

08-17-2001

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings



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ET U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): Precision CertiPro Warehouse, Inc. 9-10-01
Individual(s) Association General Partnership Limited Partnership Corporation-State Virginia Other
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies) Name: PNC Bank Internal Address: Street Address: 1600 Market Street City: Phila. State: PA Zip: 19103
Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Other National Banking Association
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: July 31, 2001

4. Application number(s) or registration number(s): A. Trademark Application No.(s) B. Trademark Registration No.(s) 2,361,019-2,361,018; 2,144,362; 2,165,003; Additional number(s) attached Yes No 2,070,761

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Christopher M. Turk Internal Address: BLANK ROME COMISKY & MCCAULEY, LLP Street Address: One Logan Square City: Phila. State: PA Zip: 19103

6. Total number of applications and registrations involved: 5
7. Total fee (37 CFR 3.41): \$ 140.00 Enclosed Authorized to be charged to deposit account
8. Deposit account number: (Attach duplicate copy of this page if paying by deposit account)

06/17/2001 TBIAZI 00000028 2361018 40.00 EP 100.00 EP

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. Christopher M. Turk, Esquire Signature Date August 10, 2001
Name of Person Signing Signature Date
Total number of pages including cover sheet, attachments, and document: 13

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 002350 FRAME: 0541

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

This Patents, Trademarks, Copyrights, and Licenses Security Agreement (“Agreement”) is made as of the 31st day of July, 2001, by Precision CertiPro Warehouse, Inc. (“Company”), a corporation organized under the laws of the State of Virginia, with its chief executive office located at 4264 A Entre Court, Chantilly, VA 20151-2105, and delivered to PNC BANK, NATIONAL ASSOCIATION, in its capacity as Agent for Lenders (“Agent”), having a mailing address at 1600 Market Street, Philadelphia, PA 19103.

BACKGROUND

A. This Agreement is being executed contemporaneously with that certain Revolving Credit and Security Agreement of even date herewith by and among Company, Agent and such other financial institutions a party thereto as a Lender (as may hereafter be supplemented, restated, amended, superseded or replaced from time to time, the “Loan Agreement”), under which Company is granting Agent, a lien on and security interest in all of the assets of Company associated with or relating to products leased or sold or services provided under Company’s patents, trademarks (and the goodwill associated therewith) and copyrights, and under which Agent is entitled to foreclose or otherwise deal with such assets, patents, patents, patent rights, patent applications, goodwill, trademarks, trademark applications, service marks, service mark applications, trade names, copyrights, and copyright applications under the terms and conditions set forth therein. Capitalized terms not defined herein shall have the meanings given to such terms in the Loan Agreement.

B. Company has adopted, used and is using (or has filed applications and/or registrations of) the patents, patent rights, and patent applications (collectively, the “Patents”); trademarks, service marks, trade names, and service trade names (collectively, “Trademarks”); copyrights, and copyright applications and licenses (collectively, the “Copyrights”); and goodwill associated thereto (“Goodwill”) listed on **Schedule A** attached hereto and made part hereof (all such Patents, Trademarks, Copyrights or Goodwill hereinafter referred to as the “Assets”).

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

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

1. In consideration of and pursuant to the terms of the Loan Agreement and all other instruments, agreements and documents entered into in connection therewith (collectively, the "Loan Documents"), and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the Obligations, Company grants a lien and security interest to Agent in all of its present and future right, title and interest in and to the Assets, together with all the goodwill of Company associated with and represented by the Assets, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. Company hereby covenants and agrees to maintain the Assets in full force and effect until all Obligations are indefeasibly paid and satisfied in full and the Loan Agreement is terminated.

3. Company represents, warrants and covenants that:

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

(b) Each of the Assets is valid and enforceable;

(c) Company is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Assets, and each of the Assets is free and clear of any liens, claims, charges and encumbrances, including, without limitation, pledges, assignments, licenses and covenants by Company not to sue third persons;

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

(e) Company has complied in all material respects with, and will continue for the duration of this Agreement to comply in all material respects with, the requirements set forth in 15 U.S.C. §§1051-1127, 17 U.S.C. §101, et seq., 35 U.S.C. §101 et seq. and any other applicable statutes, rules and regulations in connection with its use of the Assets; and

(f) Each of the Assets listed on **Schedule A** constitute all of the Assets, and all applications for any of the foregoing, now owned by Company. If, before all Obligations shall have been indefeasibly paid and satisfied in full and the Loan Agreement shall have been terminated, Company shall (i) obtain rights to any new patentable inventions, trademarks, trademark registrations, trade names, or copyrights or licenses, or (ii) become entitled to the benefit of any patent or trademark application, trademark, trademark registration, copyright or copyright registration or application 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 this Agreement shall automatically apply thereto and such patent or trademark application, trademark, trademark registration, copyright or copyright registration or application 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 shall be deemed part of the Assets. Company shall give Agent prompt written notice thereof along with an amended **Schedule A**.

4. Company further covenants that until all Obligations have been indefeasibly paid and satisfied in full and the Loan Agreement is terminated, it will not enter into any agreement, including without limitation, license agreements or options, which is inconsistent with Company's obligations under this Agreement, except for agency, co-marketing and co-branding agreements.

