

05-23-2000

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027



U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

101364236

5-8-00

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment
- License
- Security Agreement
- Nunc Pro Tunc Assignment
- Merger
- Change of Name
- Other

Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year

Formerly

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other
- Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

FOR OFFICE USE ONLY

90E

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practices. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 002079 FRAME: 0488

FORM PTO-1618B
Expires 06/30/99
OMB 0661-0027

Page 2

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2295321"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0899445"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2175135"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment: Enclosed Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Robert F. Zielinski

Name of Person Signing

Signature

4-26-2000

Date Signed

**SECURITY AGREEMENT - PATENTS,
TRADEMARKS, LICENSES AND COPYRIGHTS**

THIS SECURITY AGREEMENT is made effective as of the 21st day of January, 2000 by and among **CP (DELAWARE), INC.** ("Debtor") and **WILMINGTON TRUST OF PENNSYLVANIA** ("Debtor").

BACKGROUND

A. Pursuant to that certain Loan Agreement dated of even date herewith by and among Secured Party, The Conard-Pyle Company, Inc. ("CP") and Debtor (such Loan Agreement, as heretofore or hereafter amended, modified or restated, being referred to herein as the "**Loan Agreement**"), Secured Party agreed to extend to Debtor and CP credit facilities.

B. The Loan Agreement provides, *inter alia*, that Debtor will grant to Secured Party a security interest in all of Debtor's assets, including, without limitation, its patents, patent rights, patent applications, servicemarks, trademarks, tradenames, goodwill, copyrights and licenses.

NOW THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor agrees as follows:

1. **Incorporation of Loan Agreement.** The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement. All obligations of Debtor and/or CP to Secured Party, whether now or hereafter owing or existing, including without limitation all obligations hereunder, under the Loan Agreement, the Loan Documents and the Notes, and the payment, performance and discharge of all other obligations or undertakings now or hereafter made by or for the benefit of Debtor and/or CP to or for the benefit of Secured Party, under this Agreement or under any other agreement, promissory note or undertaking now existing or hereafter entered into by Debtor with or to Secured Party, including any guaranty or surety obligations of Debtor owed to Secured Party, and the undertakings of Debtor to immediately pay to Secured Party the amount of any overdraft on any deposit account maintained with Secured Party, are sometimes hereinafter referred to collectively as the "**Lender Indebtedness**".

2. **Security Interest.** To secure the complete and timely payment and satisfaction of all Lender Indebtedness, Debtor hereby mortgages and pledges to Secured Party, and grants to Secured Party a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale, to the extent permitted by law, all of such Debtor's right, title and interest in and to all of its now owned or existing and filed and hereafter acquired or arising and filed (collectively the "**Collateral**"):

2.1 patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on **Exhibit "A"**, attached hereto and made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and

hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a)-(d), are sometimes hereinafter individually and/or collectively referred to as the "**Patents**");

2.2 servicemarks, trademarks, servicemark and trademark registrations and applications, and tradenames, including, without limitation, the registrations and applications listed on Exhibit "B", attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing servicemarks, trademarks, service mark and trademark registrations and applications, and tradenames together with the items described in clauses (a)-(d), are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**");

2.3 copyrights, copyright registrations, copyright applications and all computer programs, operating systems, application systems, hardware or software of any nature whatsoever owned by Debtor, whether operational, under development or inactive, including all object codes, source codes, modules, technical manuals, user manuals, operating instructions and procedures, in-put and out-put formats, program listings, narrative descriptions, program flow charts, file layouts, report layouts, screen layouts and other documentation therefor (including internal notes, memoranda, status evaluations, marketing information and write-ups), and all improvements, modifications, enhancements, new releases and revisions thereof, whether in machine-readable form, programming language or any other language or symbols, and whether stored, encoded, recorded or written on disk, tape, film, memory device, paper or other media of any nature; together with all tangible media upon which any of the foregoing are recorded or encoded, including, without limitation, all chips, disks, tapes, film and paper; including, without limitation, the copyright registrations and applications listed on Exhibit "C" attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, and (c) the right to sue for past, present and future infringements thereof (all of the foregoing items are sometimes referred to herein collectively as the "**Copyrights**"); and

2.4 license agreements with any other party, whether Debtor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Exhibit "D" attached hereto and made a part hereof, and the right to prepare for sale, sell and advertise for sale all inventory now or hereafter owned by Debtor and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to collectively as the "**Licenses**"); and

2.5 the goodwill of Debtor's business connected with and symbolized by the Trademarks.

