

05-21-2002

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Form PTO-1594

(Rev. 03/01)

OMB No. 0651-0027 (exp. 5/31/2002)

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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 Products Group, Inc.

5.10.02

- Individual(s)
- General Partnership
- Corporation-State
- Other _____
- Association
- Limited Partnership

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

Execution Date: 04/16/2002

2. Name and address of receiving party(ies)

Name: American National Bank and Trust Company of Chicago

Internal

Address: Attn: Mr. James G. Cygan

Street Address: 120 South LaSalle Street

City: Chicago State: IL Zip: 60603

- Individual(s) citizenship _____
- Association Bank
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- 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

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

A. Trademark Application No.(s) _____
See Attachment

B. Trademark Registration No.(s) _____
See Attachment

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: FAGELHABER LLC

Internal Address: Attn: Clinton P. Hansen, Esq.

Street Address: 55 E. Monroe Street, 40th FLR

City: Chicago State: IL Zip: 60603

6. Total number of applications and registrations involved: _____

10

7. Total fee (37 CFR 3.41).....\$ 265

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: _____

DO NOT USE THIS SPACE

9. Signature.

Clinton P. Hansen, Attorney and Agent

Name of Person Signing

of American National Bank

Signature

April 29, 2002

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

05/20/2002 DBTRNE 0000096 7597036

01 FC:481
02 FC:482

40.00 DP
225.00 DP

TRADEMARK
REEL: 002510 FRAME: 0415

ATTACHMENT
TO
SECTION 4 OF
RECORDATION FORM COVER SHEET
Form PTO-1594

Trademarks and Trademark Registrations

Section 4.A. Trademark Application No.(s):

1. Trademark Application Serial No. 75/907,056 dated January 28, 2000 for the Phrase "Where Great Ideas Take Shape";
2. Trademark Application Serial No. 75/894,741 dated January 12, 2000 for the Phrase "Michigan Spring & Stamping".

Section 4.B. Trademark Registration No.(s):

1. Trademark No. 772,202 for the Mark Paramount, registered June 30, 1964; renewed February 2, 1984;
2. Trademark No. 2,415,324 for the Mark "Peak Seam" registered December 26, 2000;
3. Trademark No. 2,392,527 for the Mark "Multitubes" registered on October 10, 2000;
4. Trademark No. 1301675 for the Mark Paratherm, registered October 23, 1984;
5. Trademark No. 1301676 for the Mark Para-Quin registered October 23, 1984;
6. Trademark No. 1301677 for the Mark Para-Quin F registered October 23, 1984;
7. Trademark No. 968,095 for the Mark Trans-Pak registered September 11, 1973; renewed September 11, 1993;
8. Trademark No. 817,653 for Timms Spring Six-Arm Cross Logo registered November 1, 1966; renewed November 1, 1986;

COLLATERAL ASSIGNMENT OF INTELLECTUAL PROPERTY

This Collateral Assignment of Intellectual Property (this "Assignment") is made and entered into as of April 16, 2002, by and between American National Bank and Trust Company of Chicago, a national banking association (the "Bank"), and Precision Products Group, Inc., a Delaware corporation ("Borrower").

W I T N E S S E T H:

WHEREAS, contemporaneously herewith, the Bank is providing certain extensions of credit, loans and other financial accommodations (the "Financial Accommodations") to Borrower pursuant to that certain Loan and Security Agreement of even date herewith by and between the Bank and Borrower (as amended or restated from time to time, the "Loan Agreement") and the "Other Agreements" (as defined in the Loan Agreement) (the Loan Agreement, together with the Other Agreements are collectively the "Loan Documents");

WHEREAS, pursuant to the Loan Documents, Borrower granted to the Bank a first position priority security interest and lien in and to all of Borrower's assets, including, without limitation, all patents, trademarks, trademark registrations, trade names, copyrights, all applications therefor and all other intellectual or proprietary rights or interests, of any kind, nature or description whatsoever; and

WHEREAS, the Bank is willing to provide the Financial Accommodations to Borrower, provided, among other things, Borrower executes and delivers this Assignment to the Bank.

