

08-14-2003

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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2) Tab settings



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HEET Y

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): GENERAL COMBUSTION CORPORATION

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

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

2. Name and address of receiving party(ies) Name: PNC BANK, NATIONAL ASSOCIATION

Internal Address: Street Address: 300 S. Orange Ave., Suite 800 City: Orlando State: FL Zip: 32801

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Other Financial Institution

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: 8/1/2003

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s) See attached Sched. A to Rider to Security Agreement

Additional number(s) attached Yes No

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

Name: Gary S. Singer, Esq.

Internal Address:

Street Address: Mombach, Boyle & Hardin, P.A. 500 E. Broward Blvd., Suite 1950

City: Fort Lauderdale State: FL Zip: 33394

6. Total number of applications and registrations involved: 20

7. Total fee (37 CFR 3.41) \$ 515.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Gary S. Singer Name of Person Signing

Signature

8/13/03 Date

Total number of pages including cover sheet, attachments, and document: 12

08/15/2003 LMUELLER 00000036 2227445

01 FC:8521 40.00 UP 02 FC:8522 475.00 UP

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

**SCHEDULE A TO TRADEMARK ASSIGNMENT**

Registered Trademarks:

<b>FILE #</b>	<b>COUNTRY</b>	<b>MARK</b>	<b>CLASS</b>	<b>REGISTRATION #</b>
797-174	United States	GENCO	9,11	2,227,445
797-241	United States	G GENCO & Design	9,11	2,225,048
797-242	United States	ULTRAFLAME®	11	1,377,093
797-243	United States	HY-WAY	11	2,156,663
797-248	United States	HY-WAY HEATANK	11	690,246
797-249	United States	HY-WAY HOT OIL HEATER	11	2,156,664
797-250	United States	G GENCO HY-WAY	11	2,213,849
797-251	United States	BIO-FLAME	11	2,252,524
797-255	United States	ASTRAFLAME®	11	1,215,686
797-402	Canada	ASTRAFLAME™	7,9,11	504,082
797-406	Canada	ULTRA II	7,9,11	507,054
797-407	Canada	GENERAL COMBUSTION™	7,9,11	511,329
797-436	Singapore	GENCOR (word)	9	T97/07611G
797-436	Singapore	GENCOR (word)	11	T97/07614A
797-438	Singapore	GENERAL COMBUSTION & Design (flaming G w/electrons)	9	T97/07613C
797-448	Australia	GENCO (word)	9,11	736,209
797-449	Australia	G GENCO & Design (flaming G)	9,11	736,206
797-450	Australia	GENERAL COMBUSTION & Design (flaming G w/electrons)	9,11	736,207
797-430	Russia	GENCO (word)	11	174,231
797-432	Russia	GENERAL COMBUSTION & Design (flaming G w/electrons)	9,11	173,917

# Rider to Security Agreement – Trademarks



**THIS RIDER TO SECURITY AGREEMENT ("Rider")** is executed as of this 1<sup>st</sup> day of August, 2003, by and between **GENERAL COMBUSTION CORPORATION**, a Florida corporation (the "**Grantor**") with an address at 5201 N. Orange Blossom Trail, Orlando, FL 32810 and **PNC BANK, NATIONAL ASSOCIATION** (the "**Bank**"), with an address at Suite 800, 300 South Orange Avenue, Orlando, FL 32801.

This Rider is incorporated into and made part of that certain Revolving Credit and Security Agreement ("**Security Agreement**") by and among the Grantor together with **GENCOR INDUSTRIES, INC.**, a Delaware corporation, **EQUIPMENT SERVICES GROUP, INC.**, a Florida corporation, **BITUMA-STOR, INC.**, an Iowa corporation, and **BITUMA CORPORATION**, a Washington corporation (collectively "Borrower"), and the Bank, dated as of August 1, 2003, and also into certain other financing documents and security agreements executed by and between the Grantor and the Bank or by and between the Borrower and the Bank (all such documents including this Rider being collectively referred to as "**Loan Documents**"). All capitalized terms not otherwise defined in this Rider shall have the same meanings ascribed to such terms in the other Loan Documents.

The Grantor has adopted, used and is using (or has filed applications, other than intent-to-use applications, for the registration of) the trademarks, service marks and trade names listed on Schedule "A" attached hereto and made part hereof (all such marks or names hereinafter referred to as the "**Trademarks**").

