

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
PNC BANK		01/09/2008	a National Association: PENNSYLVANIA

RECEIVING PARTY DATA

Name:	THE MATWORKS COMPANY, LLC
Street Address:	11900 Old Baltimore Pike
City:	Beltsville
State/Country:	MARYLAND
Postal Code:	20706
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE

PROPERTY NUMBERS Total: 6

Property Type	Number	Word Mark
Serial Number:	77232899	SERVICEWORKS
Registration Number:	3026913	Z STEP
Registration Number:	2544957	THE INSTALLWORKS
Registration Number:	2566972	MEKA
Registration Number:	1201562	MW THE MAT WORKS
Registration Number:	1085760	JANITEX RUG SERVICE CORPORATION

CORRESPONDENCE DATA

Fax Number: (215)405-3789
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 2159772189
 Email: Inocella@wolfblock.com
 Correspondent Name: Wolf Block Schorr and Solis-Cohen, LLP
 Address Line 1: 1650 Arch Street
 Address Line 2: 22nd Floor
 Address Line 4: Philadelphia, PENNSYLVANIA 19103

OP \$165.00 77232899

ATTORNEY DOCKET NUMBER:	PNC008-248956
NAME OF SUBMITTER:	Elizabeth Grzywacz
Signature:	/elizabethgrzywacz/
Date:	01/17/2008

Total Attachments: 13

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Security Agreement") is made effective as of the 9th day of January, 2008 by and between THE MATWORKS COMPANY, LLC, a Delaware limited liability company ("Assignor"), and PNC BANK, NATIONAL ASSOCIATION, as Agent ("Agent") for the benefit of Agent and Lenders (as defined in the Loan Agreement).

BACKGROUND

A. In accordance with the terms of that certain Revolving Credit and Security Agreement of even date herewith by and between Assignor, Agent and the Lenders (as defined in the Loan Agreement) (and as the same may be amended, modified, supplemented, extended and/or renewed, the "Loan Agreement"), Lenders agreed to extend to Assignor a revolving line of credit in the maximum principal amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000.00).

B. The Loan Agreement provides, inter alia, that Assignor will grant to Agent, for its benefit and the benefit of Lenders, a security interest in all of Assignor's assets, including, without limitation, its patents, patent rights, patent applications, servicemarks, trademarks, servicemark and trademark applications, tradenames, goodwill, copyrights and licenses.

NOW THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor agrees as follows:

1. Incorporation of Loan Agreement. The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

2. Security Interest.

(a) Security Interest in Patents, Copyrights and Licenses. To secure the complete and timely payment and satisfaction of all Obligations, Assignor hereby collaterally assigns, mortgages, pledges and grants to Agent, for its benefit and the benefit of Lenders, a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale, to the extent permitted by law, all of Assignor's right, title and interest in and to all of the following, whether now owned or existing and filed or hereafter acquired or arising and filed (collectively, with items named in Section 2(b) below, the "Collateral"):

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents and patent applications listed on Exhibit "A", attached hereto and made a part hereof, and (A) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (C) the right to sue for past, present and future infringements thereof, and (D) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together

with the items described in clauses (A)-(D), are sometimes hereinafter individually and/or collectively referred to as the "**Patents**";

(ii) copyrights, copyright registrations, copyright applications and all computer programs, operating systems, application systems, hardware or software of any nature whatsoever owned by Assignor, whether operational, under development or inactive, including all object codes, source codes, modules, technical manuals, user manuals, operating instructions and procedures, in-put and out-put formats, program listings, narrative descriptions, program flow charts, file layouts, report layouts, screen layouts and other documentation therefor (including internal notes, memoranda, status evaluations, marketing information and write-ups), and all improvements, modifications, enhancements, new releases and revisions thereof, whether in machine-readable form, programming language or any other language or symbols, and whether stored, encoded, recorded or written on disk, tape, film, memory device, paper or other media of any nature; together with all tangible media upon which any of the foregoing are recorded or encoded, including, without limitation, all chips, disks, tapes, film and paper; including, without limitation, the copyrights, copyrights registrations and copyrights applications listed on Exhibit "B" attached hereto and made a part hereof, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, and (C) the right to sue for past, present and future infringements thereof (all of the foregoing items are sometimes referred to herein collectively as the "**Copyrights**"); and

(iii) license agreements with any other party, whether Assignor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Exhibit "C" attached hereto and made a part hereof, and the right to prepare for sale, sell and advertise for sale all inventory now or hereafter owned by Assignor and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to collectively as the "**Licenses**").

