

07-16-2002



102157675

OFFICE OF...
702 JUL 17 2002
FINANCE SECTION

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 7.11.02

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
Effective Date
Month Day Year

Merger

Change of Name

Other Intellectual Property Security Agreement and Collateral Assignment

Conveying Party

Mark if additional names of conveying parties attached

Name HP PELZER (AUTOMOTIVE SYSTEMS), INC. Execution Date
Month Day Year
 06212002

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization Michigan

Receiving Party

Mark if additional names of receiving parties attached

Name GMAC BUSINESS CREDIT LLC

DBA/AKA/TA

Composed of

Address (line 1) 3000 TOWN CENTER

Address (line 2) SUITE 280

Address (line 3) SOUTHFIELD MI 48075
City State/Country Zip Code

Individual General Partnership Limited Partnership Corporation Association

Other LIMITED LIABILITY COMPANY

Citizenship/State of Incorporation/Organization Delaware

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

07/15/2002 6T0H11 00000121 76383647
01 FC:481 40.00 OP

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 Practice. 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

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)

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.

VERONICA CRABTREE

Veronica Crabtree

July 10, 2002

Name of Person Signing

Signature

Date Signed

**INTELLECTUAL PROPERTY SECURITY
AGREEMENT AND COLLATERAL ASSIGNMENT**

GMAC BUSINESS CREDIT, LLC, 3000 Town Center, Suite 280, Southfield, Michigan 48075 ("Lender") and **HP PELZER (AUTOMOTIVE SYSTEMS), INC.**, with a principal place of business at 1175 Crooks Road, Troy, Michigan 48084 ("Borrower") enter into this Intellectual Property Security Agreement and Collateral Assignment (the "Agreement") as of June 21, 2002.

Borrower has entered into a Loan and Security Agreement (the "Loan Agreement") with Lender under which Lender has agreed to make certain loans available to Borrower. The Lender is willing to make such loans under the Loan Agreement upon the condition, among others, that Borrower execute and deliver this Agreement.

In consideration of the above and of the mutual covenants in this Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **Incorporation of Loan Agreement.** The Loan Agreement (and all agreements referred to or incorporated in the Loan Agreement) is incorporated by this reference. All capitalized terms, not otherwise defined in this Agreement, shall have the meanings ascribed to them in the Loan Agreement.

2. **Collateral Assignment of Trademarks, Copyrights and Patents.** To secure the prompt payment and performance of all of Borrower's present and future indebtedness and Obligations to Lender (collectively, the "Debt"), Borrower hereby grants to Lender a continuing security interest in, and, subject to Section 4 hereof, shall assign, transfer, and convey to the Lender as security for repayment of the Obligations, all of Borrower's right, title and interest, in the United States and throughout the world, in, to, and under the following to the extent assignable (all of which are collectively referred to the "Collateral") whether now existing or hereafter created or acquired, such assignment being subject to Borrower's continuing right (until a "Triggering Event," as defined below, and thereafter until Lender exercises any rights inconsistent with such continuing right) to use, exploit, transfer or abandon any rights to the following items it owns prior to execution of this Agreement or hereafter acquires, limited only by specific restrictions agreed upon herein:

(a) all United States and foreign trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, trademark registrations and applications for registration, now owned or hereafter acquired by Borrower (including, without limitation, those listed on Schedule 1 attached hereto and made a part hereof) and all licenses thereof, together with the goodwill of the business connected with the use of, and symbolized by, the foregoing, and (a) the registration renewals thereof, (b) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future

infringements thereof, and (c) all rights corresponding thereto throughout the world, (all of the foregoing sometimes hereinafter individually or collectively referred to as the "Trademarks");

(b) all United States and foreign copyrights, registered or unregistered, in and to all copyrightable works including all registrations and applications therefor and all licenses thereof and (a) any renewals or extensions of the registrations therefor that may be secured under the laws or hereafter in effect in the United States or any other country or countries, (b) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, and (c) all rights corresponding thereto throughout the world (sometimes individually or collectively referred to as the "Copyrights");

