

04-26-2004



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Docket No.:
299/31182

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

1. Name of conveying party(ies):
LaBarge Electronics, Inc. 4.21.04

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: U.S. Bank National Association

Internal Address: 12th Floor

Street Address: One U.S. Bank Plaza

City: St. Louis State: MO ZIP: 63101

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State _____
 Other National Banking Association

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: February 17, 2004

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)
See Schedule C to Security Agreement

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CORP/FINANCE

Additional numbers attached? Yes No

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

Name: R Haferkamp

Internal Address: Thompson Coburn LLP

Street Address: One US Bank Plaza

City: St. Louis State: MO ZIP: 63101

6. Total number of application 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:
20-0823

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

R. Haferkamp
Name of Person Signing

R. Haferkamp
Signature

4/21/04
Date

Total number of pages including cover sheet, attachments, and documents:

04/23/2004 MBETACHE 00000045 2687442
40.00 OP
25.00 OP

SCHEDULE C

United States Trademarks

<u>U. S. Registration No.</u>	<u>Serial No.</u>	<u>Description</u>
2687442	76348207	PINNACLE ELECTRONICS (and Design)
2696542	76314983	PINNACLE ELECTRONICS

PATENT, TRADEMARK AND LICENSE SECURITY AGREEMENT

THIS PATENT, TRADEMARK AND LICENSE SECURITY AGREEMENT (this "Agreement") is made and entered into as of the 17th day of February, 2004, by LABARGE ELECTRONICS, INC., a Missouri corporation ("Debtor"), in favor of U.S. BANK NATIONAL ASSOCIATION, as agent (in such capacity, the "Agent") for the "Lenders" (as defined therein) from time to time party to that certain Loan Agreement dated as of the date hereof by and among LaBarge, Inc., Debtor, the Lenders from time to time party thereto and U.S. Bank National Association, as agent for the Lenders, as the same may from time to time be amended, modified, extended, renewed or restated (the "Loan Agreement"; all capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings ascribed to them in the Loan Agreement).

WITNESSETH:

WHEREAS, LaBarge, Inc., Debtor, the Lenders and the Agent are herewith entering into the Loan Agreement; and

WHEREAS, as a condition precedent to the Agent and the Lenders entering into the Loan Agreement, the Agent and the Lenders has required that Debtor execute and deliver this Agreement to the Agent for the ratable benefit of the Lenders; and

WHEREAS, in order to induce the Agent and the Lenders to enter into the Loan Agreement, Debtor has agreed to execute and deliver this Agreement to the Agent for the ratable benefit of the Lenders; and

WHEREAS, this Agreement is being executed in connection with and in addition to the Security Agreement dated as of the date hereof and executed by Debtor in favor of the Agent pursuant to which Debtor has granted to the Agent for the ratable benefit of the Lenders a security interest in and lien on, among other things, all of Debtor's accounts, accounts receivable, payment intangibles, inventory, documents, instruments, chattel paper, general intangibles (including, without limitation, goodwill, patents, patent applications, trademarks, trademark applications and licenses), machinery, equipment, investment property, books and records, all whether now owned or hereafter acquired by Debtor and all cash and non-cash proceeds thereof;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby covenants and agrees with the Agent as follows:

1. Grant of Security Interest. For value received, Debtor hereby grants the Agent for the ratable benefit of the Lenders a security interest in and lien on all of Debtor's right, title and interest in, to and under the following described property, whether now owned and existing or hereafter created, acquired or arising (collectively, the "Collateral"):

(a) all patents and patent applications, and the inventions and improvements described and claimed therein, including, without limitation, each patent and patent application listed on Schedules A and B, respectively, attached hereto and incorporated herein by reference (as the same may be amended pursuant hereto from time to time) and (i) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (ii) all income, damages and payments now and/or hereafter due or payable under or with respect thereto, including, without limitation, license royalties, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof and (iv) all rights corresponding thereto throughout the world (all of the foregoing patents and patent

applications together with the items described in clauses (i) through (iv) of this subsection (a) are hereinafter collectively referred to herein as the "Patents");