(b) Security Interest in Trademarks. To secure the complete and timely payment and satisfaction of all Obligations, Assignor hereby mortgages, pledges and grants to Agent, for its benefit and the benefit of Lenders, a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale, to the extent permitted by law, all of Assignor's right, title and interest in and to all of the following, whether now owned or existing and filed or hereafter acquired or arising and filed: servicemarks, trademarks, servicemark and trademark registrations, tradenames, servicemark and trademark applications, and all goodwill attendant thereto, including, without limitation, the servicemarks, trademarks and applications listed on Exhibit "D", attached hereto and made a part hereof, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including without limitation, damages and payments for past or future infringements thereof, (C) the right to sue for past, present and future infringements thereof, and (D) all rights corresponding thereto throughout the world (all of the foregoing servicemarks, trademarks, servicemark and trademark registrations, servicemark and tradenames and applications together with the items described in clauses (A)-(D), are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**").

3. Restrictions on Future Agreements. Assignor agrees that until all Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignor will not, without Agent's prior written consent, enter into any agreement (including, without limitation, any

license or royalty agreement) which is inconsistent with Assignor's obligations under this Security Agreement or the Loan Agreement, and Assignor further 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 of Agent and/or any Lender under this Security Agreement.

4. **New Patents, Trademarks, and Licenses.** Assignor represents and warrants that the Patents, Copyrights, Licenses and Trademarks listed on **Exhibits "A", "B", "C" and "D"**, respectively, constitute all of the patents, copyrights, licenses, trademarks and applications now owned by Assignor. If, before all Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignor shall (a) obtain rights to any new patentable inventions, trademarks, servicemarks, trademark registrations, tradenames, copyrights or licenses, or (b) become entitled to the benefit of any patent or trademark or copyright application, trademark, trademark registration, servicemark, tradename, copyright or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of **Section 2** above shall automatically apply thereto and Assignor shall give to Agent prompt written notice thereof. Assignor hereby authorizes Agent to modify this Security Agreement by amending **Exhibit "A", "B", "C" and/or "D"**, as applicable, to include any future patents, patent applications, trademarks, trademark registrations, servicemarks, trademark applications, tradenames, copyrights and licenses which are Patents, Copyrights, Licenses or Trademarks, as applicable, under **Section 2** above or under this **Paragraph 4**. Assignor hereby agrees to provide to Agent such assignment or other documentation as Agent may request to record Agent's lien on such future Patents, Copyrights, Licenses or Trademarks.

5. **Royalties; Term.** Assignor hereby agrees that the use by Agent and/or any Lender of all Patents, Copyrights, Licenses and Trademarks as described herein shall be worldwide and without any liability for royalties or other related charges from Agent and/or any Lender to Assignor. The term of the security interest granted herein shall extend until the earlier of (a) the expiration of each of the respective Patents, Copyrights, Licenses and Trademarks assigned hereunder, or (b) the date on which all Obligations have been paid in full and the Loan Agreement is terminated.

6. **Agent's Right to Inspect.** Agent shall have the right, at any time and from time to time, to inspect Assignor's premises and to examine Assignor's books, records and operations, including, without limitation, Assignor's quality control processes. Assignor agrees that Agent, or a conservator appointed by Agent, shall have the right to establish such additional product quality controls as Agent, or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Assignor under the Trademarks. Assignor agrees (a) not to sell or assign its interest in, or grant any license under, the Patents, Copyrights, Licenses or Trademarks, without the prior written consent of Agent; (b) to maintain the quality of any and all products in connection with which the Trademarks and/or Copyrights are used, consistent with quality of said products as of the date hereof; (c) not to adversely change the quality of said products without Agent's express written consent; and (d) to provide Agent, upon request, with a certificate of an officer of Assignor certifying Assignor's compliance with the foregoing.

