

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Fluid Power Resource, LLC		12/22/2004	Limited Liability Company: DELAWARE
H.E.B., LLC		12/22/2004	Limited Liability Company: DELAWARE
Carolina Fluid Components, LLC		12/22/2004	Limited Liability Company: DELAWARE
Hydro Air, LLC		12/22/2004	Limited Liability Company: DELAWARE
Fluidtech, LLC		12/22/2004	Limited Liability Company: DELAWARE
DTS Fluid Power, LLC		12/22/2004	Limited Liability Company: DELAWARE
Ritter Technology, LLC		12/22/2004	Limited Liability Company: DELAWARE
Bay Advanced Technologies, LLC		12/22/2004	Limited Liability Company: DELAWARE
Mach V, Inc.		12/22/2004	CORPORATION: DELAWARE
Hughes-Hitech, LLC		12/22/2004	Limited Liability Company: DELAWARE
Pacific Powertech, LLC		12/22/2004	Limited Liability Company: DELAWARE
Gulf Controls Company, LLC		12/22/2004	Limited Liability Company: DELAWARE

CH \$90.00 2570604

RECEIVING PARTY DATA

Name:	PNC Bank, National Association
Street Address:	249 Fifth Avenue
City:	Pittsburgh
State/Country:	PENNSYLVANIA
Postal Code:	15222
Entity Type:	Bank:

PROPERTY NUMBERS Total: 3

900017117

**TRADEMARK
 REEL: 002996 FRAME: 0595**

Property Type	Number	Word Mark
Registration Number:	2570604	BAYAT
Registration Number:	2284834	BAY ENGINEERED SYSTEMS
Registration Number:	2268864	BAY ADVANCED TECHNOLOGIES

CORRESPONDENCE DATA

Fax Number: (412)562-1041
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 412-562-1637
Email: cremonesevj@bipc.com
Correspondent Name: Michael L. Dever
Address Line 1: 301
Address Line 2: 20th Floor
Address Line 4: Pittsburgh, PENNSYLVANIA 15219

NAME OF SUBMITTER:	Michael L. Dever
Signature:	/Michael L. Dever/
Date:	12/23/2004

Total Attachments: 10
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PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

This Patent, Trademark and Copyright Security Agreement (the "Agreement"), dated as of December 22, 2004, is entered into by and among FLUID POWER RESOURCE, LLC, a Delaware limited liability company (the "Borrower"), the Guarantors parties to the Credit Agreement listed on the signature pages attached hereto, and any Person who becomes a Guarantor party to the Credit Agreement (each a "Pledgor" and collectively the "Pledgors"), and PNC BANK, NATIONAL ASSOCIATION, a national banking association, as Administrative Agent for the Banks referred to below (the "Agent" or "Secured Party").

WHEREAS, pursuant to that certain Amended and Restated Credit Agreement (as amended, restated, modified or supplemented from time to time, the "Credit Agreement") of even date herewith by and among Fluid Power Resource, LLC, a Delaware limited liability company, as Borrower, the Guarantors now or hereafter party thereto, the Banks now or hereafter party thereto, the Secured Party, and Wachovia Bank, National Association, as Syndication Agent (all as defined in the Credit Agreement), The Agent and the Banks have agreed to provide certain loans to Borrower, and Borrower and each of the other Pledgors have agreed, among other things, to grant a security interest to the Secured Party in certain patents, trademarks, copyrights and other property as security for such loans and other obligations as more fully described herein.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

