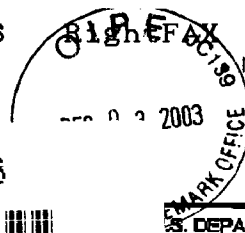


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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings



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

102616157

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.

12.3.03

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

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

3. Nature of conveyance:

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

Execution Date: 7/14/03

2. Name and address of receiving party(ies)

Name: Hilco Capital LP

Internal

Address:

One Northbrook Place

Street Address: 5 Revere Drive

City: Northbrook State: IL Zip: 60062

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

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

Name: Christopher E. Kondracki

Internal Address:

Street Address: 2001 Jefferson Davis, Hwy.

Suite 505

City: Arlington State: VA Zip: 22202

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:

19-3545

DO NOT USE THIS SPACE

9. Signature.

Christopher E. Kondracki Name of Person Signing

Signature

8/1/03 Date

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

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

**Trademark Registrations  
Continuation of Item 4B**

<b>Mark</b>	<b>Registrations</b>
Alleviator	2,024,000
Apollo	900,588
Apollo Actuator Ready	2,412,903
Apollo AR	2,373,769
Apollo International	2,530,525
Ball-Cone	1,118,628
CII (Stylized)	1,106,566
Conbraco	842,720
Conbraco (Stylized)	555,462
Iso-Pure	2,215,351
Pure-Bore	2,312,214
RP&C	2,417,396

**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 HILCO CAPITAL LP, a Delaware limited partnership ("Hilco").**

**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 Hilco pursuant to which Hilco will make loans and extend credit to the Company, all as more particularly described therein; and**

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

**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 Hilco 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 Hilco 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 Hilco**

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 Hilco 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 Hilco 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 Hilco'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 Hilco 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 1 hereof shall automatically apply thereto, and the Company shall give to Hilco prompt notice thereof in writing. The Company authorizes Hilco 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 Hilco or its designee;

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

(c) Hilco 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.

9. Power of Attorney. The Company hereby makes, constitutes and appoints Hilco and any officer or agent of Hilco as Hilco may select as the Company's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall occur and be continuing: to endorse the Company's name on all applications, documents, papers and instruments necessary for Hilco to use the Trademark Collateral, or to grant or issue any exclusive or nonexclusive license under the Trademark Collateral to anyone else as necessary for Hilco to assign, pledge, convey or otherwise transfer title in or dispose of the Trademark Collateral to anyone else. The Company 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 of the Obligations shall have been satisfied in full and the Financing Agreement shall have been terminated in writing.

10. Release of Security Interest. At such time as all of the Obligations shall have been satisfied and paid in full, Hilco shall execute and deliver to the Company all

releases, termination statements, and other instruments as may be necessary or proper to release or reflect the release of Hilco's security interest in the Trademark Collateral, including all documentation necessary to reflect such release in the United States Patent and Trademark Office.

11. Costs and Expenses. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Hilco in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining, or preserving the Trademark Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademark Collateral, shall be borne and paid by the Company on demand by Hilco and until so paid shall be added to the amount of the Obligations and shall bear interest at the rate prescribed in the Financing Agreement.

12. Litigation and Proceedings.

(a) The Company shall have the duty, through counsel acceptable to Hilco, to prosecute diligently any trademark application of the Trademarks pending as of the date of this Agreement or thereafter, other than those discontinued or abandoned in the ordinary course of business, until the Obligations shall have been paid in full and to preserve and maintain all rights in trademark applications and trademarks of the Trademarks in the ordinary course of business. Any expenses incurred in connection with such an application shall be borne by the Company. The Company shall not abandon any right to file a trademark application, or any pending trademark application or trademark, other than those discontinued or abandoned in the ordinary course of business without the consent of Hilco, which consent shall not be unreasonably withheld.

(b) Hilco shall have the right, but shall in no way be obligated, to bring suit in its own name, as the holder of a security interest in the Trademark Collateral, to enforce the Trademarks, and any license thereunder, in which event the Company shall at the request of Hilco do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Hilco in aid of such enforcement and the Company shall promptly, upon demand, reimburse and indemnify the Hilco 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 Hilco declines to institute suit.

