

09-11-2003

Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings

REC



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

102547222

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

1. Name of conveying party(ies): CONBRACO INDUSTRIES, INC.

9.9.03

- 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: THE CIT GROUP/BUSINESS CREDIT, INC.

Internal Address: Street Address: TWO WACHOVIA CTR., 23RD FLR. City: CHARLOTTE State: NC Zip: 28202

- Individual(s) citizenship Association 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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 7/14/03

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

SEE EXHIBIT A ATTACHED HERETO

Additional number(s) attached Yes No

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

Name: Deborah E. Lindley

Internal Address: Carruthers & Roth, P.A.

Street Address: 235 N. Edgeworth Street

City: Greensboro State: NC Zip: 27401

6. Total number of applications and registrations involved: 12

7. Total fee (37 CFR 3.41) \$ 315.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Deborah E. Lindley, Paralegal Name of Person Signing

Signature

September 4, 2003 Date

Total number of pages including cover sheet, attachments, and document: 14

09/10/2003 ECDGPER 00000195 2024000

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

01 FC:6521 02 FC:6522

40.00 OP 275.00 OP

TRADEMARK REEL: 002821 FRAME: 0001

EXHIBIT A
to
TRADEMARKS ONLY COVER SHEET

Mark	Trademark Reg. No.	Registration Date	Owners
ALLEVIATOR	2,024,000	12/17/96	Conbraco Industries, Inc.
APOLLO	900,588	10/13/70	Conbraco Industries, Inc.
APOLLO ACTUATOR READY	2,412,903	12/12/00	Conbraco Industries, Inc.
APOLLO AR	2,373,769	08/01/00	Conbraco Industries, Inc.
APOLLO INTERNATIONAL	2,530,525	01/15/02	Conbraco Industries, Inc.
BALL-CONE	1,118,628	05/22/79	Conbraco Industries, Inc.
CII (STYLIZED)	1,106,566	11/21/78	Conbraco Industries, Inc.
CONBRACO	842,720	01/23/68	Conbraco Industries, Inc.
CONBRACO (STYLIZED)	555,462	02/26/52	Conbraco Industries, Inc.
ISO-PURE	2,215,351	12/29/98	Conbraco Industries, Inc.
PURE-BORE	2,312,214	01/25/00	Conbraco Industries, Inc.
RP&C	2,417,396	01/02/01	Conbraco Industries, Inc.

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("Agreement"), is made and entered into this 14th day of July, 2003, between **CONBRACO INDUSTRIES, INC.**, a North Carolina corporation (the "Company"), and **THE CIT GROUP/BUSINESS CREDIT, INC.**, a New York corporation ("CIT").

WITNESSETH:

WHEREAS, the Company proposes to enter into a certain Financing Agreement, dated of even date herewith (as amended, modified, supplemented or restated from time to time, being herein called the "Financing Agreement"), with CIT pursuant to which CIT will make loans and extend credit to the Company, all as more particularly described therein; and

WHEREAS, as a condition precedent to CIT's entering into the Financing Agreement and making loans and extending credit to the Company pursuant thereto, CIT has required the execution of this Agreement by the Company in favor of CIT;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Company agrees with CIT as follows:

1. Defined Terms. All capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Financing Agreement.

2. Grant of Security Interest. As security for the payment and performance of the Obligations, the Company hereby grants to CIT liens and security interests in all of the Company's right, title and interest in, to and under the following property, in each case whether now existing or hereafter acquired or arising and whether registered and unregistered and wherever the same may be located (the "Trademark Collateral"):

(a) all state (including common law), federal and foreign trademarks, service marks and trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, domain names, designs and general intangibles of like natures, now existing or hereafter adopted or acquired, together with and including all licenses therefor held by the Company (unless otherwise prohibited by any license or related licensing agreement under circumstances where the granting of the security interest would have the effect under applicable law of the termination or permitting termination of the license for breach and where the licensor has elected such termination remedy), and all registrations and recordings thereof, and all applications filed or to be filed in connection therewith, including registrations and applications in the United States Patent and Trademark Office, any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof, including any of the foregoing identified on Exhibit A

hereto (as the same may be amended, modified or supplemented from time to time), and the right (but not the obligation) to register claims under any state or federal trademark law or regulation or any trademark law or regulation of any foreign country and to apply for, renew and extend any of the same, to sue or bring opposition or cancellation proceedings in the name of the Company or in the name of CIT for past, present or future infringement or unconsented use thereof, and all rights arising therefrom throughout the world (collectively, the "Trademarks");

