

mkd
10-1-98

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

10-07-1998



Tab settings

100845226

To the Honorable Commissioner of Patents and Trademarks: Please record the attached.

1. Name of conveying party(ies):
EEMAX, INC (Successor by merger to Eemax Acquisition Corp.)
472 Pepper Street
Monroe, Connecticut 06468

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

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: OBERLIN CAPITAL, L.P.
Internal Address: Suite 150
Street Address: 702 Oberlin Road
City: Raleigh State: NC ZIP: 27605

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designation must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: August 25, 1998

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)
1,794,851

Additional numbers attached? Yes No

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

Name: Kenneth A. Moser, Esquire
Womble Carlyle Sandridge & Rice
Internal Address: P. O. Drawer 84
Suite 1600
Street Address: 200 W. Second Street
City: Winston-Salem State: NC ZIP: 27102

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00

Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:
Check enclosed

(Attach duplicate copy of this page if paying by deposit account)

10/02/1998 BNGUYEN 00000170 1794851
01 FC:481 40.00 DP

DO NOT USE THIS SPACE

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

Beth J. Atkinson
Name of Person Signing

Beth J. Atkinson
Signature

9-30-98
Date

Total number of pages including cover sheet, attachments, and document: 11

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

Patent, Trademark and Copyright Security Agreement

This Patent, Trademark and Copyright Security Agreement ("Security Agreement"), entered into as of August 25, 1998 by and between OBERLIN CAPITAL, L.P., a Delaware limited partnership with a place of business at 702 Oberlin Road, Suite 150, Raleigh, North Carolina 27605 (the "Lender") and EEMAX, INC. (successor by merger to Eemax Acquisition Corp.), a corporation with a place of business at 472 Pepper Street, Monroe, Connecticut 06468 (the "Grantor"), in connection with the Loan Agreement (as hereinafter defined).

WHEREAS, the Lender and the Grantor have entered into a Loan and Security Agreement, dated August 25, 1998 (the "Loan Agreement"), whereby the Lender has agreed to loan money to the Grantor, and the Grantor has agreed to grant a security interest in certain of its business assets to the Lender to secure that loan; and

WHEREAS, the Grantor represents that it now possesses the sole and complete ownership rights to the business assets to be secured by this Security Agreement and that it has not granted a security interest or otherwise pledged, mortgaged, transferred, assigned or licensed any part of its rights in said business assets to any party other than the Lender, except for the security interest granted to State Street Bank and Trust Company.

NOW THEREFORE, in consideration of the premises set forth in this Security Agreement, the Loan Agreement and for other good and valuable consideration, receipt of which is hereby acknowledged, the Lender and the Grantor agree as follows:

Section 1.01. Grant of Security Interest. In order to secure the complete and timely satisfaction of all of the duties and obligations owing from the Grantor to the Lender as set forth in the Loan Agreement, the Grantor hereby pledges, mortgages and grants a security interest to the Lender in and to the following:

(1) All patents, patent applications and patentable inventions of the Grantor, including but not limited to those set forth in Exhibit 1, and (a) the inventions and improvements described and claimed therein; (b) any continuation, division, renewal, extension, substitute or reissue thereof or any legal equivalent in a foreign full term or terms for which the same may be granted; (c) all rights to income, royalties, profits, awards, damages or other rights relating to said patents, applications or inventions, including the right to sue for past, present or future infringement; and (d) any other rights and benefits relating to said patents, applications, or inventions (collectively, "Patents").

(2) All trademarks, trademark registrations and trademark applications and the goodwill underlying those trademarks of the Grantor, including but not limited to those set forth in Exhibit 2 and (a) any similar marks or amendments, modifications and renewals thereof and the goodwill

represented by those trademarks thereon and any legal equivalent in a foreign country for the full term or terms for which the same may be granted; (b) all rights to income, royalties, profits, damages, or other rights relating to said trademarks including the right to sue for past, present or future infringement; and (c) any other rights and benefits relating to said trademarks including any rights as a licensor or licensee of said trademark (collectively, "Trademarks").