The Bank desires to acquire a lien and security interest on all of Grantor's right, title and interest in and to the Trademarks and the registration thereof, together with all the goodwill of the Grantor associated therewith and represented thereby, as security for all of the Obligations (as defined in the Security Agreement) to the Bank, and the Bank desires to have its security interest in all of Grantor's right, title and interest in and to such Trademarks confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office.

**NOW, THEREFORE**, with the foregoing background deemed incorporated by reference and made part hereof, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. **Grant of Security Interest.** In consideration of and pursuant to the terms of the Loan Documents, and for other good, valuable and sufficient consideration, the receipt and sufficiency of which is hereby acknowledged, and to secure payment and performance of the Obligations, the Grantor grants a lien and security interest to the Bank in all its present and future right, title and interest in and to the Trademarks, together with all the goodwill and other tangible assets of the Grantor associated with and represented by the Trademarks, and the non-intent-to-use applications for and 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. **Representations and Warranties.** The Grantor represents, warrants and covenants that: (a) the Trademarks are subsisting and have not been abandoned, suspended, voluntarily terminated or canceled by the Grantor, have not been adjudged invalid or unenforceable, and to the best of the Grantor's knowledge, there is no reason why the Trademarks should be adjudged invalid or unenforceable; (b) each of the Trademarks is valid and enforceable; (c) the Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, and each of the Trademarks is free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses and covenants by the Grantor not to sue third persons; (d) Grantor has the unqualified right to enter into this Rider and perform its terms; (e) Grantor has used, and will continue to use for the duration of this Rider, proper notice, as required by 15 U.S.C. §§ 1051-1127 in connection with its use of the Trademarks; (f) Grantor has used, and will continue to use for the duration of this Rider, consistent standards of quality in products leased or sold under the Trademarks; and (g) Grantor will not (and will not permit any licensee thereof to) do any act or knowingly omit to do any act whereby any of the Trademarks may become invalidated, abandoned, unenforceable, avoided, avoidable or otherwise diminished in value, and shall notify the Bank immediately if it knows of any reason or has any reason to know of any grounds under which any of the foregoing may occur.

3. **Verification of Quality Control.** The Grantor hereby grants to the Bank and its employees and agents the right to visit the Grantor's locations which lease, sell, or store products under any of the Trademarks and to inspect the products and quality control records relating thereto at reasonable times during regular business hours to ensure the Grantor's compliance with paragraph 2(f).

4. **Covenants.** The Grantor further covenants to the Bank that until all of the Obligations have been satisfied in full: (a) the Grantor shall maintain the Trademarks in full force and effect; (b) the Grantor will not enter into any agreements which are inconsistent with the Grantor's obligations under this Rider or which restrict or impair the Bank's rights hereunder; and (c) if the Grantor acquires rights to any new non-intent-to-use Trademarks, the provisions of this Rider shall automatically apply thereto and the Grantor shall give the Bank prompt written notice thereof along with an amended Schedule A; provided, however, that notwithstanding anything to the contrary contained in this Agreement, the Grantor shall have the right to enter into agreements in the ordinary course of business with respect to the Trademarks.

5. **Exclusive Use of Trademarks.** So long as this Rider is in effect and so long as the Grantor has not received notice from the Bank that an Event of Default has occurred under the Loan Documents and that the Bank has elected to exercise its rights to assignment hereunder, the Grantor shall continue to have the exclusive right to use the Trademarks including licenses thereof, and the Bank shall have no right to use the Trademarks or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Trademarks to anyone else.

6. **Negative Pledge.** The Grantor agrees not to sell, assign (by operation of law or otherwise) or further encumber its rights and interest in the Trademarks without prior written consent of the Bank. The Grantor shall defend the Trademarks against and shall take other action as

is necessary to remove any lien, security interest, claim, right or other encumbrance of any nature whatsoever in or to the Trademarks, and will defend the right, title and interest of the Bank in and to any of the Grantor's rights under the Trademarks against the claims or demands of all persons whatsoever.

7. **No Additional Trademarks.** As of the date hereof, the Grantor does not own any Trademarks, or have any Trademarks registered in or the subject of pending applications in the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, other than those grants, registrations or applications for registrations listed on Schedule A annexed hereto and made a part hereof.

