

10-13-02

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings		<b>12-17-2002</b> 		U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office	
To the Honorable Commissioner of F		<b>102311504</b>		riginal documents or copy thereof.	
<b>1. Name of conveying party(ies):</b> Paige Electric Company, L.P. Paige Electric Corporation  <input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State <input type="checkbox"/> Other: _____  Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<b>2. Name and address of receiving party(ies)</b> Name: <u>Sovereign Bank</u> Internal Address: <u>Suite 406</u>  Street Address: <u>100 Menlow Park</u> City: <u>Edison</u> State: <u>NJ</u> Zip: <u>08837</u>  <input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input type="checkbox"/> Corporation-State _____ <input checked="" type="checkbox"/> Other: <u>Thrift</u> <small>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Designations must be a separate document from assignment)          Additional name(s) &amp; address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</small>		
<b>3. Nature of conveyance:</b> <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other: _____ Execution Date: <u>12/11/02</u>					
<b>4. Application number(s) or registration number(s):</b> A. Trademark Application No.(s)			B. Trademark Registration No.(s) <u>2047613, 2077183, and 116533</u>  Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>5. Name and address of party to whom correspondence concerning document should be mailed:</b> Name: <u>Carol A. Rader, Paralegal</u> Internal Address: _____ <u>Wolf, Block, Schorr &amp; Solis-Cohen, LLP</u> <u>1650 Arch Street</u> Street Address: _____  <u>Philadelphia</u> State: <u>NJ</u> Zip: <u>19103</u>			<b>6. Total number of applications and registrations involved:</b> <span style="border: 1px solid black; padding: 2px;">3</span>		
			<b>7. Total fee (37 CFR 3.41):</b> \$ <u>90.00</u> <input checked="" type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to be charged to deposit account		
			<b>8. Deposit account number:</b> <u>0 FEE OK</u> <small>(Attach duplicate copy of this page if paying by deposit account)</small>		
<b>DO NOT USE THIS SPACE</b>					
<b>9. Statement and signature.</b> <i>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.</i>  <u>Rebecca Green, Esquire</u> <u>Rebecca Green</u> <u>12/13/02</u> Name of Person Signing      Signature      Date					

Total number of pages including cover sheet, attachments, and document:     
Mail documents to be recorded with required cover sheet information to:  
 Commissioner of Patent & Trademarks, Box Assignments  
 Washington, D.C. 20231

# INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Security Agreement") is made effective as of the 11th day of December, 2002 by and between PAIGE ELECTRIC COMPANY, L.P. ("Borrower"), PAIGE ELECTRIC CORPORATION ("PEC" and together with Borrower, collectively, the "Assignors" and each an "Assignor") and SOVEREIGN BANK ("Bank").

## BACKGROUND

A. In accordance with the terms of that certain Loan and Security Agreement of even date herewith among Assignors and Bank (as the same may be amended, modified, supplemented, extended and/or renewed, the "Loan Agreement"), Bank has agreed to extend to Borrower a revolving line of credit in an aggregate amount of up to Seventeen Million Five Hundred Thousand Dollars (\$17,500,000.00).

B. In connection with the Loan Agreement, Borrower has agreed to grant to Bank a security interest in all of Borrower's assets, including, without limitation, its patents, patent rights, patent applications, servicemarks, trademarks, service trademark applications, service tradenames, goodwill, copyrights and licenses and that PEC has agreed to grant to Bank a security interest in its PEC's patents, patent rights, patent applications, servicemarks, trademarks, service trademark applications, service 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, Assignors agree 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.

2. **Security Interest.**

(a) **Security Interest in Patents, Copyrights and Licenses.** To secure the complete and timely payment and satisfaction of all Obligations, each Assignor hereby collaterally assigns, mortgages, pledges and grants to Bank 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 each Assignor's right, title and interest in and to all of the following, whether now owned or existing and filed or hereafter acquired or arising and filed (collectively, with items named in **Section 2(b)** below, the "Collateral"):

(i) 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**");

(ii) copyrights, copyright registrations, copyright applications and all computer programs, operating systems, application systems, hardware or software of any nature whatsoever owned by such Assignor, 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 copyrights, copyrights registrations and copyrights 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, 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

(iii) license agreements with any other party, whether Assignor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on **Exhibit "C"** 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 such Assignor and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to collectively as the "**Licenses**").

(b) **Security Interest in Trademarks.** To secure the complete and timely payment and satisfaction of all Obligations, each Assignor hereby mortgages, pledges and grants to Bank 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 Assignor's right, title and interest in and to all of the following, whether now owned or existing and filed or hereafter acquired or arising and filed: servicemarks, trademarks, servicemark and trademark registrations, tradenames, trademark applications, and all goodwill attendant thereto, including, without limitation, the servicemarks, trademarks and applications listed on **Exhibit "D"**, attached hereto and made a part hereof, and (i) all renewals thereof, (ii) 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, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing servicemarks, trademarks, servicemark and trademark registrations, servicemark and tradenames and applications together with the items described in clauses (i)-(iv), are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**").