(b) all trademarks, service marks, trademark or service mark registrations, trade names, trade styles, trademark or service mark applications and brand names, including, without limitation, common law rights and each mark and application listed on Schedules C and D, respectively, attached hereto and incorporated herein by reference; and (i) renewals or extensions thereof, (ii) all income, damages and payments now and/or hereafter due or payable with respect thereto, including, without limitation, license royalties, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof and (iv) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names, service marks and applications and registrations thereof together with the items described in clauses (i) through (iv) of this subsection (b) are hereinafter collectively referred to herein as the "Trademarks");

(c) the license(s) listed on Schedule E attached hereto and incorporated herein by reference and all other license agreements (to the extent such license agreements may be assigned without violating the terms of any such license agreement) with respect to any of the Patents or the Trademarks or any other patent, trademark, service mark or any application or registration thereof or any other trade name or trade style between Debtor and any other Person, whether Debtor is licensor or licensee (all of the foregoing license agreements and Debtor's rights thereunder are hereinafter collectively referred to as the "Licenses");

(d) the goodwill of Debtor's business connected with and symbolized by the Trademarks; and

(e) all proceeds, including, without limitation, proceeds which constitute property of the types described in (a), (b), (c) and (d) above and any rents and profits of any of the foregoing items, whether cash or noncash, immediate or remote, and insurance proceeds, and all products of (a), (b), (c) and (d) above, and any indemnities, warranties and guaranties payable by reason of loss or damage to or otherwise with respect to any of the foregoing items;

to secure the payment of (i) any and all of the present and future Borrower's Obligations owed by Debtor, (ii) any and all present and future indebtedness (principal, interest, fees, collection costs and expenses and other amounts), liabilities and obligations (including, without limitation, guaranty obligations, letter of credit reimbursement obligations and indemnity obligations) of Debtor to the Agent and/or any Lender evidenced by or arising under or in respect of the Loan Agreement, this Agreement and/or any other Transaction Document and (iii) any and all costs of collection, legal expenses and attorneys' fees and expenses incurred by Lender upon the occurrence of any default or event of default under this Agreement, in collecting or enforcing payment of any such indebtedness, liabilities or obligations or in preserving, protecting or realizing on the Collateral hereunder or in representing the Agent and/or any Lender in connection with bankruptcy or insolvency proceedings (hereinafter collectively referred to as the "Secured Obligations").

2. Representations, Warranties and Covenants of Debtor. Debtor hereby represents and warrants to the Agent, and covenants and agrees with the Agent, that:

(a) all of the Patents, Trademarks and Licenses are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and are not at this time the subject of any challenge to their validity or enforceability;

(b) to the best of Debtor's knowledge, each of the Patents, Trademarks and Licenses is valid and enforceable;

(c) (i) no claim has been made that the use of any of the Patents, Trademarks or

Licenses does or may violate the rights of any third person, (ii) no claims for patent infringement have been commenced in connection with any of the Patents and (iii) no claims for trademark infringement have been commenced in connection with any of the Trademarks;

(d) Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, Trademarks and Licenses, free and clear of any and all Liens, charges and encumbrances, including, without limitation, any and all pledges, assignments, licenses, registered user agreements, shop rights and covenants by Debtor not to sue third persons;

(e) Debtor has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(f) Debtor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the registered Patents and Trademarks;

(g) Debtor has the exclusive, royalty-free right and license to use the Patents, Trademarks and Licenses and agrees not to transfer any rights or interest in any of the Patents, Trademarks and/or Licenses during the term of this Agreement; and

(h) Debtor has no notice of any suits or actions commenced or threatened with reference to any of the Patents, Trademarks and/or Licenses.

3. Inspection Rights; Product Quality. Debtor will permit inspection of Debtor's facilities which manufacture, inspect or store products sold under any of the Patents, Trademarks and/or Licenses and inspection of the products and records relating thereto by the Agent and/or any Lender during normal business hours and at other reasonable times. Debtor will reimburse the Agent and each Lender upon demand for all costs and expenses incurred by the Agent and/or any Lender in connection with any such inspection conducted by the Agent and/or any Lender while any Default or Event of Default under the Loan Agreement has occurred and is continuing. A representative of Debtor may be present during any such inspection, provided that a particular representative's availability or unavailability shall not inhibit or delay such inspection. Debtor agrees (a) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable practices and (b) to provide the Agent, upon the Agent's reasonable request from time to time, with a certificate of an officer of Debtor certifying Debtor's compliance with the foregoing.