(c) all United States and foreign patents and patent applications, now owned or hereafter acquired by Borrower, including, without limitation, the inventions and improvements described and claimed therein, and those patents and patent applications listed on Schedule 1 attached hereto and made a part hereof, all licenses thereof and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, and (c) all rights corresponding thereto throughout the world (all of the foregoing being sometimes hereinafter individually or collectively referred to as the "Patents"); and

(d) all other intellectual property rights, now owned or hereafter acquired by Borrower, including, without limitation, the intellectual property listed on Schedule 1, including, without limitation, trade secrets, know-how and confidential business information, computer software, computer programs, source code, data and documentation (including electronic media) and licenses thereof, and (a) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, and (b) all rights corresponding thereto throughout the world (the rights in Patents, Trademarks, Copyrights and those described in this subsection (d) being collectively referred to as "Intellectual Property Rights").

3. **Continuing Liability.** Borrower expressly agrees that, notwithstanding anything to the contrary in this Agreement, it shall remain liable under each license, interest and obligation assigned to the Lender under this Agreement to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with and pursuant to the terms and provisions applicable to Borrower and shall retain the right to sue and recover for past, present and future infringements thereof. The Lender shall have no obligation or liability under any such license, interest or obligation by reason of or arising out of this Agreement or the assignment thereof to the Lender or the receipt by the Lender of any payment relating to any such license, interest or obligation pursuant hereto, nor shall the Lender be required or obligated in any manner to perform or fulfill any

of the obligations of Borrower thereunder or pursuant thereto, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any such license, interest or obligation, or to present or file any claim, or to take any action to collect or enforce any performance of the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

4. **Effect of Collateral Assignment and Remedies.** Borrower agrees that upon the occurrence of an Event of Default (but only after expiration of any applicable grace or cure periods without cure being made (such event of default and expiration of cure period without cure being made being called a "Triggering Event") under the Loan Agreement, the Lender, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Borrower or any other person (all and each of which demands, advertisements or notices are hereby expressly waived), may forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, or may forthwith sell, lease, assign, give option or options to purchase, or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more public or private sale or sales, at any exchange, broker's board or at any of the Lender's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk, and the Lender shall apply the net proceeds (after expenses) of any such sale, lease, assignment or other disposition against the Obligations in such order as the Lender in its sole discretion shall determine, Borrower remaining liable for any deficiency therein. The Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Borrower, which right or equity is hereby expressly waived and released. To the extent permitted by applicable law, Borrower waives all the claims, damages and demand against the Lender arising out of the repossession, retention or sale of the Collateral. Borrower agrees that the Lender need not give more than twenty-one days' notice of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matter.

5. **Refiling.** If, before the Debt is paid in full, Borrower obtains any rights in or to any new or additional Intellectual Property Rights, the provisions of this Agreement shall apply thereto and Lender is hereby authorized to but need not amend Schedule 1 and refile this Agreement as appropriate.

6. **Power of Attorney.** Borrower hereby authorizes the Lender to make, constitute and appoint any officer or agent of the Lender as the Lender may select, in the Lender's sole discretion, as Borrower's true and lawful attorney-in-fact, with power (i) to endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for the Lender in the perfection of a security interest in the Collateral, (ii) from and after the occurrence of any Triggering Event in accordance with this Agreement and applicable law, to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue of this Assignment. This power of attorney shall be irrevocable until all of the Debt has been paid in full and all of the financing arrangements between

Borrower and the Lender have been terminated and Lender has no further obligation to make loans to Borrower.

7. **Specific Performance; Injunctive Relief.** Borrower agrees that, in addition to all other rights and remedies granted to Lender in this Agreement, the Loan Agreement and any other collateral security document, Lender shall be entitled, following a Triggering Event, to obtain specific performance of this Agreement, and to seek injunctive and other equitable relief, and Borrower further agrees to waive any requirement for the securing or posting of any bond or other security in connection with the obtaining of any such specific performance and injunctive or other equitable relief which is granted.

