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Form PTO-1594 (Rev. 07/05)
OMB Collection 0651-0027 (exp. 6/30/2008)

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

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):
Cobra Wire & Cable, Inc.

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

Citizenship (see guidelines) Delaware

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies) Yes
Additional names, addresses, or citizenship attached? No

Name: TD Banknorth, N.A.
Internal _____
Address: _____
Street Address: 55 North York Road
City: Hatboro
State: PA
Country: United States Zip: 19040

Association Citizenship United States
 General Partnership Citizenship _____
 Limited Partnership Citizenship _____
 Corporation Citizenship _____
 Other _____ Citizenship _____

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)

3. Nature of conveyance / Execution Date(s) :

Execution Date(s) March 9, 2007

Assignment Merger
 Security Agreement Change of Name
 Other _____

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)
See attached.

B. Trademark Registration No.(s)
See attached.

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):
See attached.

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

Name: Gilbert J. Golding, Esquire
Internal Address: Curtin & Heefner, LLP
Street Address: 250 N. Pennsylvania Ave
City: Morrisville
State: PA Zip: 19067
Phone Number: 215-736-2521
Fax Number: 215-736-3647
Email Address: gig@curtinheefner.com

6. Total number of applications and registrations involved: 7

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 190.00

Authorized to be charged by credit card
 Authorized to be charged to deposit account
 Enclosed

8. Payment information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____
Authorized User Name _____

9. Signature: Brian Holtzman 4/4/2007
Signature Date

Brian Holtzman, CFO/CIO/Secretary
Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 18

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

04/13/2007 DBYRNE 0000015 12788989 40.00 DP 150.00 DP

Section 4

Serial Number	Registration Number	Word Mark
78674551	3188989	Cobra Wire Battery System Cable
76542825	2992905	Cobra Wire & Cable Boat Cable
76540696	2963644	Cobra Wind Power Cable
76060420	2776100	X-Flex 150
75622927	2321208	X-Flex
75622925	2319007	Cop-Flex 2000
75170300	2142089	Cobra Wire & Cable

393059.1/39626

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, made as of the 9th day of March, 2007, by and between **MERIT/FULTON ACQUISITION CO., INC.** ("Debtor"), a corporation organized and existing under the laws of the State of Delaware to be known as Cobra Wire & Cable, Inc., having its chief executive office at 2930 Turnpike Drive, Hatboro, Pennsylvania 19040; and **TD BANKNORTH, N. A.** ("Lender"), a national banking association, having an address at 55 North York Road, Hatboro, Pennsylvania 19040.

1. Grant of Security Interest. For value received and to secure the payment and performance of the Obligations described in Paragraph 3 below, the Debtor hereby pledges and grants to the Lender a continuing security interest in, lien upon, and right of setoff against, the property described below in Paragraph 2 (collectively and severally, the "Collateral"). The security interest granted herein shall stand as general and continuing security for all Obligations and shall not be rendered void by the fact that no Obligations or commitment by the Lender to make advances to the Debtor exists as of any particular date, but rather, shall continue in full force and effect until the payment in full of all the Obligations and the termination of the Lender's commitment to lend under any of the Obligations. All security interests in the Collateral shall be deemed to arise and be perfected under and governed by the Pennsylvania Uniform Commercial Code ("UCC"), except to the extent such law does not apply to certain types of transactions or Collateral, in which case applicable law shall govern. Notwithstanding the foregoing provisions, the pledge and grant of a lien and security interest as provided herein shall not extend to any Excluded Collateral as defined in the Loan Agreement.

All capitalized terms herein which are not otherwise defined shall have the meaning ascribed thereto in Article 9 of the UCC as in effect in the Commonwealth of Pennsylvania from time to time. If the terms defining items or classes of Collateral change or are added as a result of a revision of Article 9 of the UCC enacted and in force at any relevant future time after the date of this Agreement, then the meaning to be ascribed to any such term with respect to any particular item or class of Collateral and the interpretation thereof after the date of such enactment shall be (a) if such term is defined in both versions of Article 9 of the UCC and such definitions differ, the broader or more encompassing of the two definitions, regardless of duplication, and (b) if such term is defined under only one of the versions of Article 9 of the UCC, the definition in that version.

2. Collateral. Collateral shall consist of all of the personal property of Debtor of every kind and nature, wherever located, whether now owned or hereafter acquired, including, without limitation, all Accounts (including without limitation Health-care-insurance receivables), Chattel Paper (including without limitation Tangible Chattel Paper and Electronic Chattel Paper), Commercial Tort Claims (including but not limited to all claims arising from the incident(s) or occurrence(s) identified on **Schedule D** hereto), Deposit Accounts, Documents, Equipment, General Intangibles (including without limitation licenses, distribution and other agreements, computer software, computer software development rights, leases, franchises, customer lists, quality control procedures, grants and rights, goodwill, trademarks and service marks (including but not limited to the trademarks or servicemarks filed and/or registered with the United States Patent and Trademark Office identified by (i) registration number 3188989, (ii) registration number 2992905, (iii) registration number 2963644, (iv) registration number 2776100, (v) registration number 2321208, (vi) registration number 2319007, and (vii) registration number 2142089), trade names, patents, patent applications, copyrights and income tax refunds), Goods (whether or not commingled), Instruments (including without limitation Promissory Notes), Inventory, Investment Property, Fixtures, Letter of Credit Rights, Letters of Credit, Money, Payment Intangibles, and Supporting Obligations, but shall not include Excluded Collateral as defined in the Loan Agreement.