NOW, THEREFORE, in consideration of the Financial Accommodations, the mutual promises and understandings of Borrower and the Bank set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower covenants unto and agrees with the Bank as follows:

1. **Incorporation of Loan Agreement.** The Loan Documents and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms in this Agreement, including the Exhibits, which have an initial capital letter where not required by the rules of grammar, and which are not otherwise defined herein, are used herein as defined in the Loan Agreement.

2. **Collateral Assignment of Intellectual Property.** To secure the full and timely payment and performance of all of Borrower's Liabilities, Borrower hereby grants and conveys to the Bank a first position priority security interest and lien in and to all of Borrower's right, title and interest in and to all of its now owned or existing and hereafter acquired or arising (collectively the "Intellectual Property Collateral"):

A. (i) trademarks, trademark registrations and applications therefor, including, without limitation, the trademarks, trademark registrations and applications listed on Exhibit "A", (ii) renewals thereof, (iii) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iv) the right to sue for past, present and future infringements thereof, and (v) all rights corresponding thereto throughout the world (collectively the "Trademarks");

B. (i) patents, patent registrations and applications therefor, including, without limitation, the inventions and improvements claimed in connection therewith, and the patents, patent registrations and the applications listed on Exhibit "B", (ii) renewals, reissues, divisions, continuations, extensions and continuations-in-part thereof, (iii) all income, royalties, damages and payments now or hereafter due or payable under or with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iv) the right to sue for past, present and future infringements thereof; and (v) all rights corresponding thereto throughout the world (collectively the "Patents");

C. (i) all copyrights and applications for registration, including, without limitation, the copyrights and applications for registration listed on Exhibit "C", (ii) renewals thereof, (iii) all income, royalties, damages and payments now and hereafter due or payable under or with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iv) the right to sue for past, present and future infringements thereof, and (v) all rights corresponding thereto throughout the world (collectively the "Copyrights");

D. all license agreements for Trademarks, Patents and Copyrights, whether Borrower is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Exhibit "D", and the right to prepare for sale, sell and advertise for sale all "Inventory" as defined in the Loan Agreement now or hereafter owned by Borrower and now or hereafter covered by such licenses (collectively the "Licenses"); and

E. the goodwill of Borrower's business connected with and symbolized by the Trademarks, Patents, Copyrights and Licenses.

This Assignment is made for collateral purposes only. Borrower acknowledges and agrees that upon the occurrence and continuance of an Event of Default, and upon written notice to Borrower, the Intellectual Property Collateral shall be immediately conveyed to the Bank without any further action by any party, and the Bank shall have the power to use and/or sell the Intellectual Property Collateral. Borrower covenants and agrees to execute and deliver to the Bank all agreements, instruments, documents and other written matter that the Bank may request, in form and substance acceptable to the Bank, to perfect and maintain perfected the Bank's security interest and lien in and to the Intellectual Property Collateral and to consummate the transactions contemplated by this Paragraph 2.

3. Restrictions on Future Agreements.

A. Borrower agrees that until the Liabilities shall have been indefeasibly paid and satisfied in full and the Loan Documents have been terminated, Borrower will not, without the Bank's prior written consent, enter into any document, instrument or agreement, which is inconsistent with Borrower's obligations under this Assignment. Borrower further agrees that it will not take any action, or permit any action to be taken by others subject to their control, including licensees, or fail to take any action, which would affect the validity or enforcement of the rights transferred to the Bank under this Assignment.

B. Borrower hereby represents and warrants to the Bank that Borrower has not granted any license to any Person in connection with any of the Intellectual Property Collateral. Borrower hereby covenants unto the Bank that until the Liabilities shall have been indefeasibly paid and satisfied in full and the Loan Documents have been terminated, Borrower shall not grant any license to any third party in connection with the Intellectual Property Collateral, without the Bank's prior written consent, which shall not be unreasonably withheld.

