Schedule B violates the rights of any third person;

**3.3 Title.** Grantor is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the copyrights, copyright registrations, patents, patent applications, trademarks, and trademark registrations, free and clear of any liens, charges, and encumbrances, including pledges, assignments, licenses, shop rights, and covenants by Grantor not to sue third persons;

**3.4 Notice.** Grantor has used and will continue to use proper statutory notice in connection with its use of each of the copyrights, patents and trademarks;

**3.5 Quality.** Grantor has used and will continue to use consistent standards of high quality (which may be consistent with Grantor's past practices) in the manufacture, design, sale, and lease of products and the delivery

of services under or in connection with the trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the trademarks;

**3.6 Perfection of Security Interest.** Except for the filing of a financing statement with the Secretary of State of California and filings with the United States Patent and Trademark Office and Copyright Office necessary to perfect the security interests created hereunder, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Grantor of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Grantor or for the perfection of or the exercise by Capital of its rights hereunder to the Collateral in the United States.

**4. AFTER-ACQUIRED COPYRIGHT, PATENT OR TRADEMARK RIGHTS.**

**4.1 After-Acquired Copyright, Patent or Trademark Rights.** If Grantor shall obtain rights to any new copyrights, trademarks, any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. Grantor shall give prompt notice in writing to Capital with respect to any such new copyrights, trademarks or patents, or renewal or extension of any trademark registration. Grantor shall bear any expenses incurred in connection with future copyright registrations, patent applications or trademark registrations.

**5. LITIGATION AND PROCEEDINGS.**

**5.1 Litigation and Proceedings.** Grantor shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings, or other action for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Grantor shall provide to Capital any information with respect thereto requested by Capital. Capital shall provide at Grantor's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Following Grantor's becoming aware thereof, Grantor shall notify Capital of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or any United States, state, or foreign court regarding Grantor's claim of ownership in any of the copyrights, patents or trademarks, its right to apply for the same, or its right to keep and maintain such copyright, patent or trademark rights.

**6. POWER OF ATTORNEY.**

**6.1 Power of Attorney.** Grantor grants Capital power of attorney, having the full authority, and in the place of Grantor and in the name of Grantor, from time to time following an Event of Default in Capital's discretion, to take any action and to execute any instrument which Capital may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, as may be subject to the provisions of this Agreement: to endorse Grantor's name on all applications, documents, papers, and instruments necessary for Capital to use or maintain the Collateral; to ask, demand, collect, sue for, recover, impound, receive, and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral; to file any claims or take any action or institute any proceedings that Capital may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce Capital's rights with respect to any of the Collateral and to assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person.

**7. RIGHT TO INSPECT.**

**7.1 Right to Inspect.** Grantor grants to Capital and its employees and agents the right to visit Grantor's plants and facilities which manufacture, inspect, or store products sold or leased under any of the copyrights, patents or trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours.



8. **EVENTS OF DEFAULT.**

Any of the following events shall be an Event of Default:

8.1 **Loan Agreement.** An Event of Default shall occur as defined in the Loan Agreement;

8.2 **Misrepresentation.** Any representation or warranty made herein by Grantor or in any document furnished to Capital by Grantor under this Agreement is incorrect in any material respect when made or when reaffirmed; and

8.3 **Breach.** Grantor fails to observe or perform any covenant, condition, or agreement to be observed or performed pursuant to the terms hereof which materially and adversely affects Capital.

9. **SPECIFIC REMEDIES.**

Upon the occurrence of any Event of Default, Capital shall have, in addition to, other rights given by law or in this Agreement, the Loan Agreement, or in any other Loan Document, all of the rights and remedies with respect to the Collateral of a secured party under the Code, including the following:

9.1 **Notification.** Capital may notify licensees to make royalty payments on license agreements directly to Capital;

9.2 **Sale.** Capital may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Capital deems advisable. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Grantor five (5) days prior to such disposition. Grantor shall be credited with the net proceeds of such sale only when they are actually received by Capital, and Grantor shall continue to be liable for any deficiency remaining after the Collateral is sold or collected. If the sale is to be a public sale, Capital shall also give notice of the time and place by publishing a notice one time at least five (5) days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held. To the maximum extent permitted by applicable law, Capital may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any collateral payable by Capital at such sale.

10. **CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.**

**10.1 CHOICE OF LAW AND VENUE. THE VALIDITY OF THIS AGREEMENT, ITS CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS PRINCIPLES. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA OR, AT THE SOLE OPTION OF Capital, IN ANY OTHER COURT IN WHICH Capital SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. EACH OF GRANTOR AND Capital WAIVES, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 10.**

**10.2 JURY TRIAL WAIVER.** GRANTOR AND Capital HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. GRANTOR AND Capital REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

**11. GENERAL PROVISIONS.**

**11.1 Effectiveness.** This Agreement shall be binding and deemed effective when executed by Grantor and Capital.

**11.2 Successors and Assigns.** This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, however, that Grantor may not assign this Agreement or any rights or duties hereunder without Capital's prior written consent and any prohibited assignment shall be absolutely void. Capital may assign this Agreement and its rights and duties hereunder and no consent or approval by Grantor is required in connection with any such assignment.