4. Further Assurances. Debtor hereby agrees that, unless and until (a) all of the Secured Obligations shall have been fully, finally and indefeasibly paid in cash, (b) no Letters of Credit shall remain outstanding, (c) there shall be no remaining commitment or obligation of the Agent and/or any Lender to advance funds, make loans, issue letters of credit and/or extend credit to or for the account of LaBarge, Inc. and/or Debtor under the Loan Agreement and/or any of the other Transaction Documents, (d) the Loan Agreement shall have expired or been terminated in accordance with its terms and (e) the Revolving Credit Guaranty shall have been terminated in accordance with its terms, it will not, without the prior written consent of the Required Lenders, enter into any agreement (for example, a license or sublicense agreement) which is inconsistent with Debtor's obligations under this Agreement, the Loan Agreement and/or any other Transaction Document and Debtor 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 or enforcement of the rights transferred to the Agent under this Agreement. Debtor further agrees that at any time and from time to time, at the expense of Debtor, Debtor will promptly execute and deliver to the Agent any and all further instruments and documents and take any and all further action that the Agent and/or any Lender may request in good faith in order to perfect and protect the security interest granted hereby with respect to the Patents, Trademarks and Licenses or to enable the Agent to exercise its rights and remedies under this Agreement with respect to the same.

5. Additional Patents, Trademarks and Licenses. If Debtor (a) becomes aware of any existing Patents, Trademarks or Licenses of which Debtor has not previously informed the Agent, (b) obtains rights to any new patentable inventions, Patents, Trademarks and/or Licenses or (c) becomes entitled to the benefit of any Patents, Trademarks and/or Licenses which benefit is not in existence on the date of this Agreement, the provisions of this Agreement shall automatically apply thereto and Debtor shall give the Agent prompt written notice thereof.

6. Modification by the Agent. Debtor hereby irrevocably authorizes the Agent to modify this Agreement by amending Schedules A, B, C, D and/or E to include any future patents and patent applications, any future trademarks, service marks, trademark or service mark registrations, trade names, and trademark or service applications, and any future licenses, covered by Paragraphs 1 and 5 hereof, without the signature of Debtor if permitted by applicable law.

7. Use of Patents, Trademarks and Licenses. So long as no Event of Default under the Loan Agreement has occurred and is continuing, Debtor may use the Patents and Trademarks and exercise its rights under the Licenses in any lawful manner not inconsistent with this Agreement on and in connection with products sold by Debtor, for Debtor's own benefit and account and for none other.

8. Default. If any Event of Default under the Loan Agreement shall have occurred and be continuing, the Agent shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code and/or other applicable law as enacted in any jurisdiction in which any of the Patents, Trademarks and/or Licenses may be located and, without limiting the generality of the foregoing, the Agent 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, all or from time to time any of the Patents, Trademarks (together with the goodwill of Debtor associated therewith) and/or Licenses, or any interest which Debtor may have therein, and after deducting from the proceeds of sale or other disposition of the Patents, Trademarks or Licenses all expenses (including, without limitation, all expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Secured Obligations in such manner and order as the Required Lenders, in their discretion, shall elect. Notice of any sale or other disposition of any of the Patents, Trademarks and/or Licenses shall be given to Debtor at least five (5) Business Days before the time of any intended public or private sale or other disposition of such Patents, Trademarks and/or Licenses 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, the Agent, any Lender and/or any holder of any of the Secured Obligations may, to the extent permissible under applicable law, purchase the whole or any part of the Patents, Trademarks and/or Licenses sold, free from any right of redemption on the part of Debtor, which right is hereby waived and released. Debtor agrees that upon the occurrence and continuance of any Event of Default under the Loan Agreement, the use by the Agent and/or any Lender of the Patents, Trademarks and Licenses shall be worldwide, and without any liability for royalties or other related charges from the Agent and/or any Lender to Debtor. If an Event of Default under the Loan Agreement shall occur and be continuing, the Agent shall have the right, but shall in no way be obligated, to bring suit in its own name (for the benefit of itself) to enforce any and all of the Patents, Trademarks and Licenses, and, if the Agent shall commence any such suit, Debtor shall, at the request of the Agent, do any and all lawful acts and execute any and all proper documents required by the Agent in aid of such enforcement and the Debtor shall promptly, upon demand, reimburse and indemnify the Agent for all costs and expenses incurred by the Agent in the exercise of its rights and remedies under this Agreement. All of the Agent's rights and remedies with respect to the Patents, Trademarks and Licenses, whether established hereby, by the Security Agreement or by any other agreement or by law shall be cumulative and may be exercised singularly or concurrently.

9. Termination of Agreement. At such time as (a) all of the Secured Obligations shall have been fully, finally and indefeasibly paid in cash, (b) no Letters of Credit shall remain outstanding, (c) there shall be no remaining commitment or obligation of the Agent and/or any Lender to advance

funds, make loans, issue letters of credit and/or extend credit to or for the account of LaBarge, Inc. and/or Debtor under the Loan Agreement and/or any of the other Transaction Documents, (d) the Loan Agreement shall have expired or been terminated in accordance with its terms and (e) the Revolving Credit Guaranty shall have been terminated in accordance with its terms, this Agreement shall terminate and, upon Debtor's written request, the Agent shall execute and deliver to Debtor all instruments as may be necessary or proper to extinguish the Agent's security interest in the Collateral, subject to any disposition thereof which may have been made by the Agent pursuant to this Agreement. If claim is ever made on the Agent and/or any Lender for repayment or recovery of any amount or amounts received by the Agent and/or any Lender in payment or on account of any of the Secured Obligations (including payment under a guaranty or from application of collateral) and the Agent and/or any Lender repays all or part of said amount by reason of (a) any judgment, decree or order of any court or administrative body having jurisdiction over the Agent and/or any Lender or any Property of the Agent and/or any Lender or (b) any settlement or compromise of any such claim effected by the Agent and/or any Lender with any such claimant (including, without limitation, Debtor), then and in such event Debtor agrees that any such judgment, decree, order, settlement or compromise shall be binding on Debtor, notwithstanding any cancellation of any note or other instrument or agreement evidencing such Secured Obligations or of this Agreement, and this Agreement shall continue to be effective or be reinstated, as the case may be, and shall secure the payment of the amount so repaid or recovered to the same extent as if such amount had never originally been received by the Agent and/or any Lender. This Agreement shall continue to be effective or be reinstated, as the case may be, if (a) at any time any payment of any of the Secured Obligations is rescinded or must otherwise be returned by the Agent and/or any Lender upon the insolvency, bankruptcy or reorganization of Debtor or otherwise, all as though such payment had not been made or (b) this Agreement is released in consideration of a payment of money or transfer of property or grant of a security interest by Debtor or any other Person and such payment, transfer or grant is rescinded or must otherwise be returned by the Agent and/or any Lender upon the insolvency, bankruptcy or reorganization of such Person or otherwise, all as though such payment, transfer or grant had not been made.

10. Expenses. Any and all fees, costs and expenses of whatever kind or nature, including, without limitation, the reasonable attorneys' fees and expenses incurred by the Agent in connection with the preparation, negotiation, administration and/or enforcement 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 other amounts in connection with protecting, maintaining or preserving the Patents, Trademarks and/or Licenses, or in defending or prosecuting any actions or proceedings arising out of or related to the Patents, Trademarks and/or Licenses, shall be borne and paid by Debtor on demand by the Agent and until so paid shall be added to the principal amount of the Secured Obligations and shall bear interest at a rate per annum equal to the lesser of Three Percent (3%) over and above the Adjusted Base Rate (which interest rate shall fluctuate as and when the Adjusted Base Rate shall change) or the highest rate of interest allowed by law from the date incurred until reimbursed by Debtor.

11. Preservation of Patents, Trademarks and Licenses. Debtor shall have the duty (a) to file and prosecute diligently any patent, trademark or service mark applications pending as of the date hereof or hereafter, (b) to make application on unpatented but patentable inventions and on trademarks and service marks, as commercially reasonable and (c) to preserve and maintain all rights in the Patents, Trademarks and Licenses, as commercially reasonable. Any expenses incurred in connection with Debtor's obligations under this Section 11 shall be borne by Debtor.