5. So long as an Event of Default or Default has not occurred under the Loan Agreement, Company shall continue to have the exclusive right to use the Assets and Agent shall have no right to use the Assets or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Assets to anyone else.

6. Company agrees not to sell, license, grant any option, assign or further encumber its rights and interest in the Assets without prior written consent of Agent.

7. If and while an Event of Default exists under the Loan Agreement, Company hereby covenants and agrees that Agent, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the State of New York, may take such action permitted under the Loan Documents and permitted by law, in its exclusive discretion, to foreclose upon the Assets covered hereby. Company hereby authorizes and empowers Agent, its successors and assigns, and any officer or agent of Agent as Agent may select, in its exclusive discretion, as Company's true and lawful attorney-in-fact, with the power to endorse Company's name on all applications, assignments, documents, papers and instruments necessary for Agent, to use the Assets or to grant or issue any exclusive or non-exclusive license under the Assets to anyone else, or necessary for Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Assets to anyone else including, without limitation, the power to execute a trademark assignment in the form attached hereto as **Exhibit 1**. Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms hereof, except for the gross negligence or wilful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Agreement, the Loan Documents, and until all Obligations are indefeasibly paid and satisfied in full and the Loan Agreement is terminated.

8. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Loan Agreement and may not be modified without the written consent of the parties hereto.

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

10. Upon Company's performance of all of the obligations under the Loan Documents and full and unconditional satisfaction of all Obligations, Agent shall execute and deliver to Company all documents reasonably necessary to terminate Agent's security interest in the Assets.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Agent in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the

payment or discharge of any taxes, reasonable counsel fees, maintenance fees, or costs otherwise incurred in protecting, maintaining, preserving the Assets, or in defending or prosecuting any actions or proceedings arising out of or related to the Assets, or defending, protecting or enforcing Agent's rights hereunder, in each case in accordance with the terms of this Agreement, shall be borne and paid by Company on demand by Agent and until so paid shall be added to the principal amount of Obligations and shall bear interest at the otherwise applicable rate of interest prescribed in the Loan Agreement.

12. Subject to the terms of the Loan Agreement, Company shall have the duty to prosecute diligently any trademark application with respect to the Assets pending as of the date of this Agreement or thereafter, until all Obligations shall have been indefeasibly paid and satisfied in full and the Loan Agreement is terminated, to preserve and maintain all rights in the Assets, and upon request of Agent, Company shall make federal application on registrable but unregistered patents, trademarks, copyrights or licenses belonging to Company. Any expenses incurred in connection with such applications shall be borne by Company. Company shall not abandon any Patent, Trademark or Copyright without the prior written consent of Agent.

13. Company shall have the right to bring suit in its own name to enforce the Assets, in which event Agent may, if Company reasonably deems it necessary, be joined as a nominal party to such suit if Agent shall have been satisfied, in its sole discretion, that Agent is not thereby incurring any risk of liability because of such joinder. Company shall promptly, upon demand, reimburse and indemnify Agent for all damages, reasonable costs and expenses, including reasonable attorneys' fees, incurred by Agent in the fulfillment of the provisions of this paragraph.

14. During the existence of an Event of Default under the Loan Agreement, Agent may, without any obligation to do so, complete any obligation of Company hereunder, in Company's name or in Agent's name, but at Company's expense, and Company hereby agrees to reimburse Agent in full for all costs and expenses, including reasonable attorneys' fees, incurred by Agent in protecting, defending and maintaining the Assets.

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

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

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

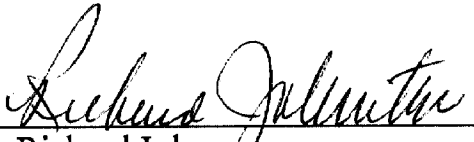
18. This Agreement shall be governed by and construed in conformity with the laws of the State of New York without regard to its otherwise applicable principles of conflicts of laws.

19. Company and Agent each waive any and all rights it may have to a jury trial in connection with any litigation, proceeding or counterclaim arising with respect to rights and obligations of the parties hereto or under the Loan Documents.

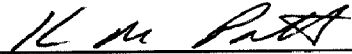
[SIGNATURES TO PATENT, TRADEMARKS, COPYRIGHTS
AND LICENSES SECURITY AGREEMENT ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Patents, Trademarks, Licenses and Copyrights Security Agreement the day and year first above written.

PRECISION CERTIPRO WAREHOUSE, INC.

By: 
Name: Richard Johnston
Title: President - COO

Approved and Accepted:
PNC BANK, NATIONAL ASSOCIATION

By: 
Name: Kevin M. Patton
Title: Vice President

[SIGNATURE PAGE TO PATENT, TRADEMARKS,
COPYRIGHTS AND LICENSES SECURITY AGREEMENT]

SCHEDULE A

Trademark	Serial Number	Registration Number	Registration Date	Owner
HYDROTECH	75277222	2361019	6/27/00	Precision CertiPro Warehouse, Inc.
HYDROTECH	75277221	2361018	6/27/00	Precision CertiPro Warehouse, Inc.
PRECISION CERTIPRO WAREHOUSE	75223078	2144362	3/17/98	Precision CertiPro Warehouse, Inc.
PRECISION ALTERNATOR & STARTER	75056482	2165003	6/16/98	Precision CertiPro Warehouse, Inc.
PRECISION CERTIPRO WAREHOUSE	75030674	2070761	6/10/97	Precision CertiPro Warehouse, Inc.