**11.3 Section Headings.** Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each section applies equally to this entire Agreement.

**11.4 Interpretation.** Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Capital or Grantor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.

**11.5 Severability of Provisions.** Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

**11.6 Amendments in Writing.** This Agreement can only be amended by a writing signed by both Capital and Grantor.

**11.7 Counterparts; Telefacsimile Execution.** This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of a manually executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver a manually executed counterpart of this Agreement but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

**11.8 Fees and Expenses.** Grantor shall pay to Capital on demand all costs and expenses that Capital pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement, and termination of this Agreement, including: (a) reasonable attorneys' and paralegals' fees and disbursements of counsel to Capital; (b) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien and title searches; (d) taxes, fees, and other charges for filing this Agreement at the United States Patent and Trademark Office, or for filing financing statements, and continuations, and other actions to perfect, protect, and continue the security interest created hereunder; (e) sums paid or incurred to pay any amount or take any action required of Grantor under this Agreement that Grantor fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) costs and expenses (including reasonable

attorneys' and paralegals' fees and disbursements) paid or incurred to enforce the security interest created hereunder, sell or otherwise realize upon the Collateral, and otherwise enforce the provisions of this Agreement, or to defend any claims made or threatened against Capital arising out of the transactions contemplated hereby (including preparations for the consultations concerning any such matters). The foregoing shall not be construed to limit any other provisions of this Agreement or the Loan Documents regarding costs and expenses to be paid by Grantor. The parties agree that reasonable attorneys' and paralegals' fees and costs incurred in enforcing any judgment are recoverable as a separate item in addition to fees and costs incurred in obtaining the judgment and that the recovery of such attorneys' and paralegals' fees and costs is intended to survive any judgment, and is not to be deemed merged into any judgment.


**11.9 Notices.** Except as otherwise provided herein, all notices, demands, and requests that either party is required or elects to give to the other shall be in writing and shall be governed by the provisions of Section 9.5 of the Loan Agreement.

**11.10 Integration.** This Agreement, together with the other Loan Documents, reflect the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

**CAPITAL:**

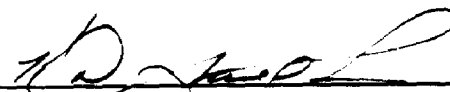
**CAPITAL BUSINESS CREDIT,  
a division of Capital Factors, Inc.,  
a Florida corporation**

By: 

Title: VICE PRESIDENT

**GRANTOR:**

**WESLOCK GROUP, L.L.C.,  
an Oklahoma limited liability company**

By: 

Title: PRESIDENT

By: Robert A. Powell

Title: Vice President

## List of Copyright Registrations

<i>Title</i>	<i>Record Owner</i>	<i>Reg. No.</i>	<i>Reg. Date</i>
<b>Instructions For Keying National Lock Door Hardware</b>	<b>Keycon Hardware Products, Inc.</b>	<b>TX 571-439</b>	<b>10/24/80</b>
<b>Unlock A House Full Of Business (Weslock Entry Handles &amp; Lock)</b>	<b>American Builders Hardware Corporation</b>	<b>VA 456-065</b>	<b>03/19/91</b>
<b>When We Say It'll Be There, You Can Believe It</b>	<b>American Builders Hardware Corporation</b>	<b>VA 456-066</b>	<b>03/19/91</b>
<b>Nalcor Wireless Burglar Alarms. Easy To Buy. Easy To Use. Easy To Sell</b>	<b>American Builders Hardware Corporation</b>	<b>VA 456-067</b>	<b>03/19/91</b>
<b>Wireless Home Security System</b>	<b>American Builders Hardware Corporation</b>	<b>VA 564-080</b>	<b>03/26/93</b>
<b>Sportslock Logo</b>	<b>Weslock National, Inc.</b>	<b>VA 680-769</b>	<b>10/20/94</b>
<b>Ornamental Knob Designs</b>	<b>American Builders Hardware Corporation</b>	<b>VA 252-185</b>	<b>04/13/93</b>