In addition to the foregoing, the Collateral shall also consist of (i) to the extent not listed above as original Collateral, all Products and Proceeds (Cash and Noncash) of all of the foregoing Collateral and any insurance policies relating thereto; and any recovery in any case under the United States Bankruptcy Code arising out of or involving an avoidable transaction; (ii) all Accessions, parts, accessories, attachments, and appurtenances in any way used with, attached or related to, or installed in, or intended to be so used, attached, related to or installed in, any Equipment or Inventory constituting Collateral hereunder; and (iii) all of the Debtor's present and future Software, files, books, ledgers, records, customer lists, correspondence, bills, invoices, receipts, deeds, instruments, documents, General Intangibles, warranties, bills of sale, manuals of operation, maintenance or repair and all other data and data storage systems and media pertaining to or utilized in connection with any of the foregoing Collateral, whether in the possession of Debtor or any service bureau.

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3. Obligations. The term "Obligations" has the meaning ascribed to such term in the Loan Agreement, provided, however, that the interests granted in any Collateral hereby shall not secure any Obligation to which the Truth-in-Lending Act and Regulation Z promulgated thereunder apply.

4. Representation and Warranties. The Debtor represents and warrants that:

(a) The Debtor is a corporation organized under the laws of the State of Delaware. The Debtor's mailing address and chief executive office is 2930 Turnpike Drive, Hatboro, Pennsylvania 19040 and its organizational identification number is 4249648.

(b) MERIT/FULTON ACQUISITION CO., INC. is the exact legal name of the Debtor.

(c) All representations and warranties made by the Debtor in any of the Loan Documents (as defined below) are and shall remain true so long as any Obligations are outstanding.

(d) Except as set forth in Schedule A hereto, during the past five years, the Debtor has not changed the location of its chief executive office. Schedule A sets forth the location of all of Debtor's tangible property (including any Inventory, Equipment, books and records) and all fictitious names and trade names that the Debtor has used within the last five years.

(e) Except for any security interest in favor of the Lender and except for Permitted Liens (as defined in the Loan Agreement), the Debtor has rights in or the power to transfer the Collateral and its title to the Collateral is free and clear of all security interests, encumbrances, or liens, except as created herein or as otherwise permitted under any of the Loan Documents, and the Debtor will defend the Collateral against all claims and demands of any persons at any time claiming an interest therein.

(f) No representation, warranty or statement by the Debtor contained herein or in any Loan Document or in any document furnished or to be furnished by the Debtor pursuant hereto contains or at the time of delivery shall contain any untrue statement of material fact, or omits, or shall omit, at the time of delivery, to state a material fact necessary to make it not misleading.

(g) The Debtor has delivered to the Lender all Collateral in which a security interest is or may be perfected by possession, the certificate of title with respect to each motor vehicle, if any, included in the Collateral, and any certificated Investment Property together with such additional writings, including, without limitation, such assignments and stock powers, with respect thereto in each case as requested by the Lender.

(h) Each account, contract right, item of chattel paper, instrument, general intangible or any other right to payment of money is genuine or enforceable in accordance with its terms against the party obligated to pay the same ("Account Debtor"), which terms have not been modified or waived in any material respect or to any material extent (and then only in the ordinary course of business). Moreover, any amount represented by the Debtor to the Lender as owing from any Account Debtor is, to the best of the Debtor's knowledge and belief, the correct amount actually and unconditionally owing by such Account Debtor; and that no Account Debtor has asserted any defense, setoff, claim, or counterclaim against the Debtor that can be asserted against the Lender, whether in any proceeding to enforce the Lender's right in the Collateral or otherwise.

(i) No financing statement (other than Permitted Liens covering any Collateral is on file in any public filing office.

(j) The Investment Property, if any, has been validly issued and is fully paid and nonassessable; and there are no outstanding options, warrants, or other agreements with respect thereto.

(k) Schedule B hereto sets forth the name of each bank (other than the Lender) at which the Debtor maintains deposit accounts and the account numbers for each deposit account. Schedule C hereto sets forth all letters of credit under which the Debtor is named as beneficiary, including the name of the issuing bank and the letter of credit number.

(l) The loans or other financial accommodations included as Obligations secured by this Agreement were obtained solely for business purposes and not for residential, consumer or household purposes.

5. Possession. Debtor shall have possession of the Collateral, except where expressly provided in this Agreement or where Lender chooses to perfect its security interest by possession in addition to the filing of a financing statement. Where Collateral is in the possession of a third party, Debtor will join with the Lender in notifying the third party of the Lender's security interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of the Lender.

6. Control. Debtor will cooperate with the Lender in obtaining control for the benefit of the Lender with respect to Collateral consisting of: Deposit Accounts, Investment Property, Letter of Credit Rights, and Chattel Paper.

7. Marking of Chattel Paper. Debtor will not create any Chattel Paper without placing a legend on the Chattel Paper acceptable to Lender indicating that Lender has a security interest in the Chattel Paper.

8. Covenants of Debtor. In addition to all other covenants and agreements of the Debtor set forth in any of the Loan Documents, which are incorporated herein by reference thereto, the Debtor hereby covenants and agrees, so long as any Obligation is outstanding, there exists any commitment by Lender to Debtor, and until this Agreement is formally terminated in writing:

(a) To maintain, preserve and protect the Collateral.

(b) Not to use or permit any Collateral to be used unlawfully or in violation of any provision of this Agreement, any other agreement with the Lender related hereto or any applicable statute, regulation or ordinance or any policy of insurance covering the Collateral.

(c) Except as to any taxes the validity of which is being contested in a manner permitted by the Loan Documents, to pay promptly when due all taxes, assessments, charges, encumbrances and liens now or hereafter imposed upon or affecting the Collateral or the Debtor.

(d) To appear in and defend any action or proceeding that may affect the Lender's interest in the Collateral, as requested by the Lender.

(e) Not to surrender or lose possession of (other than to the Lender), sell, encumber, lease, rent, or otherwise dispose of or transfer any Collateral or right or interest therein, and to keep the Collateral free of all levies and security interests or other liens or charges, except as approved in writing by the Lender; provided that, unless an Event of Default (as defined below) hereunder shall occur, the Debtor may, in the ordinary course of business, sell or lease any Collateral consisting of Inventory, excluding, however, any sale or transfer made in partial or total satisfaction of a debt.

(f) To comply in all material aspects with all laws, regulations, and ordinances relating to the possession, operation, maintenance, and control of the Collateral.

(g) To give such care to the safekeeping of its own property which is customary for similarly sized and situated companies operating the same or similar business in the geographic area of the Borrower.

(h) To account fully for and promptly deliver to the Lender upon request, in the form received, all Documents, Chattel Paper, Instruments, and General Intangibles constituting Collateral hereunder and all proceeds of the Collateral received, all endorsed to the Lender or in blank, as requested by the Lender, and accompanied by such stock powers as appropriate and until so delivered all such Collateral and Proceeds thereof shall be held by the Debtor in trust for the Lender, separate from all other property of the Debtor and identified as the property of the Lender.

(i) To keep separate, accurate, and complete records of the Collateral and to provide the Lender with such records and such other reports and information relating to the Collateral as the Lender may reasonably request from time to time. The Debtor shall keep current stock, costs, and sales records of any Inventory constituting

Collateral, accurately itemizing and describing the types and quantities of Inventory, and the cost and selling price thereof.

(j) If Inventory constitutes Collateral hereunder, that none of the Inventory is, or at any time or times hereafter will be, stored with a bailee, without the prior written consent of the Lender.

(k) To procure, execute and deliver from time to time any endorsements, evidence of ownership, notifications, registrations, assignments, financing statements, certificates of title, copyright mortgages, assignments or mortgages of patents, and any other writing deemed necessary or appropriate by the Lender to perfect, maintain, or protect its security interest in the Collateral hereunder and the priority thereof; and to take such other actions as the Lender may reasonably request to protect the value of the Collateral and of the Lender's security interest in the Collateral, including, without limitation, provision of assurances from third parties regarding the Lender's access to, right to foreclose on or sell, Collateral and the right to realize the practical benefits of such foreclosure or sale.

(l) To reimburse the Lender upon demand for any reasonable costs and expenses (including without limitation attorney's fees and disbursements) that the Lender may incur, whether before or after the entry of a judgment, as a result of any negotiations or proceeding, whether in bankruptcy, appellate, or otherwise, involving any Obligor or any Collateral, while exercising any right, power or remedy provided by this Agreement or by law, all of which costs and expenses are included in the Obligations and whether incurred as a result of the bankruptcy of any Obligor (defined herein to include the Debtor and any other person or entity liable for the payment of all or any part of the Obligations as well as any other person or entity granting the Lender a security interest in property to secure all or any part of the Obligations).

(m) To notify Lender in writing at least 30 days prior to any change in: (i) Debtor's chief place of business and/or residence or the location of the Collateral; (ii) Debtor's name or identity; (iii) Debtor's corporate/organizational structure, (iv) Debtor's organizational identification number, or (v) the jurisdiction in which Debtor is organized. In addition, Debtor shall promptly notify Lender of any claims or alleged claims of any other person or entity to the Collateral or the institution of any litigation, arbitration, governmental investigation or administrative proceedings against or affecting the Collateral. Debtor will keep Collateral at the location(s) previously provided to Lender until such time as Lender provides written advance consent to a change of location. Debtor will bear the cost of preparing and filing any documents necessary to protect Lender's liens.

(n) If any Collateral is at a location which is not owned by the Debtor, or if any of the Collateral is or shall be affixed to any real estate, including any buildings owned or leased by the Debtor or used by the Debtor in the operation of its business, the Debtor shall provide the Lender, if requested by the Lender, with disclaimers and waivers necessary to make the security interest in the Collateral valid against and superior to the rights of the Debtor and other persons holding an interest in such real estate.

(o) If the Lender gives value to enable the Debtor to acquire rights in or the use of any Collateral, to use such value for such purpose.

(p) To keep the Collateral in good condition and repair and not to cause or permit any waste or unusual or unreasonable depreciation of the Collateral.

(q) To exhibit to and allow inspection by the Lender (or persons designated by the Lender) of the Collateral and of the Debtor's books and records (and make copies thereof or extracts therefrom) in accordance with the terms of the Loan Agreement.