4. **New Trademarks, Patents, Copyrights and Licenses.** Borrower represents and warrants that the Trademarks, Patents, Copyrights and Licenses listed on Exhibits "A", "B", "C" and "D" respectively constitute all of the trademarks, trademark registrations, patents, patent registrations, copyrights, applications therefor and licenses now owned by Borrower, which Exhibits are true and correct in all material respects. If, prior to payment of the Liabilities in full, Borrower shall (i) obtain rights to any new trademarks, trademark registrations, trademark applications, patents, patent registrations, patent applications, copyrights, application for copyright registration or licenses, or (ii) become entitled to the benefit of any trademark, trademark registration, trademark application, copyright, application for copyright registration or license renewal, the provisions of Paragraph 2 above shall automatically apply thereto and Borrower shall provide the Bank with immediate notice thereof. Borrower hereby authorizes the Bank to modify this Assignment by amending Exhibits "A", "B", "C" and "D" to include any future trademarks, trademark registrations, trademark applications, patents, patent registrations, patent applications, copyrights, applications for copyright registration and licenses.

5. **Royalties; Terms.** Borrower hereby agrees that the use by the Bank of all Intellectual Property Collateral after an Event of Default as described above shall be without any liability for royalties or other related charges from the Bank to Borrower. The term of the assignments granted herein shall extend until the earlier of (i) the expiration of each of the respective Trademarks, Patents, Copyrights and Licenses assigned hereunder, or (ii) the payment to the Bank of the Liabilities in full and the termination of the Loan Documents.

6. **The Bank's Right to Inspect.** The Bank shall have the right to inspect Borrower's premises and to examine Borrower's books, records and operations, including, without limitation, Borrower's quality control processes. Upon an Event of Default, Borrower agrees that the Bank shall have the right to establish such additional product quality controls as the Bank, acting in good faith and exercising its reasonable commercial judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower under the Trademarks, Patents, Copyrights or Licenses. Borrower agrees (i) not to sell or assign its interest in, or grant any licenses under, the Trademarks, Patents, Copyrights or Licenses; (ii) to maintain the quality of any and all products produced in connection with the Intellectual Property Collateral consistent with the quality of its reasonable commercial judgment; and (iii) not to materially adversely change or alter the quality of said products in any way without the Bank's prior written consent, which consent shall not be unreasonably withheld.

7. **Nature and Termination of the Bank's Security Interest.** This Assignment is made for collateral purposes only. Except as otherwise provided in Paragraphs 3, 6, 8 and 13 hereof, nothing contained herein shall be deemed to limit in any way Borrower's right to use the Trademarks, Patents, Copyrights or Licenses or to grant to the Bank any right to use the Trademarks, Patents, Copyrights or Licenses prior to an Event of Default.

8. **Duties of Borrower.** Borrower shall have the duty (i) to prosecute diligently any material trademark, patent and copyright registration pending as of the date hereof or at any time hereafter, until the Liabilities shall have been paid in full, (ii) to make applications for trademarks, patents and copyrights, as commercially reasonable, and (iii) to preserve and maintain all Intellectual Property Collateral to the extent commercially reasonable. Any expenses incurred in connection with such applications shall be borne by Borrower. Borrower shall not abandon any Intellectual Property Collateral, without the consent of the Bank, which shall not be unreasonably withheld.

9. **The Bank's Right to Sue.** Upon an Event of Default, the Bank shall have the right, but shall in no way be obligated, to bring suit in its own name or in the name of Borrower to enforce the Trademarks, Patents, Copyrights and Licenses. If the Bank shall commence any such suit, Borrower shall, at the request of the Bank, do any and all acts and execute any and all instruments, documents and agreements required by the Bank to enforce such Intellectual Property Collateral, and Borrower shall promptly, upon demand, reimburse and indemnify the Bank for all costs and expenses incurred by the Bank in the exercise of its rights and remedies under this Paragraph 9.