12. Agent Appointed Attorney-In-Fact. If any Event of Default under the Loan Agreement shall have occurred and be continuing, Debtor hereby authorizes and empowers the Agent to make, constitute and appoint any officer or agent of the Agent as the Agent may select, in its sole discretion, as Debtor's true and lawful agent and attorney-in-fact, with the power to endorse Debtor's name on all applications, documents, papers and instruments necessary for the Agent to use the Patents,

Trademarks and Licenses, or to grant or issue any exclusive or non-exclusive license under the Patents, Trademarks and Licenses to anyone else, or necessary for the Agent to assign, pledge, convey or otherwise transfer title to or dispose of the Patents, Trademarks and Licenses to anyone else. Debtor hereby ratifies all that such agent or attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable for the duration of this Agreement.

13. No Waiver. No course of dealing between Debtor and the Agent, nor any failure to exercise, nor any delay in exercising, on the part of the Agent, any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

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. Amendments. This Agreement is subject to amendment or modification only by a writing signed by Debtor and the Agent and consented to by the Required Lenders, except as provided in Paragraph 6 above.

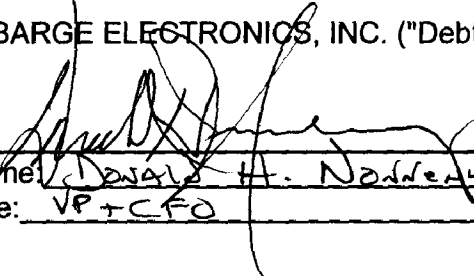
16. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, except that Debtor may not assign, transfer or delegate any of its rights, obligations or duties under this Agreement.

17. Governing Law. The validity and interpretation of this Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the substantive laws of the United States of America and the State of Missouri (without reference to conflict of law principles); provided, however, that the perfection, the effect of the perfection or non-perfection and the priority of the security interests and liens created by this Agreement shall in all respects be governed, construed, applied and enforced in accordance with the substantive laws of the applicable jurisdiction.

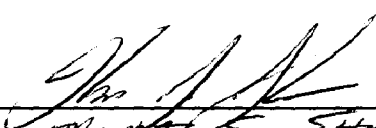
18. Consent to Jurisdiction; Waiver of Jury Trial. DEBTOR HEREBY IRREVOCABLY (A) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY MISSOURI STATE COURT SITTING IN THE CITY OR COUNTY OF ST. LOUIS, MISSOURI OR ANY UNITED STATES OF AMERICA COURT SITTING IN THE EASTERN DISTRICT OF MISSOURI, EASTERN DIVISION, AS AGENT MAY ELECT, IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, (B) AGREES THAT ALL CLAIMS IN RESPECT TO SUCH SUIT, ACTION OR PROCEEDING MAY BE HELD AND DETERMINED IN ANY OF SUCH COURTS, (C) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH DEBTOR MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT, (D) WAIVES ANY CLAIM THAT SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM AND (E) WAIVES ALL RIGHTS OF ANY OTHER JURISDICTION WHICH DEBTOR MAY NOW OR HEREAFTER HAVE BY REASON OF ITS PRESENT OR SUBSEQUENT DOMICILES. DEBTOR AND THE AGENT HEREBY IRREVOCABLY WAIVE THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY ACTION IN WHICH DEBTOR AND THE AGENT ARE PARTIES RELATING TO OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

IN WITNESS WHEREOF, Debtor and the Agent have executed this Patent, Trademark and License Security Agreement as of the 17th day of February, 2004.

LABARGE ELECTRONICS, INC. ("Debtor")

By 
Name: Donald H. Norderkamp
Title: VP + CFO

U.S. BANK NATIONAL ASSOCIATION, as Agent
("Agent")

By 
Name: Robert S. Sherman
Title: Vice President

SCHEDULE A

United States Patents

Patent No.

Description

NONE

SCHEDULE B

United States Patent Applications

Application or Serial No.

Patents in Process

NONE

SCHEDULE D

United States Trademark Applications

Application No.

Date Filed

Mark

NONE

SCHEDULE E

Licenses

NONE