

3-9-04

03-10-2004

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

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



To the Honorable Commissioner

102689922

Send original documents or copy thereof.

1. Name of conveying party(ies):
CELESTRON ACQUISITION, LLC

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

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

3. Nature of conveyance:

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

Execution Date: 01/23/2003

2. Name and address of receiving party(ies)

Name: Textron Financial Corporation

Internal Address: Attn: Vicki Heller

Street Address: 11575 Great Oaks Way, Ste. 210

City: Alpharetta State: GA Zip: 30022

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Delaware
- 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

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

A. Trademark Application No.(s) See Schedule A Attached to Document

B. Trademark Registration No.(s) See Schedule A Attached to Document

Additional number(s) attached Yes No

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

Name: Textron Financial Corporation

Internal Address: Attn: Vicki Heller

Street Address: 11575 Great Oaks Way
Suite 210

City: Alpharetta State: GA Zip: 30022

6. Total number of applications and registrations involved: 18

7. Total fee (37 CFR 3.41).....\$ 465.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Vicki L. Heller

March 8, 2004

Name of Person Signing
DBYRNE 00000130 1139857

Signature

Date

Total number of pages including cover sheet, attachments, and document: 11

03/09/2004

01 FC:8521
02 FC:8522

40.00 OP
425.00 OP

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

TRADEMARK
REEL: 002925 FRAME: 0011

SCHEDULE A
Intellectual Property Collateral

TRADEMARKS

<u>Trademark/Service Mark</u>	<u>Country</u>	<u>Registration No.</u>	<u>Registration/Filing Date</u>	<u>Expiration Date</u>
Celestron	U.S.	1,139,857	09/23/1980	09/23/2010
Starbright	U.S.	1,418,234	11/25/1986	11/25/2006
Ultima	U.S.	1,547,189	07/11/1989	07/11/2009
Astro Master	U.S.	1,557,787	09/26/1989	09/26/2009
Nexstar (Design)	U.S.	2,423,081	01/23/2001	01/23/2011
Nexstar (Word)	U.S.	2,408,412	11/28/2000	11/28/2010
Fastar	U.S.	2,189,295	09/15/1998	09/15/2008
Enduro	U.S.	2,013,624	11/05/1996	11/05/2006
Regal	U.S.	2,025,422	12/24/1996	12/24/2006
Star Hopper	U.S.	2,023,710	12/17/1996	12/17/2006
UpClose	U.S.	Application Pending Serial #76479729	12/30/2002	
Outland	U.S.	Application Pending Serial #76479732	12/30/2002	
Nautica	U.S.	Application Pending Serial #76479726	12/30/2002	
SkyMaster	U.S.	Application Pending Serial #76479731	12/30/2002	
OptiView	U.S.	Application Pending Serial #76479730	12/30/2002	
E-Lux	U.S.	Application Pending Serial #76479725	12/30/2002	
Omni	U.S.	Application Pending Serial #76479727	12/30/2002	
X-Cel	U.S.	Application Pending Serial #76479728	12/30/2002	

PATENTS

<u>Patent</u>	<u>Country</u>	<u>Registration No.</u>	<u>Registration/Filing Date</u>	<u>Expiration Date</u>
Telescope	U.S.	D438,221	02/27/2001	
Single Fork Arm Telescope Mount	U.S.	D454,899	03/26/2002	
Auto-Alignment Tracking Telescope Mount	U.S.	6,369,942	04/09/2002	
Tripod Structure For Telescopes	U.S.	6,467,738	10/22/2002	

SCHEDULE A
(to Patent, Copyright and Trademark Collateral Assignment and Security Agreement)

TRADEMARK
REEL: 002925 FRAME: 0012

PATENT, COPYRIGHT AND TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS PATENT, COPYRIGHT AND TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (the "Agreement") is entered into as of January **23** 2003, between **CELESTRON ACQUISITION, LLC**, a Delaware limited liability company ("Debtor") and **TEXTRON FINANCIAL CORPORATION**, a Delaware corporation ("Secured Party"). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement (as this term is defined below).

RECITALS

A. Debtor and Secured Party have entered into that certain Loan and Security Agreement dated as of even date herewith, pursuant to which Secured Party has agreed to extend credit to Debtor in the maximum amount of \$3,500,000.00 (as amended, restated, modified and supplemented from time to time, the "Loan Agreement").