1. Except as otherwise expressly provided herein, capitalized terms used in this Agreement shall have the respective meanings given to them in the Credit Agreement.
2. To secure the full payment and performance of all Obligations and other liabilities of Borrower and each of the other Loan Parties now or hereafter existing under the Credit Agreement and the other Loan Documents, including, without limitation, principal, interest, fees, expenses, costs and expenses of enforcement, reasonable attorney's fees and expenses, and obligations under indemnification provisions in the Loan Documents (collectively, the "Secured Obligations"), each Pledgor hereby grants, and conveys a security interest to Secured Party in the entire right, title and interest of each Pledgor in and to all trade names, patent applications, patents, trademark applications, trademarks and copyrights, whether now owned or hereafter acquired by such Pledgor, including, without limitation, those listed on Schedule A hereto, including all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, and the goodwill of the business to which any of the patents, trademarks and copyrights relate (collectively, the "Patents, Trademarks and Copyrights").
3. Each Pledgor covenants and warrants that:

- 3.1. the Patents, Trademarks and Copyrights are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;
- 3.2. to the best of such Pledgor's knowledge, each of the Patents, Trademarks and Copyrights is valid and enforceable;
- 3.3. except as set forth on Schedule B hereto and except for Permitted Liens, such Pledgor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of its Patents, Trademarks and Copyrights, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, shop rights and covenants by such Pledgor not to sue third persons;
- 3.4. such Pledgor has the corporate power and authority to enter into this Agreement and perform its terms;
- 3.5. no claim has been made to such Pledgor or, to the knowledge of such Pledgor, any other person that the use of any of its Patents, Trademarks and Copyrights does or may violate the rights of any third party;
- 3.6. such Pledgor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Patents, Trademarks and Copyrights; and
- 3.7. such Pledgor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of its Patents, Trademarks and Copyrights, except for those Patents, Trademarks and Copyrights that are hereafter allowed to lapse in accordance with Paragraph 10 hereof.
4. Each Pledgor agrees that, until all of the Secured Obligations shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with such Pledgor's obligations under this Agreement, without Secured Party's prior written consent which shall not be unreasonably withheld except such Pledgor may license technology in the ordinary course of business without the Secured Party's consent to suppliers and customers to facilitate the manufacture and use of such Pledgor's products.
5. If, before the Secured Obligations shall have been indefeasibly satisfied in full and the Commitments have terminated, any Pledgor shall own any new trademarks or any new copyrightable or patentable inventions, or any patent application or patent for any reissue, division, continuation, renewal, extension, or continuation in part of any Patent, Trademark or Copyright or any improvement on any Patent, Trademark or Copyright, the provisions of this Agreement shall automatically apply thereto and such Pledgor shall give to Secured Party prompt notice thereof in writing. Each Pledgor and Secured Party agree to modify this Agreement by amending Schedule A to include any future patents, patent applications, trademark applications, trademarks, copyrights or copyright applications and the provisions of this Agreement shall apply thereto.
6. Secured Party shall have, in addition to all other rights and remedies given it by this Agreement and those rights and remedies set forth in the Credit Agreement, those allowed by

Law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks and Copyrights may be located and, without limiting the generality of the foregoing, if an Event of Default has occurred and is continuing, Secured Party may immediately, without demand of performance and without other notice (except as set forth below) or demand whatsoever to any Pledgor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in a city that the Agent shall designate by notice to each Pledgor, in Pittsburgh, Pennsylvania or elsewhere, the whole or from time to time any part of such Pledgor's Patents, Trademarks and Copyrights, or any interest which such Pledgor may have therein and, after deducting from the proceeds of sale or other disposition of its Patents, Trademarks and Copyrights all expenses (including fees and expenses for brokers and attorneys), shall apply the remainder of such proceeds toward the payment of the Secured Obligations as the Secured Party, in its sole discretion, shall determine. Any remainder of the proceeds after payment in full of the Secured Obligations shall be paid over to such Pledgor. Notice of any sale or other disposition of any Pledgor's Patents, Trademarks and Copyrights shall be given to such Pledgor at least ten (10) days before the time of any intended public or private sale or other disposition of the Patents, Trademarks and Copyrights is to be made, which such Pledgor 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 the Patents, Trademarks and Copyrights sold, free from any right of redemption on the part of Pledgor, which right is hereby waived and released.