3. Restrictions on Future Agreements. Debtor agrees that until all Lender Indebtedness shall have been satisfied in full and Secured Party shall have no commitment or obligation to extend any Lender Indebtedness to Debtor, Debtor will not, without Secured Party's prior written consent, enter into any agreement (including, without limitation, any license or royalty agreement) which is

inconsistent with Debtor's obligations under this Assignment or which is prohibited under the terms of the Loan Agreement, and Debtor further agrees that it will not take any action, or permit any action to be taken by others, subject to its control, including licensees, or fail to take any action, which would affect the validity or enforcement of the rights of Secured Party under this Assignment.

4. **New Patents, Trademarks, Copyrights and Licenses.** Debtor represents and warrants that the Patents, Trademarks, Copyrights and Licenses listed on **Exhibits "A", "B", "C" and "D"**, respectively, constitute all of the patents, trademark registrations and applications, copyright registrations and applications and licenses (other than standard form licenses for commercially available software) now owned by Debtor. If, before all Lender Indebtedness shall have been satisfied in full and the Loan Agreement shall have been terminated, Debtor shall (i) obtain rights to any new patentable inventions, trademarks, trademark registrations, tradenames, copyrights or licenses, or (ii) become entitled to the benefit of any patent or patent application, trademark, trademark registration or application, copyright or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of **Section 1** above shall automatically apply thereto and Debtor shall give to Secured Party prompt written notice thereof. Debtor hereby authorizes Secured Party to modify this Assignment by amending **Exhibit "A", "B", "C" and/or "D"**, as applicable, to include any future patents, patent applications, trademarks, trademark registrations, trademark applications, tradenames, copyrights and licenses which are Patents, Trademarks, Copyrights or Licenses, as applicable, under **Section 2** above or under this **Section 4**.

5. **Royalties; Term.** Debtor hereby agrees that the Collateral expressly includes the worldwide use of the Patents, Trademarks, Copyrights and Licenses. The term of the security interest granted herein shall extend until the date on which all Lender Indebtedness has been paid in full and the Loan Agreement is terminated.

6. **Secured Party's Right to Inspect.** Secured Party shall have the right, upon reasonable notice to Debtor and during normal business hours from time to time, to inspect Debtor's premises and to examine Debtor's books, records and operations, including, without limitation, Debtor's quality control processes. Debtor agrees that Secured Party, or a conservator appointed by Secured Party, shall, at any time following the occurrence of an Event of Default under the Loan Agreement, have the right to establish such additional reasonable product quality controls as Secured Party, or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Debtor under the Trademarks. Debtor agrees (i) not to sell or assign its interest in, or grant any license under, the Patents, Trademarks, Copyrights or Licenses, without the prior written consent of Secured Party; (ii) except as permitted under the Loan Agreement, to maintain the quality of any and all products in connection with which the Trademarks and/or the Copyrights are used, consistent with quality of said products as of the date hereof and in accordance with past operating practices; (iii) except as permitted under the Loan Agreement, not to adversely change the quality of said products without Secured Party's express written consent; and (iv) to provide Secured Party, upon request, with a certificate of an officer of Debtor certifying Debtor's compliance with the foregoing.

7. **Duties of Debtor.** Debtor shall have the duty, except as otherwise provided in the Loan Agreement, (i) to prosecute diligently any patent, trademark and copyright application pending as of the date hereof or thereafter until all Lender Indebtedness shall have been paid in full and the

Loan Agreement is terminated, (ii) to make application on unpatented but patentable inventions and on trademarks and copyrights, as appropriate, and (iii) to preserve and maintain all rights in patent applications and patents of the Patents, in trademark applications, trademarks and trademark registrations of the Trademarks and in copyright applications and copyrights of the Copyrights. Any expenses incurred in connection with such applications shall be borne by Debtor. Debtor shall not abandon any right to file a patent, trademark or copyright application, or any pending patent, trademark or copyright application, or any Patent, Trademark or Copyright other than in the ordinary course of business consistent with Borrower's reasonable business judgment, without the consent of Secured Party, which consent shall not be unreasonably withheld.

8. **Secured Party's Right to Sue.** Secured Party shall have the right, following the occurrence of an Event of Default, but shall in no way be obligated, to bring suit in its own name or in Debtor's name to enforce the Licenses, Patents, Copyrights and/or Trademarks, and any licenses thereunder, and, if Secured Party shall commence any such suit, Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement and Debtor shall promptly, upon demand, reimburse and indemnify Secured Party for all costs and expenses incurred by Secured Party in the exercise of its rights under this **Section 9.**

9. **Waivers.** No course of dealing between Debtor and Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of Secured Party, any right, power or privilege hereunder or under the Loan Agreement 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.

10. **Severability.** The provisions of this Security Agreement are severable, and if any clause or provision shall be 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 Security Agreement in any jurisdiction.