10. **Waivers.** The Bank's failure at any time or times hereafter to require strict performance by Borrower of any provision of this Assignment shall not waive, affect or diminish any right of the Bank thereafter to demand strict compliance and performance therewith. Any suspension or waiver by the Bank of an Event of Default shall not suspend, waive or affect any other Event of Default, whether same is prior or subsequent thereto and whether of the same or a different type. None of the undertakings, agreements, warranties, covenants and representations of Borrower contained in this Assignment and no Event of Default by Borrower shall be deemed to have been suspended or waived by the Bank unless such suspension or waiver is in writing signed by an officer of the Bank and directed to Borrower specifying such suspension or waiver.

11. **Severability.** The provisions of this Assignment 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 Assignment in any jurisdiction.

12. **Modification.** This Assignment cannot be altered, amended or modified in any way, except as specifically provided in Paragraph 4 hereof or by a writing signed by the parties hereto.

13. **Cumulative Remedies; Power of Attorney; Effect on Loan Agreement.** All of the Bank's rights and remedies with respect to the Intellectual Property Collateral, whether established hereby, by the Loan Documents, by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Borrower hereby authorizes the Bank to make, constitute and appoint any officer or agent of the Bank as the Bank may select, in its sole discretion, as Borrower's true and lawful attorney-in-fact, with power, upon an Event of Default and commencement by the Bank of any of its rights and remedies whatsoever, whether pursuant to this Assignment, the Loan Documents, at law, in equity or otherwise, to (a) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for the Bank in connection with selling the Intellectual Property Collateral, (b) take any other actions with respect to the Intellectual Property Collateral as the Bank decides in its sole and absolute discretion, (c) assign, pledge, sell, convey or otherwise transfer title in or dispose of the Intellectual Property Collateral to any person or entity as the Bank may determine in its discretion, and (d) grant or issue any non-exclusive license under the Intellectual Property Collateral, to any person or entity. Borrower agrees to indemnify the Bank for any infringement claims or other similar claims filed or asserted against the Bank from the use of any of the Intellectual Property Collateral except where such claims arise solely from the Bank's gross negligence or willful misconduct. Borrower 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 the Liabilities shall have been paid in full and all financing arrangements between Borrower and the Bank have been terminated. Borrower acknowledges and agrees that this Assignment is not intended to limit or restrict in any way the rights and remedies of the Bank under the Loan Documents, at law or in equity, but rather is in addition to and intended to facilitate the exercise of such rights and remedies.

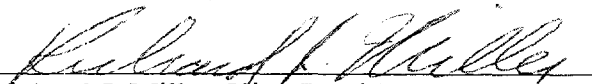
14. **Binding Effect; Benefits.** This Assignment shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of the Bank, its nominees, successors and assigns.

15. **Notice.** Any and all notices, exercises, demands, requests, consents, designations, waivers and other communications required or desired hereunder shall be delivered to the parties hereto at their addresses set forth in the Loan Agreement and shall be effective as set forth in the Loan Agreement.

16. **Governing Law.** This Assignment shall be deemed to have been executed and delivered in Chicago, Illinois, and shall be governed by and construed in accordance with the internal laws (as opposed to conflicts of law provisions) of the State of Illinois.

IN WITNESS WHEREOF, Borrower's duly authorized officers have executed this Assignment as of the date first set forth above.

PRECISION PRODUCTS GROUP, INC., a
Delaware corporation

By: 
Richard J. Miller, Vice-President, Treasurer
and Chief Financial Officer

ACCEPTANCE

The undersigned, American National Bank and Trust Company of Chicago, accepts the foregoing Collateral Assignment of Intellectual Property.