(r) To insure the Collateral under insurance policies, with the Lender named as loss payee and additional insured, in form and amounts, with companies, and against risks and liabilities satisfactory to the Lender, and with thirty (30) days' prior notice to the Lender of cancellation of said policies and the Debtor hereby assigns the policies to the Lender, agrees to deliver them to the Lender at its request, and agrees that the Lender may make any claim thereunder, cancel the insurance on default by the Debtor, collect and receive payment and endorse any instrument and payment of loss or return premium or other refund or return, and, unless otherwise provided to the contrary in any other Loan Document, apply such amounts received, at the Lender's election, to replacement of Collateral or to the Obligations.

(s) To notify the Lender if any Collateral arises out of contracts with the United States or any department, agency, or instrumentality thereof, and the Debtor shall execute upon request of the Lender any instruments and take any steps to perfect the assignment of the rights of the Debtor to the Lender as required by the Federal Assignment of Claims Act or any similar act or regulation.

(t) To account fully for and promptly deliver to the Lender, in the form received, any dividend or any other distribution on account of any Investment Property whether in securities or property by way of stock-split, spin-off, split-up or reclassification, combination of shares or the like, or in case of any reorganization, consolidation or merger; provided, however, that until there shall have occurred an Event of Default hereunder, Debtor shall be entitled to retain any cash dividends paid on account of the Investment Property out of retained earnings of the issuer thereof.

(u) Not to merge or consolidate into, or transfer any of the Collateral to any other person or entity without the prior written consent of the Lender.

9. Financing Statements, Power Of Attorney.

(a) On request of Lender, Debtor will execute one or more financing statements in form satisfactory to Lender and will pay all reasonable costs and expenses of filing the same or of filing this Agreement in all public filing offices, where filing is deemed by Lender to be necessary. Lender is authorized to file financing statements relating to Collateral without Debtor's signature where authorized by law.

(b) As long as the Lender has a commitment to lend to the Debtor under the Loan Agreement or any Obligation remains outstanding, Debtor hereby constitutes and appoints Lender the true and lawful attorney of Debtor with full power of substitution to, take any and all appropriate action and to execute any and all documents or instruments that may be necessary or desirable to accomplish the purpose and carry out the terms of this Agreement, including, without limitation, to (i) complete, execute, and deliver any Control Agreement(s) by Lender, Debtor and Third Party(ies) (which for the purposes of this Agreement means any Broker, Securities Intermediary, collateral agent and/or bank which from time to time maintains a securities account, and is acting in such capacity, for Debtor or maintains a deposit account for Debtor with respect to any part of the Collateral) that may be or become required in connection herewith (individually and collectively the "Control Agreement"), and any instructions to Third Party(ies) regarding, among other things, control and disposition of any Collateral which is the subject of such Control Agreement(s); (ii) execute on Debtor's behalf and expense (1) all such security agreements (or amendments to this Agreement) as shall be necessary to evidence the grant to Lender of a security interest in and to all Commercial Tort Claims if, and to the extent, they arise hereafter, and (2) upon the occurrence of and during the continuation of an Event of Default, all pleadings and other documents as Lender may deem necessary or advisable in connection with any Commercial Tort Claim; (iii) upon the occurrence of and during the continuation of an Event of Default, execute on Debtor's behalf and expense all such requests and/or notices to any issuers of or nominated persons with respect to any letters of credit to which any Letter of Credit Rights may relate as Lender shall deem necessary to cause such issuers and/or nominated persons to consent to the assignment of proceeds of all such letters of credit and Letter of Credit Rights and to cause Lender to have "control" (as such term may now or hereafter be defined in the UCC) over such letters of credit and Letter of Credit Rights; and (iv) execute on Debtor's behalf such other documents and notices as Lender may deem advisable to protect the Collateral and its security interests therein. Debtor irrevocably authorizes the filing of a carbon, photographic or other copy of this Agreement, or of a financing statement, as a financing statement and agrees that such filing is sufficient as a financing statement. The foregoing power of attorney is coupled with an interest and shall be irrevocable until all of the Obligations have been paid in full. Neither Lender nor anyone acting on its behalf shall be liable for acts, omissions, errors in judgment, or mistakes in fact in such capacity as attorney-in-fact other than actions involving gross negligence or willful misconduct. Debtor agrees to take such other actions, at Debtor's expense, as might be reasonably requested for the perfection, continuation and assignment, in whole or in part, of the security interests granted herein and to assure Lender's intended priority position. If certificates, passbooks, or other documentation or evidence is/are issued or outstanding as to any of the Collateral, Debtor will cause the security interests of Lender to be properly protected, including perfection by notation thereon or delivery thereof to Lender.

10. Authorized Action by Lender. The Debtor hereby agrees that from time to time, without presentment, notice or demand and without affecting or impairing in any way the rights of the Lender with respect to the Collateral, the obligations of the Debtor hereunder or the Obligations, the Lender may, after the occurrence and during the