3. **Restrictions on Future Agreements.** Each Assignor agrees that until all Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated, such Assignor will not, without Bank's prior written consent, enter into any agreement (including, without

limitation, any license or royalty agreement) which is inconsistent with such Assignor's obligations under this Security Agreement or the Loan Agreement and each Assignor 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 Bank under this Security Agreement.

4. **New Patents, Trademarks, and Licenses.** Each Assignor represents and warrants that the Patents, Copyrights, Licenses and Trademarks listed on **Exhibits "A", "B", "C" and "D"**, respectively, constitute all of the patents, trademarks, copyrights, applications and licenses, now owned by such Assignor. If, before all Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated, either Assignor shall (a) obtain rights to any new patentable inventions, trademarks, trademark registrations, tradenames, copyrights or licenses, or (b) become entitled to the benefit of any patent or trademark or copyright application, trademark, trademark registration, 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 2** above shall automatically apply thereto and such Assignor shall give to Bank prompt written notice thereof. Each Assignor hereby authorizes Bank to modify this Security Agreement 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 **Paragraph 4**. Each Assignor hereby agrees to provide to Bank such assignment or other documentation as Bank may request to record Bank's lien on such future Patents, Trademarks, Copyrights or Licenses.

5. **Royalties; Term.** Each Assignor hereby agrees that the use by Bank of all Patents, Trademarks, Copyrights and Licenses as described herein shall be worldwide and without any liability for royalties or other related charges from Bank to such Assignor. The term of the security interest granted herein shall extend until the earlier of (a) the expiration of each of the respective Patents, Trademarks, Copyrights and Licenses assigned hereunder, or (b) the date on which all Obligations have been paid in full and the Loan Agreement is terminated.

6. **Bank's Right to Inspect.** Bank shall have the right, at any time and from time to time, to inspect each Assignor's premises and to examine each Assignor's books, records and operations, including, without limitation, each Assignor's quality control processes. Each Assignor agrees that Bank, or a conservator appointed by Bank, shall have the right to establish such additional reasonable product quality controls as Bank, or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by such Assignor under the Trademarks. Each Assignor agrees (a) 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 Bank; (b) to maintain the quality of any and all products in connection with which the Trademarks and/or Copyrights are used, consistent with quality of said products as of the date hereof; (c) not to adversely change the quality of said products without Bank's express written consent; and (d) to provide Bank, upon request, with a certificate of an officer of such Assignor certifying such Assignor's compliance with the foregoing.

7. **Termination.** This Security Agreement is made for collateral purposes only. Upon payment in full of all Obligations and termination of the Loan Agreement, Bank shall execute and deliver to Assignors a termination of Bank's security interest granted herein and all deeds, assignments and other instruments as may be necessary or proper to re-vest in Assignors full title to

the Patents, Trademarks, Copyrights and Licenses, subject to any disposition thereof which may have been made by Bank pursuant hereto.

8. **Duties of Assignor.** Each Assignor shall have the duty (a) to prosecute diligently any patent, trademark and copyright application pending as of the date hereof or thereafter until all Obligations shall have been paid in full and the Loan Agreement is terminated, (b) to make application on unpatented but patentable inventions and on trademarks and copyrights, as appropriate, and (c) 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 Assignors. Assignors will not abandon any right to file a patent, trademark or copyright application, or any pending patent, trademark or copyright application or any Patent, Trademark, License or Copyright without the prior consent of the Bank.

9. **Event of Default.** Upon the occurrence of an Event of Default, Bank may, without further notice to or consent of Assignors, and in addition to all other rights and remedies available to Bank, immediately record all assignments previously executed and delivered to Bank by each Assignor and/or execute and record with all applicable offices (including, without limitation, the Patent and Trademark Office) an absolute assignment to Bank by each Assignor of all rights, title and interest of such Assignor, in and to the Collateral. Each Assignor hereby authorizes and agrees that Bank may, through the power of attorney granted in **Section 14** hereof, irrevocably execute and deliver in such Assignor's name any and all such assignments and agreements and to take any and all other actions in such Assignor's name as Bank shall deem reasonable or appropriate to transfer and convey all right, title and interest of such Assignor in and to the Collateral to Bank or any other person or entity selected by Bank.

10. **Bank's Right to Sue.** Bank shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Licenses, Patents, Copyrights and/or Trademarks, and any licenses thereunder, and, if Bank shall commence any such suit, each Assignor shall, at the request of Bank, do any and all lawful acts and execute any and all proper documents required by Bank in aid of such enforcement and each Assignor shall promptly, upon demand, reimburse and indemnify Bank for all costs and expenses incurred by Bank in the exercise of its rights under this **Section 10**.

11. **Waivers.** No course of dealing between either Assignor and Bank, nor any failure to exercise, nor any delay in exercising, on the part of Bank, 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.