(b) all claims, causes of action and rights to sue for past, present or future infringement or unconsented use of any Trademarks and all rights arising therefrom and pertaining thereto;

(c) all general intangibles related to or arising out of any of the Trademarks and all the goodwill of the Company's business symbolized by the Trademarks or associated therewith; and

(d) all proceeds of any and all of the foregoing Trademark Collateral, including, without limitation, license royalties, rights to payment, accounts receivable, proceeds of infringement suits and all payments under insurance or any indemnity, warranty or guaranty payable by reason or loss or damage to or otherwise with respect to the foregoing Trademark Collateral.

3. Representations, Warranties and Covenants of the Company. The Company represents, warrants and covenants that:

(a) The Trademark Collateral is, to the best of its knowledge, subsisting and has not been judged invalid or unenforceable;

(b) The Company is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Trademark Collateral;

(c) The Company has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Trademark Collateral;

(d) The Company will maintain the quality of the products associated with the Trademark Collateral, generally at a level consistent with the quality as of the effective date of this Agreement, subject to the introduction of new products from time to time, and product modifications in the ordinary course of business; and

(e) The Company has the unqualified right to enter into this Agreement and perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained.

4. Visits and Inspections. The Company hereby grants to CIT and its employees and agents the right on prior notice to the Company to visit the Company's plants and facilities which manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours. The Company shall do any and all acts required by CIT to ensure the Company's compliance with Section 3(d) of this Agreement.

5. Restrictions on Future Agreements. The Company agrees that, until all of the Obligations have been satisfied in full and the Financing Agreement has been terminated in writing, it will not without CIT's prior written consent, enter into any agreement which is inconsistent with the Company's duties under this Agreement, and the Company 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 and enforcement of the rights granted to CIT under this Agreement.

6. After-Acquired Trademark Rights. If, before the Obligations have been satisfied in full, the Company shall obtain rights to any new trademarks, or become entitled to the benefit of any trademark application or trademark for any renewal of any Trademark, the provisions of Section 2 hereof shall automatically apply thereto, and the Company shall give to CIT prompt notice thereof in writing. The Company authorizes CIT to modify this Agreement by amending Exhibit A to include any future trademarks and trademark applications which are Trademark Collateral under Section 1 hereof or this Section 6.

7. The Company's Rights Prior to Event of Default. Unless and until there shall have occurred and be continuing an Event of Default, the Company shall continue to own, and may use and enjoy the Trademark Collateral in connection with its business operations, but only in a manner consistent with the presentation of their current substance, validity and registration.

8. Remedies Upon Event of Default. If an Event of Default shall have occurred and be continuing:

(a) The Company or any successor-in-interest shall assign all of the Company's right, title and interest in and to the Trademark Collateral to CIT or its designee;

(b) The Company further agrees to execute and deliver all documents at the request of CIT necessary to vest in CIT or its designee all of the Company's right, title and interest in and to the Trademark Collateral; and

(c) CIT shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and, specifically, those of a lender under the UCC. Notice of any sale or other disposition of the Trademark Collateral shall be deemed reasonable and sufficient if given the Company at least ten (10) days before the time of any intended public or private sale or other disposition of any of the Trademark Collateral is to be made.

documents required by CIT in aid of such enforcement and the Company shall promptly, upon demand, reimburse and indemnify the CIT for all costs and expenses incurred in the exercise of its rights under this Section 12. Nothing herein shall be deemed to prohibit the Company from bringing any such suit in its own name at any time that an Event of Default does not exist, if CIT declines to institute suit.