B. In order to induce Secured Party to enter into the Loan Agreement and the transactions contemplated thereby, and as a condition thereto, Debtor is required to execute and deliver to Secured Party this Agreement and pursuant hereto to grant to Secured Party a security interest in and to all of Debtor's right, title, and interest in (i) the Copyrights, (ii) the Patents, (iii) the Trademarks and (iv) any other intellectual property of Debtor ("Other Assets"), including without limitation, formulations, manufacturing procedures, quality control procedures and product specifications relating to any products sold under the Patents, Copyrights and Trademarks (collectively, the Copyrights, the Patents, the Trademarks and the Other Assets shall be called the "Intellectual Property Collateral"). Any such material items of Intellectual Property Collateral are listed on Schedule A attached hereto and incorporated herein by reference, as the same may be amended and supplemented from time to time.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. As collateral security for the prompt and punctual payment and performance of the Obligations by Debtor and for the prompt performance by Debtor of its obligations and undertakings under this Agreement, Debtor hereby grants to Secured Party, its successors and assigns, a security interest in all of the Intellectual Property Collateral, whether now owned or hereafter acquired by Debtor.

2. Debtor covenants, warrants and represents that:

(a) Set forth on Schedule A attached hereto is a true and complete list of all of Debtor's Intellectual Property that is the subject of a federal application or patent or registration.

(b) Debtor owns the sole and exclusive right, title and interest in and to the patents, patent applications, trademark applications and registrations, and copyright applications and registrations identified on Schedule A, free and clear of all liens and encumbrances, except for the security interest and assignment created by this Agreement and the other Loan Documents. If in Debtor's reasonable business judgment, defending Debtor's right, title and interest in the Intellectual Property Collateral against claims by third parties is appropriate for Debtor's business, Debtor will do so.

(c) To Debtor's knowledge, any of the Intellectual Property Collateral set forth on Schedule A is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and Debtor has not received any claim by any third party that any such Intellectual Property Collateral is invalid or unenforceable.

(d) Execution, delivery and performance of this Agreement by Debtor does not (i) violate, conflict with, result in a breach of, constitute a default under, result in the termination of, or result in the creation of any encumbrances upon any of the Intellectual Property Collateral, under any agreement to which Debtor is a party or by which Debtor is bound, other than the Loan Documents, or (ii) violate any laws, rules, regulations or orders applicable to any of the Intellectual Property Collateral.

(e) Debtor has used, and will continue to use for the duration of this Agreement, reasonably consistent standards of quality in its manufacture of the products sold under the Trademarks or utilizing any Patents, Copyrights, or Other Assets.

(f) Debtor shall take any and all actions as are necessary or appropriate to properly maintain, protect, preserve, care for, and enforce any of the Intellectual Property Collateral, including, without limitation, payment when due of such fees, taxes, and other expenses which shall be incurred or which shall accrue with respect to any of the Intellectual Property Collateral.

(g) If Secured Party deems it necessary to perfect Secured Party's interest in the Intellectual Property Collateral conveyed hereunder, Debtor shall cause this Agreement or a memoranda or short form version hereof to be properly recorded with the United States Patent and Trademark Office, the United States Copyright Office, and any other government or public office or agency of the United States of America, as applicable, and, except for these filings and the filing of a financing statement pursuant to the Uniform Commercial Code, no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body of the United States of America is required either (i) for the grant by Debtor of the security interest granted hereby or for the execution, delivery or performance of this Agreement by Debtor or (ii) for the perfection or the exercise by Secured Party of its rights and remedies hereunder.

(h) All written information heretofore, herein or hereafter supplied to Secured Party by or on behalf of Debtor with respect to any of the Intellectual Property Collateral is accurate and complete in all material respects.

3. Debtor hereby grants to Secured Party and its employees, representatives and agents the right to visit during regular business hours any of Debtor's plants and facilities that manufacture, inspect or store products that are sold utilizing any of the Intellectual Property Collateral, and to inspect the products and quality control records relating thereto, provided that Secured Party shall not interfere with the daily operations of Debtor. Debtor shall do any and all acts required by Secured Party to ensure Debtor's compliance with Section 3(e).

4. Debtor agrees that, until all of the Obligations of Debtor under the Loan Documents shall have been satisfied in full, Debtor will not sell, assign, transfer, sub-license any of its rights or interests hereunder, or enter into any other agreement which is inconsistent with Debtor's obligations hereunder, without the prior written consent of Secured Party.

5. If, before the Obligations of the Debtor shall have been satisfied in full, Debtor shall obtain rights to any new Copyrights, Patents, Trademarks or Other Assets not listed in Schedule A, the provisions of this Agreement shall automatically apply thereto and Debtor shall give Secured Party prompt written notice thereof.