7. If any Event of Default shall have occurred and be continuing, each Pledgor 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 such Pledgor's true and lawful attorney-in-fact, with the power to endorse such Pledgor's name on all applications, documents, papers and instruments necessary for Secured Party to use its Patents, Trademarks and Copyrights, or to grant or issue, on commercially reasonable terms, any exclusive or nonexclusive license under its Patents, Trademarks and Copyrights to any third person, or necessary for Secured Party to assign, pledge, convey or otherwise transfer title in or dispose, on commercially reasonable terms, of its Patents, Trademarks and Copyrights to any third Person. Each Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable for the life of this Agreement.

8. At such time as Pledgors shall have indefeasibly paid in full all of the Secured Obligations and the Commitments shall have terminated, this Agreement shall terminate and Secured Party shall execute and deliver to each Pledgor all deeds, assignments and other instruments as may be necessary or proper to re-vest in such Pledgor full title to its Patents, Trademarks and Copyrights, 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 reasonable attorney's fees and 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,

the protection, maintenance or preservation of each Pledgor's Patents, Trademarks and Copyrights, or the defense or prosecution of any actions or proceedings arising out of or related to the Patents, Trademarks and Copyrights, shall be borne and paid by Pledgors within fifteen (15) days of demand by Secured Party, and if not paid within such time, shall be added to the principal amount of the Secured Obligations and shall bear interest at the highest rate prescribed in the Credit Agreement.

10. Each Pledgor shall have the duty, through counsel reasonably acceptable to Secured Party, to prosecute diligently any of its applications for Patents, Trademarks and Copyrights pending as of the date of this Agreement if commercially reasonable or thereafter until the Secured Obligations shall have been indefeasibly paid in full and the Commitments shall have terminated, to make application on unpatented but patentable inventions (whenever it is commercially reasonable in the reasonable judgment of the Pledgors to do so) and to preserve and maintain all rights in Patent, Trademark and Copyright applications and Trademarks, Copyrights, and issued Patents, including without limitation the payment of all maintenance fees. Any expenses incurred in connection with such an application shall be borne by Pledgors. No Pledgor shall abandon any of its Patents, Trademarks or Copyrights without the consent of Secured Party, which shall not be unreasonably withheld.

11. Each Pledgor shall have the right, with the consent of Secured Party, which shall not be unreasonably withheld, to bring suit, action or other proceeding in its own name, and to join Secured Party, if necessary, as a party to such suit so long as Secured Party is satisfied that such joinder will not subject it to any risk of liability, to enforce its Patents, Trademarks and Copyrights and any licenses thereunder. Each Pledgor shall promptly, upon demand, reimburse and indemnify Secured Party for all damages, costs and expenses, including reasonable legal fees, incurred by Secured Party as a result of such suit or joinder by such Pledgor.

12. No course of dealing between any Pledgor 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 Credit Agreement or other Loan Documents shall operate as a waiver of such right, power or privilege, 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.

13. All of Secured Party's rights and remedies with respect to the Patents, Trademarks and Copyrights, whether established hereby or by the Credit Agreement or by any other agreements or by Law, shall be cumulative and may be exercised singularly or concurrently.

14. 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 clause or provision of this Agreement in any jurisdiction.

15. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Paragraph 5.

16. 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, provided, however, that no Pledgor may assign or transfer any of its rights or obligations hereunder or any interest herein and any such purported assignment or transfer shall be null and void.

17. This Agreement shall be governed by and construed in accordance with the internal Laws of the Commonwealth of Pennsylvania without regard to its conflicts of law principles.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

[SIGNATURE PAGE 1 OF 4 TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or agents thereunto duly authorized, as of the date first above written.