continuance of an Event of Default hereunder as to subparagraphs (a), (b), (c), (d), (e), (g), (h), (j), (k), or (l) below, and during the life of this Agreement, whether or not an Event of Default has occurred, as to subparagraphs (f) and (i) below, but shall not be obligated to and shall incur no liability to the Debtor or any third party for the failure to take any action which the Debtor is obligated by the Agreement to do, exercise such rights and powers as the Debtor might exercise with respect to the Collateral, and the Debtor hereby irrevocably appoints the Lender as its true and lawful attorney-in-fact to exercise such rights and powers, including without limitation, to: (a) collect by legal proceedings or otherwise and endorse, receive and receipt for all dividends, interest, payments, proceeds, and other sums and property now or hereafter payable on or on account of the Collateral; (b) enter into any extension, reorganization, deposit, merger, consolidation, or other agreement pertaining to, or deposit, surrender, accept, hold, or apply other property in exchange for the Collateral; (c) insure, process, and preserve the Collateral; (d) transfer the Collateral to its own or its nominee's name and thereafter receive all dividends and other distributions upon the same and apply any cash dividends and other cash distributions to any Obligations and otherwise acquire all the rights and privileges but none of the duties and responsibilities of ownership of the Collateral; (e) demand, collect, receive and receipt for, compromise or settle, and to take any other action it deems advisable, with respect to the Collateral; (f) inspect the Collateral at any reasonable time or as otherwise provided in any loan agreement with the Lender; (g) pay any amounts the Lender elects to pay or advance hereunder on account of insurance, taxes or other costs, fees or charges arising in connection with the Collateral, either directly to the payee of such cost, fee or charge, directly to the Debtor, or to such payee(s) and the Debtor jointly; (h) notify any Account Debtor, or any buyers or lessees of any of the Collateral or any other persons of the Lender's interest in the Collateral and require such persons to deliver or pay all proceeds of Collateral to the Lender, or its nominee, at such time or times and in such manner and form as the Lender may direct; (i) place or require the Debtor to place on any instrument, document or chattel paper, or upon Debtor's books, records, documents or other data relating to Accounts a notation or legend indicating the Lender's security interest therein; (j) notify post office authorities to change the address for delivery of mail of Debtor to an address designated by the Lender and to receive, open, and dispose of all mail addressed to Debtor; (k) endorse as Debtor's agent any instruments or chattel paper included as part of the Collateral; and (l) if Accounts are part of the Collateral, send requests for verification to Account Debtors or other obligors. The powers authorized herein shall survive the entry of any judgment in favor of the Lender and against the Debtor in regard to all or any part of the Obligations.

11. Commercial Tort Claims. In the event Debtor becomes the plaintiff (or any other claimant) with respect to any Commercial Tort Claim, Debtor shall promptly (but in any event within fifteen (15) days after the same shall come into existence) notify Lender as to the existence of all such Commercial Tort Claims, detailing (a) the parties to the claim, (b) the amount in controversy, (c) the location and caption of all litigation filed with respect to the claim, (d) the status of the claim, and (e) all such other information relating thereto as Lender may reasonably require and is disclosable to Lender under applicable law. Upon the request of Lender, Debtor shall promptly execute all such documents, agreements, instruments and financing statements as shall be reasonably required by Lender to grant to Lender a perfected, first priority security interest in each such Commercial Tort Claim.

12. Letter of Credit Rights. In the event Debtor becomes the beneficiary of any Letter of Credit or Letter of Credit Rights, Debtor shall promptly (but in any event within ten (10) days after the same shall come into existence) notify Lender as to the existence of all such Letters of Credit and Letter of Credit Rights and provide Lender with a copy of all documentation relating thereto (including without limitation the original letter of credit(s) to which any such Letter of Credit Rights relate). Upon the request of Lender, Debtor shall promptly execute all such documents, agreements, instruments and financing statements as shall be required by Lender to grant to and to confirm the grant to Lender of a perfected, first priority security interest in the applicable Letter of Credit Rights. In addition, Debtor will cause all issuers of and/or nominated persons with respect to all Letters of Credit to which any Letter of Credit Rights relate to execute all such documents, agreements and acknowledgments as Lender may require to evidence such issuers' and/or nominated persons' consent to the assignment of the proceeds of such letters of credit and to cause Lender to have "control" (as such term may now or hereafter be defined in the Article 9 of the UCC) of such Letter of Credit Rights.

13. Events of Default. The occurrence of any one or more of the following events shall constitute a Default or Event of Default, as the case may be, hereunder:

(a) Any default or event of default (however denominated) under the Loan Agreement or any other Loan Document or under any Obligation.

(b) The failure of the Debtor to observe or perform any obligation under this Agreement or if any representation, signature, warranty, certificate, opinion, or other information made or deemed made by Debtor to the Lender herein shall prove to have been incorrect, incomplete, or misleading in any material respect on or as of the date made or deemed made.

14. Remedies. Upon the occurrence of an Event of Default, which has not been waived by Lender, whether or not a judgment has been entered hereunder or in regard to any of the Obligations, the Lender, at its option, and without notice to or demand on any Obligor, and in addition to all rights and remedies available to the Lender under any Loan Document, at law, in equity, or otherwise, shall have the right at any time to enforce Debtor's rights against Account Debtors and obligors and do, at its election, any one or more of the following:

(a) Declare all or part of the Obligations to be due and payable, without notice, protest, presentment or demand, all of which are expressly waived by the Debtor.

(b) Foreclose or otherwise enforce the Lender's security interest in any manner permitted by law, or provided for in this Agreement.

(c) Sell, lease, or otherwise dispose of any Collateral at one or more public or private sales at the Lender's place of business or any other place or places, whether or not such Collateral is present at the place of sale, for cash or credit or future delivery, on such terms or in such manner as the Lender may determine; and the Lender may purchase all or any part of the Collateral at such sale and in lieu of actual payment of such purchase price, may setoff the amount of such price against the Obligations.

(d) Recover from the Debtor all reasonable costs and expenses, including, without limitation, attorney's fees, incurred or paid by the Lender in exercising any right, power or remedy provided by this Agreement.

(e) Require the Debtor to assemble the Collateral and make it available to the Lender at any place designated by the Lender which is reasonably convenient to both parties.

(f) Peaceably enter any premises where any Collateral is located and take possession thereof with or without prior notice or judicial process of any sort. In this regard, the Lender shall have the right to take possession of any vehicle constituting a part of the Collateral and to take possession, retain and dispose of such vehicle and all property located in or upon it. The Lender shall have no obligation to return any property not constituting Collateral found in any such vehicle unless the Lender actually receives the Debtor's written request therefor specifically describing such property within 72 hours after repossession thereof.

(g) Prior to the disposition of the Collateral, store, process, repair or recondition it or otherwise prepare it for disposition in any manner and to the extent the Lender deems appropriate and in connection with such preparation and disposition, without charge, use any trademark, trade name, copyright, patent or technical process used by the Debtor.

(h) Provide to the Debtor ten (10) days' prior notice of the time and place of any public sale or of the time after which any private sale or other intended disposition of Collateral, or any part thereof, is to be made, which notice Debtor hereby agrees shall be deemed reasonable notice thereof.

(i) Vote or consent, and in connection therewith the Debtor grants to the Lender a proxy to vote or to consent, with respect to Investment Property.

(j) Restrict the prospective bidders or purchasers of Investment Property to persons or entities who will represent and agree that they are purchasing for their own account, for investment, and not with a view to distribution or sale of any of the Investment Property; and satisfy the Offeree and Purchaser requirements for a valid, private placement transaction under the Securities Act of 1933, as amended ("Act") or under any similar statute, rule, or regulation. The Debtor agrees that disposition of the Investment Property pursuant to any private sale made as provided above may be at prices and on other terms less favorable than if the Investment Property were sold at public sale, and that the Lender has no obligation to delay the sale of any Investment Property for public sale under the Act. The Debtor agrees that a private sale or sales made under the foregoing circumstances shall be deemed to have been made in a commercially reasonable manner. In the event that the Lender elects to sell the Investment

Property, or any part of them, and there is a public market for the Investment Property, in a public sale, the Debtor shall use its best efforts to register and qualify the Investment Property, or applicable part thereof, under all Federal or State Securities Laws required by the proposed terms of sale, and all expenses thereof shall be payable by the Debtor, including but not limited to, all costs of (i) registration or qualification of, under any securities laws or pursuant to any rule or regulation issued pursuant thereto, any Investment Property; and (ii) sale of such Investment Property, including, but not limited to, brokers or underwriters commissions, fees or discounts, accounting and legal fees and disbursements, cost of printing and other expenses of transfer and sale. If any consent, approval or authorization of any state, municipal, or other governmental department, agency, or authority shall be necessary to effectuate any sale or other disposition of Investment Property, or any part thereof, the Debtor will execute such applications and other instruments as may be required in connection with securing any such consent, approval, or authorization, and will otherwise use its best efforts to secure the same.

(k) Upon any sale or other disposition of any of the Collateral pursuant to this Agreement, the Lender shall have the right to deliver, assign, and transfer to the purchaser thereof the Collateral or portion thereof so disposed of or sold. Each purchaser at any such sale or other disposition (including the Lender) shall hold the Collateral free from any claim or right of whatever kind, including any equity or right of redemption of the Debtor and the Debtor specifically waives (to the extent permitted by law) all rights of redemption, stay or appraisal which it has or may have under any rule of law or statute now existing or hereafter adopted. The net proceeds realized by the Lender upon a sale or other disposition of the Collateral, or any part thereof, after deduction of the reasonable expenses of retaking, holding, preparing for sale, selling or the like, and attorneys' fees and other reasonable expenses incurred by the Lender, shall be applied toward satisfaction of the Obligations. The Lender shall account to the Debtor for any surplus realized upon such sale or other disposition and the Debtor shall remain liable for any deficiency. The commencement of any action, legal or equitable, shall not affect the security interest of the Lender in the Collateral until the Obligations or any judgment therefor is paid.

15. Collateral Duties. Lender shall have no custodial or ministerial duties to perform with respect to Collateral pledged except as set forth herein; and by way of explanation and not by way of limitation, Lender shall incur no liability for any of the following: (i) loss or depreciation of Collateral (unless caused by its willful misconduct or gross negligence), (ii) failure to present any paper for payment or protest, to protest or give notice of nonpayment, or any other notice with respect to any paper or Collateral. The Lender shall use reasonable care in the custody and preservation of the Collateral.

16. Cross Collateralization Limitation. As to any other existing or future consumer purpose loan made by Lender to Debtor, within the meaning of the Federal Consumer Credit Protection Act, Lender expressly waives any security interest granted herein in Collateral that Debtor uses as a principal dwelling and household goods.

17. Cumulative Rights. The rights, powers and remedies of the Lender under this Agreement shall be in addition to all rights, powers, and remedies given to the Lender by virtue of any statute or rule of law, the Loan Documents or any other agreement, all of which rights, powers, and remedies shall be cumulative and may be exercised successively or concurrently without impairing the Lender's security interest in the Collateral.

18. Waiver. Any waiver, forbearance or failure or delay by the Lender in exercising any right, power, or remedy shall not preclude the future exercise thereof, and every right, power or remedy of the Lender shall continue in full force and effect until such right, power or remedy is specifically waived in writing by the Lender. The Debtor waives any right to require the Lender to proceed against any person or to exhaust any Collateral or to pursue any remedy in the Lender's power.

