

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
The Penrod Company		12/27/2013	CORPORATION: VIRGINIA
Penrod International, LLC		12/27/2013	LIMITED LIABILITY COMPANY: VIRGINIA

RECEIVING PARTY DATA

Name:	Prudent Capital II, L.P.
Street Address:	1120 Connecticut Avenue
Internal Address:	Suite 1200
City:	Washington D.C.
State/Country:	DISTRICT OF COLUMBIA
Postal Code:	20036
Entity Type:	LIMITED PARTNERSHIP: MARYLAND

PROPERTY NUMBERS Total: 6

Property Type	Number	Word Mark
Registration Number:	1886909	PJC
Registration Number:	1887174	PJC
Registration Number:	2414793	BALL BEARING LITE
Registration Number:	2919040	XO
Registration Number:	3076593	PJC PENROD
Registration Number:	3123052	PJC PENROD

CORRESPONDENCE DATA

Fax Number:

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.

Phone: 4107522468
 Email: mnssofar@tandllaw.com
 Correspondent Name: Munachi O. Nsofor

OP \$165.00 1886909

Address Line 1: 100 Light Street
Address Line 2: Suite 1100
Address Line 4: Baltimore, MARYLAND 21202

NAME OF SUBMITTER:	Munachi O. Nsofor
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Signature:	/mon/
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Date:	01/02/2014
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Total Attachments: 5

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EXECUTION COPY

The obligations evidenced hereby are subordinate in the manner and to the extent set forth in that certain Subordination and Intercreditor Agreement (the "Intercreditor Agreement") dated as of December 27, 2013, among PNC Bank, National Association, Prudent Capital II, LP, The Penrod Company, and Penrod International, LLC to the indebtedness and other liabilities owed to PNC Bank, National Association under and pursuant to that certain Revolving Credit and Security Agreement dated as of December 27, 2013, and each related "Other Document" (as defined therein), and each holder hereof, by its acceptance hereof, acknowledges and agrees to be bound by the provisions of the Intercreditor Agreement.

GRANT OF SECURITY INTEREST IN TRADEMARKS

THIS GRANT OF SECURITY INTEREST IN TRADEMARKS ("*Agreement*") is made as of December 27, 2013, by and between **The Penrod Company**, a Virginia corporation ("*Penrod*"), and **Penrod International, LLC**, a Virginia limited liability company ("*International*") and together with Penrod collectively, the "*Grantor*", and **Prudent Capital II, L.P.** a Maryland limited partnership (the "*Secured Party*").

WHEREAS, Secured Party has agreed to make certain financial accommodations to the Grantor (the "*Financial Accommodations*"), pursuant to the provisions of that certain Investment Agreement dated of even date herewith (the "*Investment Agreement*"), between the Grantor and the Secured Party; and

WHEREAS, pursuant to terms of the Investment Agreement, as a condition of making such Financial Accommodations, Secured Party requires that Grantor enter into this Agreement.

NOW THEREFORE, in consideration of the promises and the covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the undersigned parties agree as set forth below.

1. Grant of Security Interest. Grantor hereby grants to Secured Party a security interest in all of Grantor's now-existing or hereafter acquired right, title and interest in and to all unregistered and registered trademarks and trademark applications in the United States of America and all foreign countries thereto, including without limitation, the trademarks and trademark applications identified in Exhibit A herein, and all renewals, extensions and substitutions thereof (the "*Trademarks*"); any and all goodwill of Grantor's business symbolized by or associated with the Trademarks; and any and all proceeds thereof, including without limitation, any claims by Grantor against third parties for infringement of the Trademarks (collectively, the "*Collateral*").

2. Obligations Secured/ Limitations. This Agreement is made to Secured Party to secure the payment and performance of all obligations pursuant to the Investment Agreement, and any and all other loan agreements, notes, bonds, debentures, warrants, guarantees, drafts, undertakings, instruments, documents, security agreements, UCC financing statements, certificates, and modifications and amendments in connection therewith. Grantor does hereby further acknowledge that the rights and remedies of Secured Party with respect to the security interest in the Collateral granted hereunder are more fully set forth in the Investment Agreement, the terms and provisions of which are incorporated herein by reference.

3. Miscellaneous.

(a) **Parties; Changes.** This Agreement shall be binding upon and for the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement signed by the party to be charged thereby.

(b) **Choice of Law.** The validity, interpretation and effect of this Agreement shall be governed by the laws of the State of Maryland, without regard to its rules for conflicts of law.

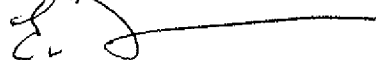
(c) **Counterparts.** This Agreement may be executed by the parties in one or more counterparts, each of which shall be binding against the signatory and all of which taken together shall constitute one instrument.

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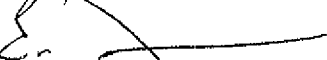
IN WITNESS WHEREOF, the parties hereto have executed this Grant of Security Interest in Trademarks as of the day and year first above written.

GRANTOR:

THE PENROD COMPANY,
a Virginia corporation

By: 
Name: EDWARD A. HEIDT, JR.
Title: CHAIRMAN/CEO

PENROD INTERNATIONAL, LLC,
a Virginia limited liability company

By: 
Name: EDWARD A. HEIDT, JR.
Title: CHAIRMAN/CEO

SECURED PARTY:

PRUDENT CAPITAL II, LP,
a Maryland limited partnership

By: Prudent Management, LLC,
a Maryland limited liability company,
its General Partner

By: _____
Steven J. Schwartz, Manager

[Signature Page to Grant of Security Interest in Trademarks]

IN WITNESS WHEREOF, the parties hereto have executed this **Grant of Security Interest in Trademarks** as of the day and year first above written.

GRANTOR:

THE PENROD COMPANY,
a Virginia corporation

By: _____
Name: Edward A. Heidt, Jr.
Title:

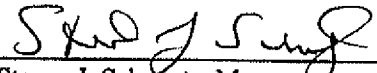
PENROD INTERNATIONAL, LLC,
a Virginia limited liability company

By: _____
Name: Edward A. Heidt, Jr.
Title: Manager

SECURED PARTY:

PRUDENT CAPITAL II, LP,
a Maryland limited partnership

By: Prudent Management, LLC,
a Maryland limited liability company,
its General Partner




By: 

Steven J. Schwartz, Manager

[Signature Page to Grant of Security Interest in Trademarks]

EXHIBIT A
Trademarks

Current Trademarks:

TRADEMARK	REGISTRATION NO.	OWNED/ LICENSED
PJC Design Logo	1,886,909	Owned
PJC Design Logo	1,887,174	Owned
BALL BEARING LITE	2,414,793	Owned
XO (and Design) 	2,919,040	Owned
PJC Design Logo  PENROD	3,076,593	Owned
PJC Design Logo  PENROD	3,123,052	Owned

Trademark Applications: