

03-11-2004



To the Honorable Commissioner of F

102690702

original documents or copy thereof.

1. Name of conveying party(ies):

ACME CONSTRUCTION SUPPLY CO., INC.

- Individual(s)
- General Partnership
- Corporation-State Oregon
- 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: 01/30/2004

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)

B. Trademark Registration No.(s) 2359740

2346893

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: 2

7. Total fee (37 CFR 3.41).....\$ 65.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Vicki L. Heller
Name of Person Signing

Vicki L. Heller
Signature

March 10, 2004
Date

Total number of pages including cover sheet, attachments, and document: 10

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

03/12/2004 GT0N11 00000021 2359740

01 FC:8521 40.00 OP
02 FC:8522 25.00 OP

**PATENT, COPYRIGHT AND TRADEMARK COLLATERAL ASSIGNMENT AND
SECURITY AGREEMENT**

THIS PATENT, COPYRIGHT AND TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (the "Agreement") is made as of the 30th day of January, 2004, between **ACME CONSTRUCTION SUPPLY CO., INC.**, an Oregon corporation ("Assignor") 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. Assignor 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 Assignor in the maximum amount of \$4,500,000.00 (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, Assignor is required to assign and grant to Secured Party a security interest in and to all of Assignor's right, title, and interest in and to certain intellectual property assets defined in the Loan Agreement as "Proprietary Rights" (for purposes of this Agreement, such assets shall be referred to as, collectively, the "Intellectual Property Collateral"), and Assignor is further required to execute and deliver to Secured Party this Agreement.

C. Certain of the Intellectual Property Collateral, as listed on Schedule A attached hereto and incorporated herein by reference, as the same may be amended and supplemented from time to time, has been registered by Assignor with the United States Patent and Trade Office, or its equivalent as the case may be.

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 Assignor and for the prompt performance by Assignor of its obligations and undertakings under this Agreement, Assignor 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 Assignor, and hereby grants, pledges and hypothecates such Intellectual Property Collateral to Secured Party.

2. (a) In addition to, and not by way of limitation of, the grant, pledge, and hypothecation of the Intellectual Property Collateral provided in Section 1 hereof, as collateral security for the prompt and punctual payment and performance of the Obligations by Assignor

and for the prompt performance by Assignor of its obligations and undertakings under this Agreement Assignor hereby grants, assigns, transfers, and conveys to Secured Party Assignor's entire right, title and interest in and to the Intellectual Property Collateral.

(b) Unless and until there shall have occurred and be continuing an Event of Default, Secured Party hereby grants to Assignor the exclusive, nontransferable right and license to use any part of the Intellectual Property Collateral on and in connection with the conduct of Assignor's business, for Assignor's own benefit and account and for none other; *provided, however*, that the foregoing right and license shall be no greater in scope than, and shall be limited by, the rights assigned to Secured Party by the Assignor hereby.

3. Assignor covenants, warrants and represents that:

(a) Set forth on Schedule A attached hereto is a true and complete list of all of the Intellectual Property Collateral that has been registered, recorded or filed with the United States Patent and Trade Office, the United States Copyright Office, and any other government or public office or agency of the United States of America or any state thereof, as of the date of this Agreement. Assignor acknowledges that notwithstanding Schedule A to this Agreement, the Intellectual Property Collateral shall consist of all information provided to Secured Party as set forth on Schedule 1 (P) to the Loan Agreement, as the same may be amended from time to time.

(b) Assignor is the sole and exclusive owner of all of the Intellectual Property Collateral, free and clear of all liens and encumbrances, except for the security interest and assignment created by this Agreement and the other Loan Documents. Assignor will defend the right, title and interest in and to the Intellectual Property Collateral against any and all claims of any third parties.

(c) To Assignor's knowledge, all of the Intellectual Property Collateral is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and Assignor has not received any claim by any third party that any Intellectual Property Collateral is invalid or unenforceable.

(d) Execution, delivery and performance of this Agreement by Assignor 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 Assignor is a party or by which Assignor is bound, or (ii) violate any laws, rules, regulations or orders applicable to any of the Intellectual Property Collateral.

(e) Assignor 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 or utilizing any of the Intellectual Property Collateral.

(f) Assignor 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) Assignor irrevocably authorizes Secured Party to record this Agreement 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 may be applicable, and, except for these filings, 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 Assignor of the security interest granted hereby or for the execution, delivery or performance of this Agreement by Assignor or (ii) for the perfection or the exercise by Secured Party of its rights and remedies hereunder.

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

4. Assignor hereby grants to Secured Party and its employees, representatives and agents the right to visit during regular business hours any of Assignor'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 Assignor. Assignor shall do any and all acts required by Secured Party to ensure Assignor's compliance with Section 3(e).

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

6. If, before the Obligations of the Assignor shall have been satisfied in full, Assignor shall obtain rights to any new Intellectual Property Collateral, the provisions of this Agreement shall automatically apply thereto and Assignor shall give Secured Party prompt written notice thereof.

7. Assignor shall immediately notify Secured Party, in writing, upon any future registration, recordation, or filing of any Intellectual Property Collateral. Assignor authorizes Secured Party to modify this Agreement by amending Schedule A with respect to any future registration, recordation, or filing of any Intellectual Property Collateral without the necessity of Assignor's approval or signature to such amendment, and Assignor 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 Assignor set forth herein shall be deemed to be restated by Assignor as of the date of any such amendment or supplement to Schedule A with full force and effect as though made on such date.

8. If any Event of Default shall have occurred and be continuing, Assignor's license, as set forth in Section 2(b), shall terminate forthwith and Assignor 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 Assignor, 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 Assignor 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 Assignor. Any remainder of the proceeds after payment in full of the Obligations of Assignor shall be paid over to Assignor. Notice of any sale or other disposition of any part of the Intellectual Property Collateral shall be given to Assignor at least ten (10) days before the time of any intended public or private sale or other disposition thereof is to be made, which Assignor 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 Assignor, which right is hereby waived and released.

9. Subject to the terms of the Loan Agreement, at such time as Assignor shall completely satisfy all of the Obligations, this Agreement shall terminate and Secured Party shall execute and deliver to Assignor 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 Assignor 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.

10. 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 Assignor 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.

11. Assignor shall have the duty, through counsel acceptable to Secured Party, to prosecute diligently any applications related to any Intellectual Property Collateral pending as of the date of this Agreement or thereafter until the Obligations of the Assignor shall have been

paid in full, and to make federal application on registrable but unregistered Intellectual Property Collateral. Any expenses incurred in connection therewith shall be borne by Assignor. Assignor 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.

12. Assignor 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. Assignor 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.

13. In the event of the occurrence of an Event of Default under the Loan Agreement, Assignor 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 Assignor's true and lawful attorney-in-fact, with the power to endorse Assignor'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. Assignor 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 this Agreement shall terminate pursuant to the terms herein.

14. If Assignor fails to comply with any of its obligations hereunder, Secured Party may do so in Assignor's name or in Secured Party's name, but at Assignor's expense, and Assignor 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.

15. 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 or any state thereof, 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 Assignor 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 Assignor) 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.

16. No course of dealing between Assignor 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.

17. 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.

18. 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.

19. 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.

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

21. 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.

22. 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.

23. 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.

[SIGNATURE PAGE FOLLOWS]

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

ATTEST

Richard M. Bader

ASSIGNOR:

ACME CONSTRUCTION SUPPLY CO.,
INC.

By: *Richard M. Bader*

Name: Richard M. Bader

Title: President

[CORPORATE SEAL]

330 SE Salmon Street

Portland, OR 97214

Attention: Richard M. Bader

Facsimile: (503) 233-3080

with a copy to:

Michael D. Walker, Esq

Samuels Yoelin Kantor Seymour &

Spinrad, LLP

200 Willamette Wharf

4640 SW Macadam Ave.

Portland, OR 97201-4278

Facsimile: (503) 222-2937

SECURED PARTY:

TEXTRON FINANCIAL CORPORATION

By: *Jeffrey A. Martin*

Name: Jeffrey A. Martin

Title: AVP

11575 Great Oaks Way, Suite 210

Alpharetta, GA 30022

Attention: SVP- ABLG Portfolio Management

Facsimile: (770) 360-1672

with a copy to:

Steven M. Schott, Esq.

Textron Financial Corporation

11575 Great Oaks Way, Suite 210

Alpharetta, GA 30022

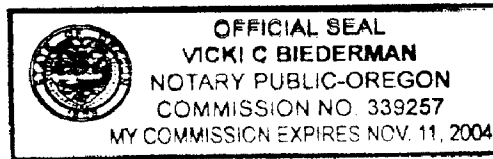
Facsimile: (770) 360-1458

STATE OF Oregon)
) ss:
COUNTY OF Multnomah

BEFORE ME, the undersigned, a Notary Public in and for the county aforesaid, on this 30 day of January 2004, personally appeared Richard M. Bader to me known personally, and who, being by me duly sworn, deposes and says that he/she is the President of Acme, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said Acme Coat Supply Co acknowledged said instrument to be the free act and deed of said corporation.

Vicki C Biederman
Notary Public

My Commission Expires: 11.11.2004



SCHEDULE A

TRADEMARKS

<u>Trademark/Service Mark</u>	<u>Country</u>	<u>Registration No.</u>	<u>Registration/Filing Date</u>	<u>Expiration Date</u>
Tool Runner	USA	2359740	June 20, 2000	June 19, 2010
Night Owl	USA	2346893	May 2, 2000	May 1, 2010

PATENTS

<u>Patent</u>	<u>Country</u>	<u>Registration No.</u>	<u>Registration/Filing Date</u>	<u>Expiration Date</u>
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SCHEDULE A