19. Set-Off. The Debtor agrees that the Lender may exercise its rights of set-off with respect to the Obligations in the same manner as if the Obligations were unsecured.

20. Notification of Adverse Events. Upon knowledge thereof, the Debtor shall immediately notify the Lender in writing at the address stated above of any occurrence, event, circumstance or condition which materially and adversely affects or will affect the Debtor's financial or business condition or the Collateral or the value thereof; the Debtor's or the Lender's ability to dispose of the Collateral; or the Lender's rights or remedies in regard thereto, including but not limited to the issuance of levy or any legal process against the Collateral or the adoption of any marketing order, arrangement or procedure affecting the Collateral, whether governmental or otherwise.

21. Notices. All notices or other communications given to or made upon any party hereto in connection with this Agreement or any Loan Document shall, except as herein or therein otherwise expressly provided, be in writing and sent by (a) first-class mail, postage prepaid, (b) overnight courier, or (c) hand delivery, addressed to (i) the Lender at the address set forth above or (ii) to the Debtor at the address set forth above, or at such other address as shall be designated in the latest written notice signed by a representative of the Lender or the Debtor and delivered in accordance with the provisions of this Paragraph. All such properly given notices or other communications shall be effective when received.

22. Expenses and Future Advances. The Obligations secured hereby include all reasonable expenses incurred or advances made by the Lender, whether obligatory or optional, whether before or after the entry of a judgment, as a result of any negotiations or proceeding, whether in bankruptcy, appellate, or otherwise, involving any Obligor or any Collateral, to perfect, protect and maintain continuously perfected the Lender's security interest, and the priority thereof, in the Collateral, or to preserve, process, develop, maintain, protect, care for or insure any Collateral, or in the taking, holding, preparing for sale, lease or other disposition, selling, leasing or otherwise disposing of the Collateral, or in regard to any other action taken by the Lender to enforce or exercise its rights or remedies under this Agreement, including without limitation reasonable attorneys' fees, filing fees, documentary recordation taxes, appraisal charges, storage costs, and any costs of compliance with any request or directive of, or any agreement with, any agency or authority (environmental or otherwise) in connection with the Obligations or the Collateral. If the Lender advances any sums for such purposes, the Debtor shall reimburse the Lender therefor upon demand, and such advance(s) shall bear interest at the highest rate per annum then payable on any of the Obligations from the date(s) of such advance(s) and both the amount of such advance(s) and such interest shall constitute part of the Obligations secured hereby.

23. Legal Effect. All rights of the Lender under this Agreement shall inure to the benefit of its successors and assigns, and all obligations of the Debtor shall bind its heirs, executors, administrators, successors, and assigns.

24. Construction. Whenever used in this Agreement, unless the context clearly indicates a contrary intent:

(a) "Debtor" shall mean individually and collectively each person (whether individual, corporation, partnership or unincorporated association) who executes this Agreement, and any subsequent owner of the Collateral, and its or their respective heirs, executors, administrators, successors and assigns. In the case of a partnership, "Debtor" shall include all general partners of such partnership, individually and collectively, whether or not such partners sign below.

(b) "Default" means any of the events specified in Paragraph 13 above, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

(c) "Environmental Laws" shall mean any and all applicable federal, state and local environmental laws, rules and regulations, whether now existing or hereafter enacted, together with all amendments and modifications thereof.

(d) "Event of Default" means any of the events specified in Paragraph 13 above, provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

(e) "Hazardous Materials" shall mean any contaminants, hazardous substances, regulated substances, or hazardous wastes that may be the subject of liability pursuant to any Environmental Law.

(f) "Lender" shall mean TD BANKNORTH, N. A. and its successors and assigns.

(g) "Loan Agreement" shall mean a Loan Agreement dated on or about the date hereof by and between the Debtor and the Lender.

(h) "Loan Documents" shall mean this Agreement, the Loan Agreement, any notes, applications, agreements, or other documents evidencing or securing the Obligations, or any portion thereof.

(i) "Obligor" shall mean individually and collectively the Debtor and any other person or entity liable for the payment of all or any part of the Obligations as well as any other person or entity granting the Lender a security interest or lien in property to secure all or any part of the Obligations.

(j) The use of any gender shall include all genders.

(k) The singular shall include the plural, and the plural shall include the singular.

(l) If the Debtor is more than one person, all agreements, conditions, covenants and provisions of this Agreement shall be the joint and several undertakings of each of them and shall bind each of them as fully as though each of them were named specifically herein wherever "Debtor" is used, and in respect to any partnership executing this Agreement, each general partner shall be bound hereby both in such general partner's individual and partnership capacities.

25. Choice of Law. This Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania, without giving effect to choice of law rules.

26. Waiver of Jury Trial and Certain Damages. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HERETO BY EXECUTION HEREOF, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION THEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY WITH RESPECT HERETO ("DISPUTE"). THE DEBTOR REPRESENTS AND WARRANTS THAT NO REPRESENTATIVE OR AGENT OF THE LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDER WILL NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THIS JURY TRIAL WAIVER. THIS PROVISION IS A MATERIAL INDUCEMENT TO LENDER TO ENTER INTO, RELY UPON, OR ACCEPT THIS AGREEMENT.