8. **Pledge of Additional Trademarks.** In the event the Grantor, either itself or through any agent, employee, licensee or designee shall:

(a) file or record an application for the registration of any Trademark with the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof; or

(b) file or record any assignment of any Trademark which the Grantor may acquire, own or license from a third party, with the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof;

the Grantor shall promptly, but in no event more than fifteen (15) days subsequent to such filing, notify the Bank thereof, and, upon request of the Bank shall promptly, but in no event more than twenty (20) days subsequent to such notice, execute and deliver any and all assignments, agreements, instruments, documents and papers as the Bank may reasonably request to evidence the Bank's interest in such Trademark and the goodwill of the Grantor associated thereto or represented thereby. The Grantor hereby grants the Bank a power of attorney, irrevocable until the Obligations are fully paid and satisfied, to modify this Rider by amending Schedule A, as applicable, to include any future Trademarks or Licenses, including, without limitation, registrations or applications appurtenant thereto, covered by this Rider.

9. **Remedies Upon Default.** (a) Anything herein contained to the contrary notwithstanding, if and while the Grantor shall be in default hereunder or an Event of Default exists under the Loan Documents, in each case while such default or Event of Default is continuing, the Grantor hereby covenants and agrees that the Bank, as the holder of a security interest under the Uniform Commercial Code, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Trademarks covered hereby.

(b) For such purposes, and in the event of the Grantor's default hereunder or an Event of Default under the Loan Documents and while such default or Event of Default exists and is continuing, the Grantor hereby authorizes and empowers the Bank to make, constitute and appoint any officer or agent of the Bank as the Bank may select, in its exclusive discretion, as the Grantor's true and lawful attorney-in-fact, with the power to endorse the Grantor's name on all applications, documents, papers and instruments necessary for the Bank to use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or necessary for

the Bank to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else. The Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Rider and the Loan Documents, and until all the Obligations are satisfied in full.

(c) The Grantor expressly acknowledges that this Rider shall be recorded with the Patent and Trademark Office in Washington, D.C. Contemporaneously herewith, the Grantor shall also execute and deliver to the Bank such documents as the Bank shall reasonably request to permanently assign all rights in the Trademarks to the Bank, which documents shall be held by the Bank, until the occurrence of an Event of Default hereunder or under the Loan Documents which is continuing. After such occurrence and while the same is continuing, the Bank may, at its sole option, record such documents with the Patent and Trademark Office.

10. **Subject to Security Agreement.** This Rider shall be subject to the terms, provisions, and conditions set forth in the Security Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

11. **Inconsistent with Security Agreement.** All rights and remedies herein granted to the Bank shall be in addition to any rights and remedies granted to the Bank under the Loan Documents. In the event of an inconsistency between this Rider and the Security Agreement, the language of the Security Agreement shall control. The terms and conditions of the Security Agreement are hereby incorporated herein by reference.

12. **Termination of Agreement.** Upon payment and performance of all Obligations under the Loan Documents, the Bank shall execute and deliver to the Grantor all documents necessary to re-vest all rights in and to the Trademarks in the Grantor and/or terminate any interest of the Bank therein.

13. **Prosecution of Trademark Applications.** (a) Subject to the terms of the Loan Documents, the Grantor shall have the duty to prosecute diligently any trademark application with respect to the Trademarks pending as of the date of this Rider or thereafter, until the Obligations shall have been satisfied in full, to preserve and maintain all rights in the registration and grant of the Trademarks, to halt any infringement of the Trademarks, and upon reasonable request of the Bank, the Grantor shall make federal application on registrable but unregistered trademarks belonging to the Grantor. Any reasonable expenses incurred in connection with such applications or defense of said Trademarks shall be borne by the Grantor. The Grantor shall not abandon any Trademark without the written consent of the Bank.

(b) The Grantor shall have the right to bring suit in its own name to enforce the Trademarks, in which event the Bank may, if the Grantor deems it necessary or after an Event of Default under the Loan Documents, be joined as a nominal party to such suit if the Bank shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. The Grantor shall promptly, upon demand, reimburse, defend and indemnify the Bank for all damages, reasonable costs and reasonable expenses, including attorneys' fees, incurred by the Bank in the fulfillment of the provisions of this paragraph.