6. Debtor authorizes Secured Party to modify this Agreement by amending Schedule A to include any new Copyrights, Patents, Trademarks or Other Assets without the necessity of Debtor's approval of or signature to such amendment, and Debtor shall do all such other acts (at its own expense) deemed reasonably necessary or appropriate by Secured Party to implement or preserve Secured Party's interests therein. All representations and warranties of Debtor set forth herein shall be deemed to be restated by Debtor as of the date of any such amendment of or supplement to Schedule A with full force and effect as though made on such date.

7. If any Event of Default shall have occurred and be continuing, Debtor shall immediately cease and desist from the use, sale, license or transfer of any Intellectual Property Collateral, and Secured Party shall have, in addition to all other rights and remedies given by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any applicable jurisdiction and, without limiting the generality of the foregoing, Secured Party may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Debtor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in Providence, Rhode Island, or elsewhere, all or from time to time any part of the Intellectual Property Collateral, or any interest which Debtor may have therein, and after deducting from the proceeds of sale or other disposition of any part of the Intellectual Property Collateral all expenses (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds to the payment of the Obligations of Debtor. Any remainder of the proceeds after payment in full of the Obligations of Debtor shall be paid over to Debtor. Notice of any sale or other disposition of any part of the Intellectual Property Collateral shall be given to Debtor at least ten (10) days before the time of any intended public or private sale or other disposition thereof is to be made, which Debtor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Secured

Party may, to the extent permissible under applicable law, purchase the whole or any part of any of the Intellectual Property Collateral sold, free from any right of redemption on the part of Debtor, which right is hereby waived and released.

8. Subject to the terms of the Loan Agreement, at such time as Debtor shall completely satisfy all of the Obligations, this Agreement shall terminate and Secured Party shall execute and deliver to Debtor all deeds, assignments, termination statements under the Uniform Commercial Code, and other instruments as may be necessary or proper to release Secured Party's security interest in and/or re-vest in Debtor full title to any part of the Intellectual Property Collateral, subject to any disposition thereof which may have been made by Secured Party pursuant hereto.

9. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Secured Party 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 any part of the Intellectual Property Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to any part of the Intellectual Property Collateral, shall be borne and paid by Debtor on demand by Secured Party and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the highest rate prescribed in the Loan Agreement.

10. If in Debtor's reasonable business judgment, the registration, patenting and/or maintenance of particular Intellectual Property Collateral is appropriate for Debtor's business, Debtor shall have the duty, through counsel acceptable to Secured Party, to prosecute diligently such applications related to any Intellectual Property Collateral pending as of the date of this Agreement or thereafter until the Obligations of the Debtor shall have been paid in full, and to make federal application on any such registrable but unregistered Trademarks, Copyrights or Patents. Any expenses incurred in connection therewith shall be borne by Debtor. Debtor shall not abandon or dedicate to the public any of the Intellectual Property Collateral, nor do any act nor omit to do any act if such act or omission is of a character that tends to cause or contribute to the abandonment or dedication to the public of any part of the Intellectual Property Collateral or loss of or adverse effect on any rights in any part of the Intellectual Property Collateral, without the consent of Secured Party, which consent shall not be unreasonably withheld.

11. Debtor shall have the right, with the prior written consent of Secured Party, which will not be unreasonably withheld, to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect any part of the Intellectual Property Collateral, in which event Secured Party may, if necessary, be joined as a nominal party to such suit if Secured Party shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. Debtor shall promptly, upon demand, reimburse and indemnify Secured Party for all damages, costs and expenses, including attorneys' fees, incurred by Secured Party in the fulfillment of the provisions of this Section 12.

12. In the event of the occurrence of an Event of Default under the Loan Agreement, Debtor hereby authorizes and empowers Secured Party to make, constitute and appoint any officer or agent of Secured Party as Secured Party may select, in its exclusive discretion, as Debtor's true and lawful attorney-in-fact, with the power to endorse Debtor's name on all applications, documents, papers and instruments necessary for Secured Party to use any of the Intellectual Property Collateral, or to grant or issue any exclusive or non-exclusive license under any of the Intellectual Property Collateral to anyone else, or necessary for Secured Party to assign, pledge, convey or otherwise transfer title in or dispose of any of the Intellectual Property Collateral to anyone else. This power of attorney shall be irrevocable until this Agreement shall terminate pursuant to the terms herein.

13. If Debtor fails to comply with any of its obligations hereunder, Secured Party may do so in Debtor's name or in Secured Party's name, but at Debtor's expense, and Debtor hereby agrees to reimburse Secured Party in full for all expenses, including reasonable attorneys' fees, incurred by Secured Party in protecting, defending and maintaining any of the Intellectual Property Collateral.