AMERICAN NATIONAL BANK AND TRUST
COMPANY OF CHICAGO, a national
banking association

By: James G. Lyman
Name: JAMES G. LYMAN
Title: VICE PRESIDENT

SCHEDULE A

**TO
COLLATERAL ASSIGNMENT OF
INTELLECTUAL PROPERTY**

Trademarks and Trademark Registrations

Registered Trademarks:

- Trademark No. 772,202 for the Mark Paramount, registered June 30, 1964; renewed February 2, 1984.
- Trademark No. 2,415,324 for the Mark "Peak Seam" registered December 26, 2000.
- Trademark No. 2,392,527 for the Mark "Multitubes" registered on October 10, 2000.
- Trademark No. 1301675 for the Mark Paratherm, registered October 23, 1984.
- Trademark No. 1301676 for the Mark Para-Quin registered October 23, 1984.
- Trademark No. 1301677 for the Mark Para-Quin F registered October 23, 1984.
- Trademark No. 968,095 for the Mark Trans-Pak registered September 11, 1973; renewed September 11, 1993.
- Trademark No. 817,653 for Timms Spring Six-Arm Cross Logo registered November 1, 1966; renewed November 1, 1986.

Trademark Applications:

- Trademark Application Serial No. 75/907,056 dated January 28, 2000 for the Phrase "Where Great Ideas Take Shape".
- Trademark Application Serial No. 75/894,741 dated January 12, 2000 for the Phrase "Michigan Spring & Stamping".

SCHEDULE B

TO COLLATERAL ASSIGNMENT OF INTELLECTUAL PROPERTY

Patents and Patent Registrations

Registered Patents:

- Patent Number 4,828,235 for Torsion Spring Assembly. Issued May 9, 1989.
- Patent Number 5,368,283 for Torsion Spring Assembly with Interlocking Bushings issued November 29, 1994.
- Patent Number 5,306,086 for Spring Assembly with Interconnecting Annular Plates issued April 26, 1994.
- Patent Number 5,558,195 for Substantially Rectangular Cross Section Transmission Spring issued September 24, 1996.
- Japan Patent Serial No. 06-511147 for Spring Assembly with Interconnecting Annular Plates filed October 21, 1993.
- European Patent (Designating UK & Germany) Application Serial No. 94 900 363.6 filed October 21, 1993; granted UK Patent No. 0 665 929 on April 22, 1998 and DE Patent No. 69318173 on May 28, 1998 for Spring Assembly with Interconnecting Annular Plates.
- Patent Number 6,006,449 for Footwear having Spring Assemblies in the Soles thereof issued December 28, 1999.
- European (designating 19 countries in Europe) Patent Application Serial No. 99906691.3 dated January 28, 1999 based on International Application No. PCT/US99/01950 for Footwear having Spring Assemblies in the Soles thereof.
- Patent Number 6,220,586 for "Multiple Torsion Spring and Method of Use" issued April 24, 2001.
- Patent Number 6,264,183 for "Methods of Manufacturing Coils and Apparatus for Same" issued July 24, 2001.
- Patent Number 4,899,327 awarded to Exacto Spring on December 26, 1989. Limited rights assigned to Michigan Spring & Stamping on June 30, 2000.

Patent Applications:

- US Patent Application Serial Numbers 09/834,405, 09/798645, and 09/934,136 for "Methods of Manufacturing Coils and Apparatus for Same". Allowed; Patent Number has not yet been assigned.
- US Patent Application Serial Number 09/992622 filed on November 19, 2001 for "Method of Manufacturing an Elongated Paper Tube"
- Canadian Patent Application No. 2,145,764 for Spring Assembly with Interconnecting Annular Plates filed October 21, 1993.
- Canadian Patent Application Serial No. 2,319,022 based on International Application No. PCT/US99/01950 filed on January 28, 1999 for Footwear having Spring Assemblies in the Soles thereof.

SCHEDULE C

**TO
COLLATERAL ASSIGNMENT OF
INTELLECTUAL PROPERTY**

Copyrights and Copyright Applications

None.

SCHEDULE D

**TO
COLLATERAL ASSIGNMENT OF
INTELLECTUAL PROPERTY**

License Agreements

None.