**14. Responsibility and Liability.** The Grantor assumes all responsibility and liability arising from the use of the Trademarks, and hereby indemnifies, defends and holds the Bank and each director, officer, employee, affiliate and agent thereof, harmless from and against any claim, suit, loss, damage or expense (including attorneys' fees and expenses) arising out of any alleged defect in any product manufactured, promoted or sold by the Grantor in connection with any of the Trademarks or otherwise arising out of the Grantor's operation of its business from the use of the Trademarks. In any suit, proceeding or action brought by the Bank under any License for any sum owing thereunder, or to enforce any provisions of such License, the Grantor will indemnify, defend and keep the Bank harmless from and against all expense, loss or damage suffered by reason of any defense, set off, recoupment, claim, counterclaim, reduction or liability whatsoever of the obligee thereunder or arising out of a breach of the Grantor of any obligation thereunder or arising out of any agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from the Grantor, and all such Obligations of the Grantor shall be and remain enforceable against and only against the Grantor and shall not be enforceable against the Bank. Notwithstanding the foregoing, Grantor shall not be obligated to indemnify or defend the Bank with respect to any matter or liability that arises out of the gross negligence or willful misconduct of the Bank.

**15. Bank's Rights.** The Bank may, in its sole discretion, pay any amount or do any act required of the Grantor hereunder or requested by the Bank to preserve, defend, protect, maintain, record or enforce the Grantor's obligations contained herein, the Obligations of the Grantor to the Bank, the Trademarks, or the right, title and interest granted the Bank herein, and which the Grantor fails to do or pay, and any such payment shall be deemed an advance by the Bank to the Grantor and shall be payable on demand together with interest thereon at the default rate specified in the Loan Documents.

**16. Protection of the Trademarks.** The Grantor agrees that if it learns of any use by any person or any term or design likely to cause confusion with any Trademark, or of any claim of any lien, security interest, claim, right or other encumbrance of any nature whatsoever in or to the Trademarks, the Grantor shall promptly notify the Bank of such use, lien, security interest, claim, right or other encumbrance and, if requested by the Bank, shall join with the Bank, at the Grantor's expense, in such action as the Bank, in its reasonable discretion, may deem advisable for the protection of the Bank's interest in and to the Trademarks, it being understood that the foregoing shall not preclude the Grantor from bringing an action against a person for the protection of the Grantor's interest in and to such Trademarks.

**17. Additional Remedies.** Upon the occurrence of an Event of Default under the Loan Documents, the Bank may, without any obligation to do so, complete any obligation of the Grantor hereunder, in the Grantor's name or in the Bank's name, but at the Grantor's expense, and the Grantor hereby agrees to reimburse the Bank in full for all reasonable expenses, including reasonable attorney's fees, incurred by the Bank in protecting, defending and maintaining the Trademarks.

**18. Governing Law.** **THIS RIDER WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE BANK'S OFFICE INDICATED ABOVE IS LOCATED, EXCLUDING ITS CONFLICT OF LAWS RULES,**

**EXCEPT THAT THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA SHALL GOVERN TO THE EXTENT APPLICABLE.**

19. **Counterparts.** This Rider may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

**WITNESS** the due execution hereof as a document under seal, as of the date first written above.

WITNESS / ATTEST:

(Corporation, Partnership or other Entity)

*[Signature]*

Print Name: PETER F. RUESS

Title: CONTROLLER  
(Include title only if an officer of entity signing to the right)

GENERAL COMBUSTION CORPORATION,  
a Florida corporation

By: *[Signature]* (SEAL)

Print Name: JOHN E. ELLIOTT

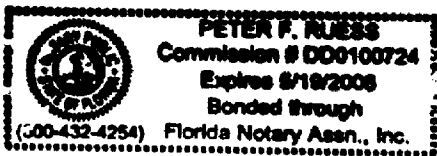
Title: EXECUTIVE VICE PRESIDENT

PNC BANK, NATIONAL ASSOCIATION

By: *[Signature]*  
Michael Picard, Vice President (SEAL)

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 1 day of August, 2003 by John E. Elliott, as Executive Vice President of and on behalf of GENERAL COMBUSTION CORPORATION, a Florida corporation, who is personally known to me or who has produced a FL driver's license as identification.