14. This Agreement is supplemental to the Loan Agreement, and in no event shall this Agreement, or the recordation of this Agreement or any other documents in connection herewith with the United States Patent and Trademark Office, the United States Copyright Office, or any other government or public office or agency of the United States of America, adversely effect or impair, in any way or to any extent, the other Loan Documents, and the security interest of Secured Party in the Collateral (including the Intellectual Property Collateral) pursuant to the other Loan Documents. Any and all rights and interests of Secured Party in and to the Intellectual Property Collateral (and any and all obligations of Debtor with respect to the Intellectual Property Collateral) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of Secured Party (and the obligations of Debtor) in, to, or with respect to the Collateral (including Intellectual Property Collateral) provided in or arising under or in connection with the other Loan Documents.

15. No course of dealing between Debtor and Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of Secured Party, 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.

16. All of Secured Party's rights and remedies with respect to any of the Intellectual Property Collateral, 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.

17. Notices that are required to be delivered hereunder shall be sufficient if in writing and sent to the addresses set forth in the Loan Agreement, in the manner and within the time specified in the Loan Agreement.

18. 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.

19. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Section 7.

20. 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.

21. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of Rhode Island, without reference to applicable conflict of law principles.

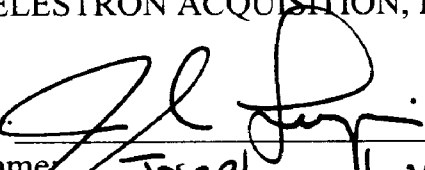
22. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties hereby acknowledge and agree that facsimile signatures of this Agreement shall have the same force and effect as original signatures.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Agreement as of the date set forth above.

ATTEST

ASSIGNOR:

CELESTRON ACQUISITION, LLC

By: 
Name: Joseph Lopica
Title: President

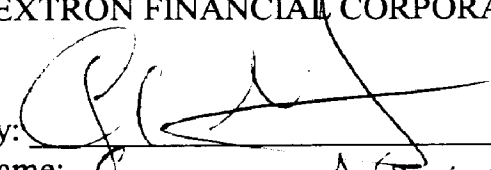
2835 Columbia Street
Torrance, CA 90503
Facsimile: 310-328-1479

with copies to:

Robert Braun, Esq.
1900 Avenue of the Stars, 7th Floor
Los Angeles, CA 90067-4308
Facsimile: 310-712-3331

SECURED PARTY:

TEXTRON FINANCIAL CORPORATION

By: 
Name: Christopher A. Groves
Title: President - Americas

11575 Great Oaks Way, Suite 210
Alpharetta, GA 30022
Attention: Portfolio Manager - ABLG
Facsimile: 770-360-1672

with a copy to:

Steven M. Schott, Esq.
Textron Financial Corporation
Suite 210
11575 Great Oaks Way
Alpharetta, GA 30022
Facsimile: (770) 360-1458

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)

)

) ss.

COUNTY OF ORANGE)

)

On January 23, 2003, before me, Cathie Hoffman, Notary Public,

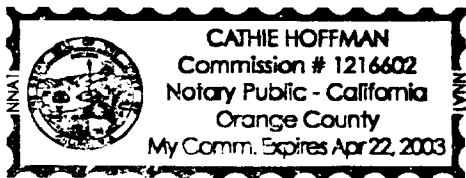
Date

Name and Title of Officer (e.g. "Jane Doe, Notary Public")

personally appeared Joseph Lupica,

Name of Signer

personally known to me – **OR** – proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal.

Cathie Hoffman
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY(IES) CLAIMED BY SIGNER(S)

- Individual
- Corporate Officer

Title

- Partner Limited
- Attorney-In-Fact General
- Trustee
- Guardian/Conservator
- Other: _____

Signer is Representing:
Name of Person or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Patent, Copyright and Trademark Collateral Assignment and Security Agreement

Title or Type of Document

Number of Pages

1/23/03

Date of Document

Signer Other Than Named Above

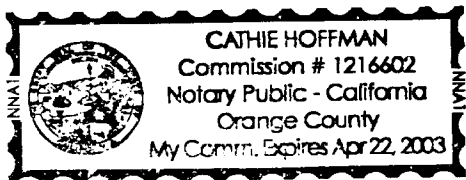
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On January 23, 2003, before me, Cathie Hoffman, Notary Public,
Date Name and Title of Officer (e.g. "Jane Doe, Notary Public")

personally appeared Christopher A. Gouskos,
Name of Signer

personally known to me – **OR** – proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal.

Cathie Hoffman
Signature of Notary Public

OPTIONAL

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Title

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Patent, Copyright and Trademark Collateral Assignment and Security Agreement

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Number of Pages

1/23/03
Date of Document

Signer Other Than Named Above