13. Hilco May Perform. If the Company fails to comply with any of its obligations hereunder, Hilco may do so in the Company's name or in Hilco's name, but at the Company's expense, and the Company agrees to reimburse Hilco in full for all expenses, including reasonable attorney's fees, incurred by Hilco in prosecuting, defending or maintaining the Trademarks or Hilco'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 Hilco, at: Hilco Capital LP  
One Northbrook Place  
5 Revere Drive  
Northbrook, Illinois 60062  
Attn.: Mr. Alex Franky  
Fax No.: 847 849 9330

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

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 HILCO 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 HILCO 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

HILCO CAPITAL LP  
("Hilco")

By: Ally Faby  
Title: Vice President

STATE OF NORTH CAROLINA

COUNTY OF Mecklenburg

I, L. S. Kelly, a Notary Public of the State and County aforesaid, certify that Eric Miller personally appeared before me this day and acknowledged that (s)he is vice President President of CONBRACO INDUSTRIES, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed by her/him in the corporation's name.

WITNESS my hand and official stamp or seal, this 14 day of July, 2003.

Kelly  
Notary Public

My Commission Expires: 9-13-06



STATE OF NORTH CAROLINA

COUNTY OF Cook

I, Louise Pinto, a Notary Public of the State and County aforesaid, certify that ALEX FRANKY personally appeared before me this day and acknowledged that (s)he is VP of HILCO CAPITAL LP, a Delaware limited partnership, and that by authority duly given and as the act of the limited partnership, the foregoing instrument was signed by her/him in the corporation's name.

WITNESS my hand and official stamp or seal, this 23rd day of July, 2003.

Louise M Pinto  
Notary Public

My Commission Expires: 8/16/04



**EXHIBIT A TO  
TRADEMARK SECURITY AGREEMENT**

<b>Mark</b>	<b>Trademark Reg. No.</b>	<b>Registration Date</b>	<b>Owners</b>
ALLEVIATOR	2,024,000	12/17/96	Conbraco Industr
APOLLO	900,588	10/13/70	Conbraco Industr
APOLLO ACTUATOR READY	2,412,903	12/12/00	Conbraco Industr
APOLLO AR	2,373,769	08/01/00	Conbraco Industr
APOLLO INTERNATIONAL	2,530,525	01/15/02	Conbraco Industr
BALL-CONE	1,118,628	05/22/79	Conbraco Industr

CII (STYLIZED)	1,106,566	11/21/78	Conbraco Industr
CONBRACO	842,720	01/23/68	Conbraco Industr
CONBRACO (STYLIZED)	555,462	02/26/52	Conbraco Industr
ISO-PURE	2,215,351	12/29/98	Conbraco Industr
PURE-BORE	2,312,214	01/25/00	Conbraco Industr
RP&C	2,417,396	01/02/01	Conbraco Industr

**CANADIAN TRADEMARKS**

Mark	Registration No.	Registration Date	Owners
APOLLO	TMA206042	03/27/75	Conbraco Industries, Inc.
APOLLO INTERNATIONAL	TMA566097	08/20/02	Conbraco Industries, Inc.
COMPACTORQUE	TMA471540	02/25/97	Conbraco Industries, Inc.
CONBRACO	TMA150864	05/19/67	Conbraco Industries, Inc.
4/S AND DESIGN	UCA027115	04/23/47	Conbraco Industries, Inc.
R-P&C	TMA228677	06/23/78	Conbraco Industries, Inc.
STRONG	UCA027113	04/23/47	Conbraco Industries, Inc.

**OTHER FOREIGN TRADEMARKS**

Mark	Country	Registration No.	Registration Date	Owner
APOLLO	FR	1,238,445	06/28/73	Conbraco Industrie
APOLLO	IT	668,953	02/01/96	Conbraco Industrie
APOLLO INTERNATIONAL	EU	1669969	10/02/01	Conbraco Industrie

CONBRACO	JP	4,014,617	06/20/97	Conbraco Industrie
COMPACTORQUE	MX	490042	04/28/95	Conbraco Industrie

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