11. **Modification.** This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in **Section 4** hereof or by a writing signed by the parties hereto.

12. **Cumulative Remedies; Power of Attorney; Effect on Guaranty.** All of Secured Party's rights and remedies with respect to the Patents, Trademarks, Copyrights and Licenses, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Debtor hereby authorizes Secured Party to make, constitute and appoint any officer or agent of Secured Party as Secured Party may select, in its sole discretion, as Debtor's true and lawful attorney-in-fact, with power following the occurrence of the Event of Default to (i) endorse Debtor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the use by Secured Party or its successors or assigns of the Patents, Trademarks, Copyrights and/or Licenses, or (ii) take any other actions with respect to the Patents, Trademarks, Copyrights and/or Licenses as the Secured Party reasonably deems in the best interest of the Secured Party, (iii) grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the

Patents, Trademarks, Copyrights and/or Licenses to anyone, including Secured Party. Secured Party may act under such power of attorney to take the actions referenced in **Section 4** hereof. Secured Party hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all Bank Indebtedness shall have been paid in full and the Loan Agreement shall have been terminated. Debtor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Secured Party under the Loan Documents or any of the other Loan Documents defined in the Loan Agreement but rather is intended to facilitate the exercise of such rights and remedies given it by the terms of this Security Agreement, all rights and remedies allowed by 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, Copyrights or Licenses may be located. Without limiting any other rights or remedies available to Secured Party, Debtor hereby authorizes Secured Party, at anytime following the occurrence of an Event of Default, to record in any and all applicable offices the Assignment of Patents, Trademarks, Licenses and Copyrights executed of even date by Debtor as assignor in favor of Secured Party as assignee. No such Assignment shall be effective until the occurrence of an Event Default.

13. Binding Effect; Benefits. Security Agreement shall be binding upon the Debtor and its successors and assigns, and shall inure to the benefit of Secured Party, its nominees, successors and assigns.

14. Governing Law. This Security Agreement has been made, executed and delivered in the Commonwealth of Pennsylvania and will be construed in accordance with and governed by the laws of such Commonwealth.

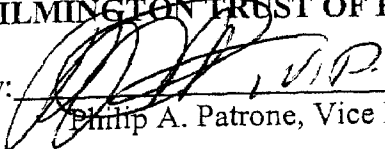
15. Inconsistency. In the event of any inconsistency between the terms of this Security Agreement and the terms of the Loan Agreement, the terms of the Loan Agreement shall prevail.

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

CP (DELAWARE), INC.

By: 
David F. Watkins, Secretary/Treasurer


WILMINGTON TRUST OF PENNSYLVANIA

By: 
Philip A. Patrone, Vice President

ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA :
 : SS:
COUNTY OF *Montgomery* :

On this 21st day of January, 2000, before me, a Notary Public, personally appeared David F. Watkins, who acknowledged himself to be the duly elected Secretary/Treasurer CP Delaware, Inc. and that he as such officer, being duly authorized to do so, executed the foregoing Security Agreement for the purposes therein contained by signing his/her name as such officer on behalf of the Debtor.



Notary Public
My Commission Expires:

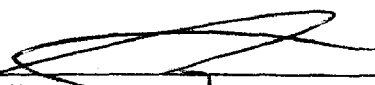
NOTARIAL SEAL
ANTHONY S. FRANZONI, Notary Public
Whitpain Twp., Montgomery County
My Commission Expires Jan. 29, 2003

ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA :

COUNTY OF Montgomery : ss:
:

On this 2nd day of January, 2000, before me, a Notary Public, personally appeared Philip A. Patrone, who acknowledged himself to be a duly elected Vice President of Wilmington Trust of Pennsylvania, a Pennsylvania State Chartered Bank, and that he as such officer, being duly authorized to do so, executed the foregoing Security Agreement for the purposes therein contained by signing his name as such officer on behalf of the Secured Party.



Notary Public
My Commission Expires:

NOTARIAL SEAL
ANTHONY S. FRANZONI, Notary Public
Whitpain Twp., Montgomery County
My Commission Expires Jan. 29, 2003

EXHIBIT "A"
TO
SECURITY AGREEMENT
PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS

PATENTS

NONE

MAD

EXHIBIT "B"
TO
SECURITY AGREEMENT
PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS

REGISTRATIONS

Trademark	Registration Date	Registration Number
STAR	November 30, 1999	2295321
STAR	September 29, 1970	0899445
SUNBLAZE	July 21, 1998	2175135

EXHIBIT "C"
TO
SECURITY AGREEMENT
PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS

COPYRIGHTS

NONE

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EXHIBIT "D"
TO
SECURITY AGREEMENT
PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS

LICENSES

NONE

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RECORDED: 05/08/2000

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