8. **Grant of License to Use Intangibles.** In addition to and for the purpose of enabling the Lender to exercise rights and remedies under Sections 4 and 5 hereof, Borrower shall permit Lender reasonable access during normal business hours, upon reasonable notice, to all media in which any of the Collateral may be recorded or stored and to all computer programs used for the compilation or printout thereof. In addition, upon occurrence of a Triggering Event, Lender, and its assigns, shall have a non-exclusive license throughout the world in all Trademarks, Patents, Copyrights, and Intellectual Property Rights for the manufacture, sale and distribution of inventory or other goods of Borrower and for the sale and use of any assets of Borrower in which Lender has a security interest (whether now or in the future.)

9. **Representation and Warranties.** Borrower represents and warrants that Schedule 1 contains a complete and correct list of all the trademark registrations and trademark applications, copyright registrations and copyright applications and patents and patent applications, respectively, if any, pending with the U.S. Patent and Trademark Office or the Library of Congress, and either owned by Borrower or for which an obligation to assign the rights to such application, issued Patent, or Copyright or Trademark Registration exists in favor of Borrower. The transactions contemplated by this Agreement will have no adverse effect on any of Borrower's rights in and to the Collateral. Borrower has taken all action it deems necessary or desirable to protect the Collateral, except as it now or hereafter elects to abandon, transfer rights in, or otherwise not pursue protection for the same. Borrower further agrees that it will at its expense, at the Lender's request, defend the Lender's and Borrower's respective interests in the Collateral from any and all claims and demands of any other person (unless Borrower determines it is not necessary or desirable to protect the Collateral involved) prior to the occurrence of a Triggering Event. Nothing contained in this Agreement shall affect Borrower's right to grant non-exclusive licenses to third parties to use any portion of the Collateral.

10. **Restrictions on Future Agreements.** Borrower agrees that until all of the Obligations have been satisfied in full and the Loan Agreement has been terminated and Lender has no further obligation to make loans to Borrower, it will not, without Lender's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is an exclusive license of, or sells all of Borrower's Intellectual Property Rights in any invention, work of authorship or other subject of such protection (excluding inventory).

11. **Covenants Regarding Collateral.**

(a) Except as set forth in Schedule 1, Borrower shall notify the Lender reasonably promptly if it knows, or has reason to know, that any application or registration relating to any of the Collateral may become abandoned or dedicated, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding Borrower's ownership of any of the Collateral, its right to register the same, or to keep and maintain the same, except for such abandonment, determination or dedication which is permitted herein.

(b) In the event that any of the Collateral is infringed, misappropriated or diluted by a third party, Borrower shall be entitled to take, or decline to take any action which, in its sole discretion, it deems appropriate under the circumstances, which may include suit for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution to protect such Collateral. Borrower is not required to take any action in such circumstances, but will promptly notify Lender if it chooses not to take any such action. Lender is not entitled to take or pursue any such claim or action for the above events or circumstances prior to a Triggering Event.

(c) At its option, following a Triggering Event, Lender may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral. Borrower agrees to reimburse Lender on demand for any payment reasonably made and any expense incurred by Lender pursuant to the foregoing authorization. Subject to Lender's rights under the Loan Agreement, until an acceleration of the loans, Borrower may have possession of the Collateral and use it in any lawful manner not inconsistent with this Agreement.

12. **Notice.** All notices or other communications hereunder shall be given in the manner and to the addresses determined under the Loan Agreement.

13. **Severability.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14. **No Waiver; Cumulative Remedies.** The Lender shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by the Lender, and then only to the extent therein set forth. A waiver by the Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Lender would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising on the part of the Lender any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive

RESPECT OR RELINQUISHED BY EITHER THE LENDER OR THE BORROWER
EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY BOTH OF THEM.

HP PELZER (AUTOMOTIVE SYSTEMS), INC.,
a Michigan corporation

By: _____


David Greeneisen, President

By: _____


Jon Anderson, Secretary and Treasurer

GMAC BUSINESS CREDIT, LLC

By: _____


Name: Charles D. Stephenson

Title: Senior Vice President

Schedule 1
Patents, Trademarks and Copyrights, etc.

U.S. Patent Number 6,197,403 B1

U.S. trademark application Number 76-383-647 for the mark VEGROSOFT (typed word) used with needled non-woven carpet for automotive interior applications.

DET_C476793.3