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
COMMONWEALTH OF PENNSYLVANIA : SS
COUNTY OF Philadelphia :

On this 3rd day of July, 2001, before me personally appeared Kevin M. Patton to me known and being duly sworn, deposes and says that he is Vice President of PNC Bank, National Association, the Agent described in the foregoing Agreement; that he signed the Agreement as such officer pursuant to the authority vested in him by law; that the within Agreement is the voluntary act of such corporation; and he desires the same to be recorded as such.

Margaret A. McCluskey
Notary Public

My Commission Expires:

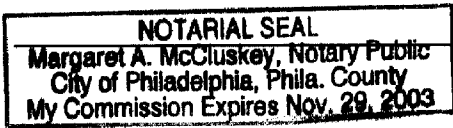


EXHIBIT 1

PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS ASSIGNMENT

(Trademarks)

WHEREAS, Precision CertiPro Warehouse, Inc., a corporation organized under the laws of the State of Virginia ("Grantor") is the registered owner of the United States trademarks, service marks, trade names, service mark applications and trademark applications listed on **Schedule A** attached hereto and made a part hereof ("Assets"), which are registered in the United States Patent and Trademark Office; and

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

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, subject to the terms of the Patents, Trademarks, Licenses and Copyrights Security Agreement, of even date herewith, between Grantor and Grantee, all of its present and future right, title and interest in and to the Assets and all proceeds thereof and all goodwill associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Patents, Trademarks, Licenses and Copyrights Assignment to be executed as of the ____ day of _____.

PRECISION CERTIPRO WAREHOUSE, INC.

By: _____
Attorney-in-fact

Witness:

EXHIBIT 1

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF : S.S.
COUNTY OF :

On this ____ day of _____ 20__, before me, a Notary Public for the said County and State, personally appeared _____ known to me or satisfactorily proven to me to be attorney-in-fact on behalf of _____, and s/he acknowledged to me that s/he executed the foregoing Patents, Trademarks, Licenses, and Copyrights Assignment on behalf of Grantor, and as the act and deed of Grantor for the purposes therein contained.

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

Notary Public

My Commission Expires:

POWER OF ATTORNEY

PRECISION CERTIPRO WAREHOUSE, INC., a corporation organized under the laws of the State of Virginia ("Grantor"), hereby authorizes PNC BANK, NATIONAL ASSOCIATION, its successors and assigns, and any officer or agent thereof (collectively, the "Grantee") as Grantor's true and lawful attorney-in-fact, with the power to endorse Grantor's name on all applications, assignments, documents, papers and instruments necessary for Grantee to enforce and effectuate its rights under a certain Patents, Trademarks, Licenses and Copyrights Security Agreement between Grantor and Grantee dated the date hereof (as it may hereafter be supplemented, restated, superseded, amended or replaced, the "Agreement"), including, without limitation, the power to use the Assets (as defined in the Agreement) and listed on Schedule A attached hereto and made a part hereof, to grant or issue any exclusive or nonexclusive license under the Assets to anyone else, or to assign, pledge, convey or otherwise transfer title in or dispose of the Assets, in each case subject to the terms of the Agreement.

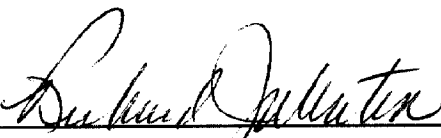
This Power of Attorney is given and any action taken pursuant hereto is intended to be so given or taken pursuant to and subject to the provisions of a certain Loan and Security Agreement bearing even date herewith among Grantor and certain other parties as Companys and Grantee, as each document may be hereinafter supplemented, restated, superseded, amended or replaced.

Grantor hereby unconditionally ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms of the Agreement.

This Power of Attorney shall be irrevocable for the life of the Agreement.

IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney, under seal, this 3rd day of July, 2001.

PRECISION CERTIPRO WAREHOUSE,
INC.

By: 
Name: Richard Johnston
Title: President - COO

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
COMMONWEALTH OF PENNSYLVANIA : SS
COUNTY OF ~~NEW YORK~~ *Philadelphia* :

On this 3rd of July, 2001, before me personally appeared Richard Johnston, to me known and being duly sworn, deposes and says that he is President - COO of Precision CertiPro Warehouse, Inc., the Grantor described in the foregoing Power of Attorney; that he signed the Power of Attorney thereto as such officer pursuant to the authority vested in him by law; that the within Power of Attorney is the voluntary act of such corporation; and he desires the same to be recorded as such.

Margaret A. McCluskey

Notary Public

My Commission Expires:

NOTARIAL SEAL
Margaret A. McCluskey, Notary Public
City of Philadelphia, Phila. County
My Commission Expires Nov. 29, 2003