7. **Termination.** This Security Agreement is made for collateral purposes only. Upon payment in full of all Obligations and termination of the Loan Agreement, Agent shall execute and deliver to Assignor a termination of Agent's security interest granted herein and all deeds, assignments and other instruments as may be necessary or proper to re-vest in Assignor full title to

the Patents, Copyrights, Licenses and Trademarks, subject to any disposition thereof which may have been made by Agent pursuant hereto.

8. **Duties of Assignor.** Except with respect to patents, trademarks, copyrights, applications and inventions which are not material to the Ordinary Course of Business operation of Assignor's business, Assignor shall have the duty (a) to prosecute diligently any patent, trademark and copyright application pending as of the date hereof or thereafter until all Obligations shall have been paid in full and the Loan Agreement is terminated, (b) to make application on unpatented but patentable inventions and on trademarks and copyrights, as appropriate, and (c) to preserve and maintain all rights in patent applications and patents of the Patents, in trademark applications, trademarks and trademark registrations of the Trademarks and in copyright applications and copyrights of the Copyrights. Any expenses incurred in connection with such applications shall be borne by Assignor. Assignor will not abandon any right to file a patent, trademark or copyright application, or any pending patent, trademark or copyright application or any Patent, Trademark, License or Copyright without the prior consent of the Agent. Notwithstanding the forgoing, Assignor shall not be required to take any action to enforce its rights in and to the Patents, Trademarks, Licenses and/or Copyrights if Agent, in its sole discretion, determines that Assignor's failure to take such action will not adversely affect Assignor's Ordinary Course of Business operations.

9. **Event of Default.** Upon the occurrence of an Event of Default, Agent may, without further notice to or consent of Assignor, and in addition to all other rights and remedies available to Agent and/or any Lender, immediately record all assignments previously executed and delivered to Agent by Assignor and/or execute and record with all applicable offices (including, without limitation, the Patent and Trademark Office) an absolute assignment to Agent by Assignor of all rights, title and interest of Assignor, in and to the Collateral. Assignor hereby authorizes and agrees that Agent may, through the power of attorney granted in **Section 14** hereof, upon the occurrence of an Event of Default, irrevocably execute and deliver in Assignor's name any and all such assignments and agreements and to take any and all other actions in Assignor's name as Agent shall deem reasonable or appropriate to transfer and convey all right, title and interest of Assignor in and to the Collateral to Agent or any other person or entity selected by Agent.

10. **Agent's Right to Sue.** Except with respect to patents, trademarks, copyrights, applications and inventions which are not material to the Ordinary Course of Business operation of Assignor's business, and unless Agent, in its sole discretion, determines that Agent's failure to bring suit will not adversely affect Assignor's Ordinary Course of Business operations, Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Licenses, Patents, Copyrights and/or Trademarks, and any licenses thereunder, and, if Agent shall commence any such suit, Assignor shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents required by Agent in aid of such enforcement and Assignor shall promptly, upon demand, reimburse and indemnify Agent for all costs and expenses incurred by Agent in the exercise of its rights under this **Section 10**.

11. **Waivers.** No course of dealing between Assignor and Agent and/or any Lender, nor any failure to exercise, nor any delay in exercising, on the part of Agent and/or any Lender, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

12. **Severability.** The provisions of this Security Agreement are severable, and if any clause or provision shall be 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 Security Agreement in any jurisdiction.

13. **Modification.** This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in **Section 4** hereof or by a writing signed by the parties hereto.