WITNESS/ATTEST:

FLUID POWER RESOURCE, LLC

Russell W. King

By: *Denis P. McCarthy* (SEAL)
Name: Denis P. McCarthy
Title: President

[Seal]

WITNESS/ATTEST:

H.E.B., LLC

Russell W. King

By: *Denis P. McCarthy* (SEAL)
Name: Denis P. McCarthy
Title: Vice President

[Seal]

WITNESS/ATTEST:

CAROLINA FLUID COMPONENTS, LLC

Russell W. King

By: *Denis P. McCarthy* (SEAL)
Name: Denis P. McCarthy
Title: Vice President

[Seal]

WITNESS/ATTEST:

HYDRO AIR, LLC

Russell W. King

By: *Denis P. McCarthy* (SEAL)
Name: Denis P. McCarthy
Title: Vice President

[Seal]

WITNESS/ATTEST:

FLUIDTECH, LLC

Russell W. King

By: *Denis P. McCarthy* (SEAL)
Name: Denis P. McCarthy
Title: Vice President

[Seal]

[SIGNATURE PAGE 2 OF 4 TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT]

WITNESS/ATTEST:

DTS FLUID POWER, LLC

Russell W. Coyne, Esq.

By: Denis P. McCarthy (SEAL)
Name: Denis P. McCarthy
Title: Vice President

[Seal]

WITNESS/ATTEST:

RITTER TECHNOLOGY, LLC

Russell W. Coyne, Esq.

By: Denis P. McCarthy (SEAL)
Name: Denis P. McCarthy
Title: Vice President

[Seal]

WITNESS/ATTEST:

BAY ADVANCED TECHNOLOGIES,
LLC

Russell W. Coyne, Esq.

By: Denis P. McCarthy (SEAL)
Name: Denis P. McCarthy
Title: Vice President

[Seal]

WITNESS/ATTEST:

MACH V, INC.

Russell W. Coyne, Esq.

By: Denis P. McCarthy (SEAL)
Name: Denis P. McCarthy
Title: Vice President

[Seal]

WITNESS/ATTEST:

HUGHES-HITECH, LLC

Russell W. Coyne, Esq.

By: Denis P. McCarthy (SEAL)
Name: Denis P. McCarthy
Title: Vice President

[Seal]

[SIGNATURE PAGE 3 OF 4 TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT]

WITNESS/ATTEST:

Russell W. Coyne

[Seal]

PACIFIC POWERTECH, LLC

By: *Denis P. McCarthy* (SEAL)
Name: Denis P. McCarthy
Title: Vice President

WITNESS/ATTEST:

Russell W. Coyne

[Seal]

GULF CONTROLS COMPANY, LLC

By: *Denis P. McCarthy* (SEAL)
Name: Denis P. McCarthy
Title: Vice President

[SIGNATURE PAGE 4 OF 4 TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT]

PNC BANK, NATIONAL ASSOCIATION,
individually and as Administrative Agent

By: Thomas A. Majeski
Name: Thomas A. Majeski
Title: Vice President

**SCHEDULE A
TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT**

**LIST OF REGISTERED PATENTS, TRADEMARKS,
TRADE NAMES AND COPYRIGHTS**

Bay Advanced Technologies, LLC

1. Service Mark: Bay AT
Serial Number: 75-719,176
Filing Date: June 1, 1999
2. Service Mark: Bay Engineered Systems
Registration Number: 2,284,834
Filing Date: October 12, 1999
3. Service Mark: Bay Advanced Technologies
Serial Number: 75-496,502
Filing Date: June 5, 1998
4. Website: BayAT.com

Carolina Fluid Components, LLC

1. Website: www.cfcsite.com

DTS Fluid Power, LLC

1. Website: www.dtsfluidpower.com

FluidTech, LLC

1. Website: www.FluidTech.net

Gulf Controls Company, LLC

Nautilus Logo, attached hereto.

Internet Domain Names

www.gulfcontrols.com

www.gulfcontrols.net

www.gulfcontrols.org

www.action-hydraulics.com