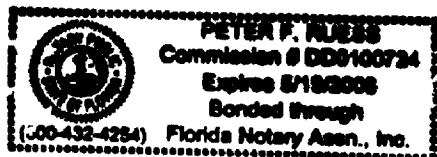


PETER F. RUESS  
Typed/Printed Name:  
Notary Public-State of FLORIDA  
My Commission Expires:  
Commission Number:



STATE OF FL  
COUNTY OF OKALAHIE

The foregoing instrument was acknowledged before me this 1 day of August, 2003 by Michael Picard, as Vice President of and on behalf of PNC BANK, NATIONAL ASSOCIATION, who is personally known to me or who has produced a FL driver's license as identification.



Peter F. Ruess  
Typed/Printed Name:  
Notary Public-State of FLORIDA  
My Commission Expires:  
Commission Number:

**SCHEDULE A TO RIDER TO SECURITY AGREEMENT - TRADEMARKS**Registered Trademarks:

<b>FILE #</b>	<b>COUNTRY</b>	<b>MARK</b>	<b>CLASS</b>	<b>REGISTRATION #</b>
797-174	United States	GENCO	9,11	2,227,445
797-241	United States	G GENCO & Design	9,11	2,225,048
797-242	United States	ULTRAFLAME®	11	1,377,093
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797-430	Russia	GENCO (word)	11	174,231
797-432	Russia	GENERAL COMBUSTION & Design (flaming G w/electrons)	9,11	173,917

TRADEMARK ASSIGNMENT

WHEREAS, GENERAL COMBUSTION CORPORATION, a Florida corporation (the "Grantor") is the owner of the entire right, title and interest in and to the United States trademarks, service marks, trade names and registrations listed on Schedule A attached hereto and made a part hereof (collectively, the "Trademarks"), which are registered in the United States Patent and Trademark Office or which are subject of pending applications in the United States Patent and Trademark Office; and

WHEREAS, PNC BANK, NATIONAL ASSOCIATION, having a place of business at 5201 N. Orange Blossom Trail, Orlando, FL 32810, identified as the "Bank" under that certain Rider to Security Agreement - Trademarks (the "Rider") of even date herewith (the "Grantee") is desirous of acquiring said Trademarks; and

WHEREAS, the Grantee has a security interest in the assets of the Grantor adequate to carry on the business of the Grantor; and

WHEREAS, the Rider provides that this Assignment shall become effective upon the occurrence of an Event of Default as defined in the Revolving Credit and Security Agreement dated as of August 1, 2003, by and among the Grantor together with GENCOR INDUSTRIES, INC., a Delaware corporation, EQUIPMENT SERVICES GROUP, INC., a Florida corporation, BITUMA-STOR, INC., an Iowa corporation, and BITUMA CORPORATION, a Washington corporation (collectively "Borrower"), and the Grantee.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Grantor, for itself and its successors and assigns does hereby collaterally transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Trademarks, the goodwill of the business associated with such Trademarks and all proceeds thereof and all rights and proceeds associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Trademark Assignment to be executed by its duly authorized officer on this 1<sup>st</sup> day of August, 2003.

WITNESS / ATTEST:

(Corporation, Partnership or other Entity)



Print Name: PETER F. RUSS

Title: CONTROLLER

(Include title only if an officer of entity signing to the right)

GENERAL COMBUSTION CORPORATION,  
a Florida corporation

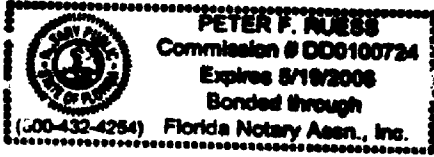
By:  (SEAL)

Print Name: JOHN E. ELLIOTT

Title: EXEC. V. P.

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 1 day of August, 2003 by John E. Elliott, as Executive Vice President of and on behalf of GENERAL COMBUSTION CORPORATION, a Florida corporation, who is personally known to me or who has produced a FL driver's license as identification.



PETER F. RUESS  
Typed/Printed Name:  
Notary Public-State of FL  
My Commission Expires:  
Commission Number:

//N:\GSS\\_PNC\GENCOR\RIDERSEC-AG.TRADEMARKS.GEN.COMBUST 3.DOC//