## List of Trademark Registrations/Applications

<i>Mark</i>	<i>Country</i>	<i>Reg. No/Apln No.</i>	<i>Filing Date</i>	<i>Reg. Date</i>	<i>Record Owner</i>
ARMORED DEADBOLT	U.S.	1,134,347	11/11/77	04/29/80	WNI*
BORDEAU	U.S.	Next Action	03/12/93	07/18/95	WNI
CHARLESTOWNE	U.S.	1,237,044	08/24/81	05/10/83	WNI
COUPLE-LOCK	U.S.	1,156,966	07/10/78	06/09/81	ABHC**
HERALD SQUARE	U.S.	1,895,881	04/06/94	05/30/95	WNI
MANSION	U.S.	1,887,727	03/30/92	04/04/95	WNI
NATIONAL LOCK	U.S.	885,825	10/18/68	02/10/70	WNI
NATIONAL LOCK	U.S.	886,168	10/18/68	02/17/70	WNI
"N" & design	Canada	289,828	07/29/83	04/13/84	ABHC
"N" & design	U.S.	751,919	01/29/62	07/02/63	ABHC
"N" & design	U.S.	842,195	10/14/66	01/09/68	ABHC
"N" & design	U.S.	1,292,209	06/16/83	08/28/84	ABHC
"N" & design	U.S.	1,321,761	08/22/83	02/26/85	ABHC
"N"	U.S.	1,372,110	07/07/83	11/26/85	ABHC
PLANTATION	U.S.	1,929,227	03/21/94	10/24/95	WNI
SONIC	U.S.	694,888	07/27/59	03/22/60	WNI
SPORTSLOCK	Canada	817,004	07/04/96	Pending	WNI
SPORTSLOCK	U.S.	2,014,008	05/07/92	11/05/96	WNI
SPORTSLOCK & design	U.S.	1,941,115	01/10/95	12/12/95	WNI
TOWNHOUSE	U.S.	1,930,771	03/21/94	10/31/95	WNI
TWINGARD	U.S.	1,091,248	11/02/76	05/16/78	WNI
WESLOCK	Canada	188,800	04/19/72	02/23/73	WC***

\* Weslock National, Inc., an Oklahoma corporation

\*\* American Builders Hardware Corporation

\*\*\* Weslock Corporation

\*\*\*\* Our records do not reflect the filing date of this registration.

<i>Mark</i>	<i>Country</i>	<i>Reg. No/Apln No.</i>	<i>Filing Date</i>	<i>Reg. Date</i>	<i>Record Owner</i>
<b>WESLOCK</b>	<b>Dominican Republic</b>	<b>36,555</b>	<b>****</b>	<b>12/30/83</b>	<b>WC</b>
<b>WESLOCK</b>	<b>Mexico</b>	<b>324537</b>	<b>12/19/85</b>	<b>04/23/87</b>	<b>WC</b>
<b>WESLOCK &amp; design</b>	<b>U.S.</b>	<b>695,622</b>	<b>05/05/59</b>	<b>04/05/60</b>	<b>WNI</b>
<b>WESLOCK</b>	<b>U.S.</b>	<b>1,919,246</b>	<b>07/18/94</b>	<b>09/19/95</b>	<b>WNI</b>
<b>WN WESLOCK NATIONAL &amp; design</b>	<b>U.S.</b>	<b>1,921,469</b>	<b>02/08/94</b>	<b>09/26/95</b>	<b>WNI</b>

\*\*\*\* Our records do not reflect the filing date of this registration.

## Schedule C

## List of Patents

<i>Title</i>	<i>Country</i>	<i>Patent No.</i>	<i>Filing Date</i>	<i>Issue Date</i>	<i>Record Owner</i>
<b>RE-KEYABLE CYLINDER LOCK</b>	U.S.	4,912,953	09/29/88	04/03/90	Weslock National, Inc.
<b>HIGH SECURITY CYLINDRICAL BORED LOCK</b>	U.S.	4,345,449	12/17/79	08/24/82	Weslock National, Inc.
<b>LATCHING DEVICE WITH ADJUSTABLE BACK SET</b>	U.S.	4,602,490	04/26/85	07/29/86	Weslock National, Inc.
<b>DEADBOLT ASSEMBLY HAVING SELECTABLE BACKSET DISTANCE</b>	U.S.	4,593,542	07/29/83	06/10/86	Weslock National, Inc.
<b>LATCH ASSEMBLY HAVING SELECTABLE BACKSET DISTANCE</b>	U.S.	4,564,229	04/18/83	01/14/86	Weslock National, Inc.
<b>DEADBOLT ASSEMBLY HAVING SELECTABLE BACKSET DISTANCE</b>	U.S.	4,656,849	12/05/85	04/14/87	Weslock National, Inc.
<b>LATCHING DEVICE WITH ADJUSTABLE BACKSET</b>	Canada	1,248,995	12/18/85	01/17/89	Amerock Corporation
<b>DISPLAY SIGN STRIP</b>	U.S.	Des. 273,204	09/18/81	03/27/84	Weslock National, Inc.

Dated: 11 04/97  
tds/doc 223372