14. **Cumulative Remedies; Power of Attorney; Effect on Loan Agreement.** All of Agent's rights and remedies with respect to the Patents, Trademarks, Copyrights and Licenses, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Assignor hereby authorizes Agent to make, constitute and appoint any officer or agent of Agent as Agent may select, in its sole discretion, as Assignor's true and lawful attorney-in-fact, with power to (a) endorse Assignor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Agent to protect, evidence or perfect its security interest in the Patents, Trademarks, Copyrights and Licenses, (b) upon the occurrence of an Event of Default, endorse Assignor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Agent to enforce its security interest in the Patents, Trademarks, Copyrights and Licenses, (c) upon the occurrence of an Event of Default, take any other actions with respect to the Patents, Trademarks, Copyrights and/or Licenses as the Agent reasonably deems in the best interest of the Agent or such Lender, (d) upon the occurrence of an Event of Default, grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to anyone, including Agent, and/or any Lender, and/or (e) upon the occurrence of an Event of Default, assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks, Copyrights or Licenses to anyone, including Agent and/or any Lender. Agent may also act under such power of attorney to take the actions referenced in **Section 4**. Agent hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all Obligations shall have been paid in full and the Loan Agreement shall have been terminated. Assignor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Agent under the Loan Agreement but rather is intended to facilitate the exercise of such rights and remedies given it by the terms of this Security Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any applicable jurisdiction.

15. **Binding Effect; Benefits.** This Security Agreement shall be binding upon the Assignor and its successors and assigns, and shall inure to the benefit of Agent and its nominees, successors and assigns.

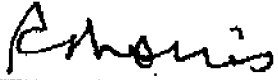
16. **Governing Law.** This Security Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to conflict of law principles.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement the day and year first above written.

ASSIGNOR:

THE MATWORKS COMPANY, LLC

By: 
Richard Morris, Chief Financial Officer

AGENT:

**PNC BANK, NATIONAL ASSOCIATION,
as Agent**

By: _____
David Gaito, Senior Vice President

STATE OF Maryland :
 COUNTY OF Pr. Georges : ss:
 :

On this 9th day of January, 2008, before me, a Notary Public, personally appeared Richard Morris, who acknowledged himself to be the duly acting Chief Financial Officer of The Matworks Company, LLC and that he as such Chief Financial Officer, being duly authorized to do so, executed the foregoing Intellectual Property Security Agreement for the purposes therein contained by signing his name as such on behalf of the Assignor.

Rose M. Lis
 Notary Public
 My Commission Expires:

ROSE M. LIS
 NOTARY PUBLIC STATE OF MARYLAND
 My Commission Expires March 30, 2008

STATE OF _____ :
 COUNTY OF _____ : ss:
 :

On this _____ day of January, 2008 before me, a Notary Public, personally appeared David Gaito, who acknowledged himself to be a duly acting Senior Vice President of PNC Bank, National Association and that he as such Senior Vice President, being duly authorized to do so, executed the foregoing Intellectual Property Security Agreement for the purposes herein contained by signing his name as such on behalf of the Agent.

 Notary Public
 My Commission Expires:

P11L5745474.4/PNC008-248956

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement the day and year first above written.

ASSIGNOR:

THE MATWORKS COMPANY, LLC

By: _____
Richard Morris, Chief Financial Officer

AGENT:

**PNC BANK, NATIONAL ASSOCIATION,
as Agent**


By: 
Thomas Gutman, Senior Vice President

EXHIBIT "A"
TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT

Patents

NONE

PHL:5745474.4/P/NC008-248956

TRADEMARK
REEL: 003698 FRAME: 0747

EXHIBIT "B"
TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT

Copyrights

Title	Registration No.	Claimant/Author
Cathedral Carpet Surface Design	VAu000460246	Claimant: Janitex Rug Service Corp. d/b/a Matworks Author: Janitex Rug Service Corp. and Douglas Gordon
The Mat Works	TX0000587037	Claimant: Janitex Rug Service Corporation
The Matworks	TX0002117658	Claimant: Janitex Rug Service Corporation

EXHIBIT "C"
TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT

Licenses

NONE

EXHIBIT "D"
TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT

Trademarks
TRADEMARK REGISTRATIONS

Trademark	Registration No.
Z STEP	3026913
THE INSTALLWORKS	2544957
MEKA	2566972
MW THE MATWORKS	1201562
JANITEX RUG SERVICE CORPORATION	1085760

TRADEMARK APPLICATIONS

Trademark	Serial No.
SERVICWORKS	77232899

PHL:5745474.4/PNC008-248956