THE PARTIES HERETO AGREE THAT THEY SHALL NOT HAVE A REMEDY OF PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER IN ANY DISPUTE AND HEREBY WAIVE ANY RIGHT OR CLAIM TO PUNITIVE OR EXEMPLARY DAMAGES THEY HAVE NOW OR WHICH MAY ARISE IN THE FUTURE IN CONNECTION WITH ANY DISPUTE WHETHER THE DISPUTE IS RESOLVED BY ARBITRATION OR JUDICIALLY.

27. Venue and Exclusive Jurisdiction. The Debtor hereby consents to the exclusive jurisdiction of the Court of Common Pleas of Montgomery County, Pennsylvania, and the United States District Court for the Eastern District of Pennsylvania in any legal proceeding involving, directly or indirectly, any matter arising out of or related to this Agreement, or any relationship evidenced hereby, including the collection and enforcement hereof. The Debtor expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such Court and waives any objection that the Debtor may have based upon lack of personal jurisdiction or improper venue. The Debtor waives personal service of the summons, complaint and any other process issued in any such action or suit and agrees that service of such summons, complaint, and any other process may be made by U. S. registered or certified mail, postage prepaid, addressed at the addresses set forth above and that service so made shall be deemed completed upon the providing of such notice. Nothing in this Agreement shall be deemed or operate to affect the rights of the Lender to serve legal process or to bring any action permitted by law against any Obligor or involving any Collateral in the appropriate court of any other appropriate jurisdiction or forum.

28. Amendment. This Agreement may not be amended or modified except by writing signed by each of the parties hereto.

29. Environmental Covenants.

(a) To the best of its knowledge, after due inquiry, Debtor represents and covenants that no property owned or leased by Debtor or any subsidiary thereof is in violation of any Environmental Laws, no Hazardous Materials are present on said property and neither Debtor nor any subsidiary of Debtor has been identified in any litigation, administrative proceedings or investigation as a responsible person for any liability under any Environmental Laws.

(b) Debtor shall not use, generate, treat, store, dispose of or otherwise introduce, or permit any subsidiary to use, generate, treat, store, dispose of or otherwise introduce, any Hazardous Materials into or on any property owned or leased by Debtor, and will not, and will not permit any subsidiary to, cause, suffer, allow or permit anyone else to do so, except in an environmentally safe manner through methods that have been approved by and meet all of the standards of any applicable federal, state, or local agency with authority to enforce Environmental Laws. Debtor agrees to indemnify, reimburse, defend and hold harmless Lender, its directors, officers, agents and employees (collectively and severally, the "Indemnified Parties") for, from and against all demands, liabilities, damages, costs, claims, suits, actions, legal or administrative proceedings, interest, losses, and expenses, including all reasonable attorney's fees asserted against, imposed on or incurred by any of the Indemnified Parties, directly or indirectly, pursuant to or in connection with the application of any Environmental Law, to acts or omissions occurring at any time on or in connection with any property owned or leased by Debtor or any subsidiary of Debtor or any business conducted thereon, or incurred directly or indirectly in enforcing this indemnity. This indemnification shall survive the payment of the Obligations.

30. **Entire Agreement; Severability.** This Agreement is an addition to, and not in derogation of, any other Security Agreement of the Debtor heretofore executed and delivered to the Lender. This Agreement and any prior Security Agreement shall be construed as one agreement, and in the event of inconsistency, the terms of this Agreement shall control the terms of any prior Security Agreement. If any of the provisions of this Agreement shall be held invalid or unenforceable, this Agreement shall be construed as if not containing those provisions and the rights and obligations of the parties hereto shall be construed and enforced accordingly.

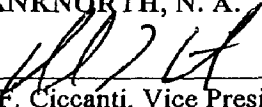
IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have hereunto caused this Agreement to be duly executed and sealed as of the day and year first above written.

"LENDER"

"DEBTOR"

TD BANKNORTH, N. A.

MERIT/FULTON ACQUISITION CO., INC.

By: 
David F. Ciccanti, Vice President

By:  (SEAL)
Brian Holtzman, CFO, CIO, Secretary

SCHEDULE A

Locations:

A. Current Chief Executive Office:

2930 Turnpike Drive
P.O. Box 790
Hatboro, PA 19040

B. Other Locations of operation:

3701 East Plano Pkwy
Suite 400
Plano, TX 75074

994 Greg Street
Sparks, NV 89431

Douglas Battery
2995 Starlight Drive
Winston Salem, NC 27107

Solar Pals
25 Deer Leap Road
Rodeo, NM 88056

TriStar Technology
9 Mahogany Field Circle
Unit # 17, Springfield Park
Durban 2034 South Africa

Storm Copper Components
240 Industrial Drive
Decatur, TN 37322

M&M Qualtech
Parkmore Business Park West
Ballybrit
Galway Ireland

C. Prior Locations of operation or Chief Executive Office during the past five years:

None.

Tradenames:

Cobra Wire & Cable, Inc.

SCHEDULE B

<u>Institution</u>	<u>Deposit Account #</u>
<u>TD Banknorth</u>	<u>4241234676</u>
<u>TD Banknorth</u>	<u>4241234684</u>
<u>TD Banknorth</u>	<u>4241234692</u>

SCHEDULE C

Letter of Credit No.

Name of Issuer

None

SCHEDULE D
Commercial Tort Claims

None