12. **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.

13. **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.

14. **Cumulative Remedies; Power of Attorney; Effect on Loan Agreement.** All of Bank'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. Each Assignor hereby authorizes Bank to make, constitute and appoint any officer or agent of Bank as Bank may select, in its sole discretion, as such Assignor's true and lawful attorney-in-fact, with power to (a) endorse such Assignor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Bank to protect, evidence or perfect its security interest in the Patents, Trademarks, Copyrights and Licenses, (b) upon the occurrence and during the continuance of an Event of Default, endorse such Assignor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Bank to enforce its security interest in the Patents, Trademarks, Copyrights and Licenses, (c) upon the occurrence and during the continuance of an Event of Default, take any other actions with respect to the Patents, Trademarks, Copyrights and/or Licenses as the Bank reasonably deems in the best interest of the Bank, (d) upon the occurrence and during the continuance of an Event of Default, grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to anyone, including Bank, and/or (e) upon the occurrence and during the continuance of an Event of Default, assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks, Copyrights or Licenses to anyone, including Bank. Bank may also act under such power of attorney to take the actions referenced in **Section 4**. Bank 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 Obligations shall have been paid in full and the Loan Agreement shall have been terminated. Each Assignor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Bank under 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.

15. **Binding Effect; Benefits.** This Security Agreement shall be binding upon the Assignors and their successors and assigns, and shall inure to the benefit of Bank, its nominees, successors and assigns.

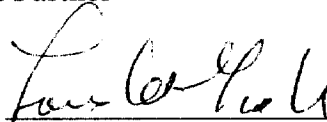
16. **Governing Law.** This Security Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

**[SIGNATURES ON FOLLOWING PAGE]**

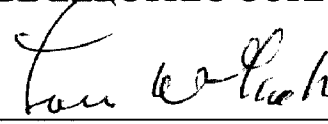
IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement the day and year first above written.

**PAIGE ELECTRIC COMPANY, L.P.**


By: **PAIGE MANAGEMENT, L.L.C.**, its  
General Partner

By:   
Louis W. Grotta, President

**PAIGE ELECTRIC CORPORATION**

By:   
Louis W. Grotta, President

**SOVEREIGN BANK**

By:   
Ita Conlon, Vice President

STATE OF NEW JERSEY

:  
: ss:  
:

COUNTY OF *Essex*

On this 11th day of December, 2002, before me, a Notary Public, personally appeared Louis W. Grotta, who acknowledged himself/herself to be the President of Paige Management, L.L.C., the entity named in the foregoing instrument as the General Partner of Paige Electric Company, L.P., a New Jersey Limited Partnership, and that he as such President of General Partner, being authorized to do so, executed the foregoing Intellectual Property and Security Agreement for the purposes therein contained in the name of such Limited Partnership by himself as President of the General Partner, on behalf of said Limited Partnership.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires:

Irene Kreutzer  
A Notary Public of New Jersey  
My Commission Expires October 19, 2003



STATE OF NEW JERSEY :

: ss:

COUNTY OF *Essex*

:

On this 11th day of December, 2002, before me, a Notary Public, personally appeared Louis W. Grotta, who acknowledged himself to be a duly acting President of Paige Electric Corporation and that he as such President, being duly authorized to do so, executed the foregoing Intellectual Property and Security Agreement for the purposes therein contained by signing her name as such on behalf of the Paige Electric Corporation.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

Irene Kreutzer  
A Notary Public of New Jersey  
My Commission Expires October 19, 2003

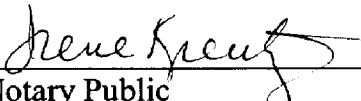
STATE OF NEW JERSEY :

: ss:

COUNTY OF *Essex*

:

On this 11th day of December, 2002, before me, a Notary Public, personally appeared Ita Conlon, who acknowledged herself to be a duly acting Vice President of Sovereign Bank and that she as such Vice President, being duly authorized to do so, executed the foregoing Intellectual Property and Security Agreement for the purposes therein contained by signing her name as such on behalf of the Bank.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires:

Irene Kreutzer  
A Notary Public of New Jersey  
My Commission Expires October 19, 2006

**EXHIBIT "A"**  
**TO**  
**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

**Patents**

None.

**EXHIBIT "B"**  
**TO**  
**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

**Copyrights**

None.

**EXHIBIT "C"**  
**TO**  
**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

**Licenses**

None.

**EXHIBIT "D"**

**TO**

**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

**Trademarks**

<b><u>Company</u></b>	<b><u>Trademark</u></b>	<b><u>Reg. No.</u></b>
Paige Electric Company, L.P.	PAIGE (and Design)	2047613
Paige Electric Company, L.P.	PAIGE	2077183
Paige Electric Corporation	TUF-HIDE	116533

BLU:131607.2/SOV027-211308

**RECORDED: 12/13/2002**

**TRADEMARK  
REEL: 002586 FRAME: 0331**