13. CIT May Perform. If the Company fails to comply with any of its obligations hereunder, CIT may do so in the Company's name or in CIT's name, but at the Company's expense, and the Company agrees to reimburse CIT in full for all expenses, including reasonable attorney's fees, incurred by CIT in prosecuting, defending or maintaining the Trademarks or CIT's interest therein pursuant to this Agreement.

14. Severability. The provisions of this Agreement 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 Agreement in any jurisdiction.

15. Modification. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Section 6 hereof.

16. Binding Effect; Benefits. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

17. Notices. Except as otherwise herein provided, any notice or other communication required hereunder shall be in writing (provided that, any electronic communications from the Company with respect to any request, transmission, document, electronic signature, electronic mail or facsimile transmission shall be deemed binding on the Company for purposes of this Financing Agreement, provided further that any such transmission shall not relieve the Company from any other obligation hereunder to communicate further in writing), and shall be deemed to have been validly served, given or delivered when hand delivered or sent by facsimile, or three days after deposit in the United State mails, with proper first class postage prepaid and addressed to the party to be notified or to such other address as any party hereto may designate for itself by like notice, as follows:

(a) if to CIT, at:	The CIT Group/Business Credit, Inc. Two Wachovia Center 23rd Floor Charlotte, North Carolina 28202 Attn: Regional Credit Manager Fax No.: 704- <u>339-2208</u>
--------------------	---

(b) if to the Company at: Conbraco Industries, Inc.
701 Matthews Mint Hill Road
Matthews, North Carolina 28105
Attn: Chief Executive Officer
Fax No.: 704-811-0068

or to such other address as each party may designate for itself by notice given in accordance with this Section 17. Any written notice or demand that is not sent in conformity with the provisions hereof shall nevertheless be effective on the date that such notice is actually received by the noticed party.

18. Governing Law. THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NORTH CAROLINA, EXCEPT TO THE EXTENT THAT ANY OTHER LOAN DOCUMENT INCLUDES AN EXPRESS ELECTION TO BE GOVERNED BY THE LAWS OF ANOTHER JURISDICTION.

19. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE COMPANY AND CIT EACH HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF THIS AGREEMENT, THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREUNDER OR THEREUNDER. THE COMPANY HEREBY IRREVOCABLY WAIVES PERSONAL SERVICE OF PROCESS AND CONSENTS TO SERVICE OF PROCESS BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED. IN NO EVENT WILL CIT BE LIABLE FOR LOST PROFITS OR OTHER SPECIAL OR CONSEQUENTIAL DAMAGES.

WITNESS the execution hereof on the day and year first above written.

CONBRACO INDUSTRIES, INC.
(the "Company")

By: Eric Miller
Title: Vice President

THE CIT GROUP/BUSINESS CREDIT, INC.
("CIT")

By: Douglas A. Nickel
Title: VICE PRESIDENT

**EXHIBIT A TO
TRADEMARK SECURITY AGREEMENT**

Mark	Trademark Reg. No.	Registration Date	Owners	Our File No.
ALLEVIATOR	2,024,000	12/17/96	Conbraco Industries, Inc.	1970/15
APOLLO	900,588	10/13/70	Conbraco Industries, Inc.	1970/30US
APOLLO ACTUATOR READY	2,412,903	12/12/00	Conbraco Industries, Inc.	1970/4

ISO-PURE	2,215,351	12/29/98	Conbraco Industries, Inc.	1970/33US
PURE-BORE	2,312,214	01/25/00	Conbraco Industries, Inc.	1970/34US
RP&C	2,417,396	01/02/01	Conbraco Industries, Inc.	1970/7

CANADIAN TRADEMARKS

Mark	Registration No.	Registration Date	Owners	Our File No.
APOLLO	TMA206042	03/27/75	Conbraco Industries, Inc.	1970/30CA
APOLLO INTERNATIONAL	TMA566097	08/20/02	Conbraco Industries, Inc.	1970/8CN
COMPACTORQUE	TMA471540	02/25/97	Conbraco Industries, Inc.	1970/31CA
CONBRACO	TMA150864	05/19/67	Conbraco Industries, Inc.	1970/32CA
4/S AND DESIGN	UCA027115	04/23/47	Conbraco Industries, Inc.	1970/38CA