All copyrights, copyright registrations and copyright applications (including, without limitation for computer programs), including but not limited to those set forth in Exhibit 3, and all tangible property embodying such copyrights (collectively, "Copyrights").

Section 2.01. No Liens, etc. The Grantor agrees that it will not, without the prior written consent of the Lender, assign or transfer, pledge, mortgage, license or allow a security interest or lien to be taken by anyone other than the Lender in said Patents, Trademarks and Copyrights (collectively, the "Collateral") or take any other acts which are contrary to or inconsistent with the rights granted to the Lender in this Security Agreement and will not cease the use of any Trademark or Copyright or take any action or fail to take any action which will result in the cancellation or expiration of any of the Collateral registrations covered by this Security Agreement without the prior written agreement of the Lender. Notwithstanding the foregoing or any other provision of this Security Agreement, the Lender acknowledges and consents to the grant, transfer and assignment by the Grantor to State Street Bank and Trust Company ("State Street Bank") of a lien on and security interest in the Collateral, which lien and security interest shall be prior and senior to the interest of the Lender pursuant to this Security Agreement.

Section 3.01. Grantors Obligation to Maintain and Enforce Rights. The Grantor further agrees that it has the obligation, at its own cost, unless otherwise consented to in writing by the Lender:

(1) To take all actions necessary to properly maintain and renew all Patents and registrations for Trademarks which are or may become subject to the Security Agreement for the full term or terms allowed by law including but not limited to the appropriate and timely payment of any required fees and the appropriate and timely filing of any documents or declarations necessary to maintain and renew said Patents or registrations for Trademarks (including the filing of a declaration of incontestability under § 15 of the United States Trademark Act where possible) which may be necessary or appropriate under applicable law.

(2) To file new applications to register and protect under applicable law all patentable inventions or Trademarks or Copyrights acquired by the Grantor but for which applications have not previously been filed or to take all other actions necessary to cause Patents and registrations for Trademarks and Copyrights to be issued as a result of said applications.

(3) To protect the Collateral from infringement, unfair competition or dilution or damage by all appropriate actions including the commencement of legal action to prevent and recover

damages for said infringement and to defend the Collateral from claims of infringement, unfair competition or damage including the defense of any legal actions making such claims.

Section 4.01. Reporting Requirement. The Grantor agrees to provide periodic reports to the Lender informing of: (a) the status of all Collateral subject to this Security Agreement including any new patents, patent applications, trademark registrations, trademark applications, copyright registrations, copyright applications or related licenses; and (b) any actions taken by the Grantor pursuant to Section 3.01 of this Security Agreement.

Section 5.01. After Acquired Property. If the Grantor shall obtain rights to or become entitled to the benefit of any new patents, patentable applications, patentable inventions, trademarks, registered trademarks, trademark applications or licenses, registered copyrights, copyright applications or licenses before its obligations to the Lender as set forth in this Security Agreement have been satisfied in full, the provisions of this Security Agreement shall automatically apply thereto and the Grantor hereby authorizes the Lender to modify or update this Security Agreement accordingly.

Section 6.01. Events of Default. The failure by the Grantor to perform any of the terms or conditions of this Security Agreement or the terms and conditions of the Loan Agreement shall constitute a material default. Upon the occurrence of such a default and upon the receipt by the Grantor of appropriate written notice from the Lender, the Grantor hereby authorizes and grants a power of attorney to the Lender to take any action as may be deemed to be necessary with respect to the Collateral, including but not limited to the assignment of such Collateral from the Grantor to the Lender. This right may be exercised in addition to any other rights and remedies which may be available under applicable law.

Section 7.01. Interpretation. This Security Agreement is subject to the terms and conditions of the Loan Agreement. Where any term in this Security Agreement may be inconsistent with any term in the Loan Agreement, the terms of the Loan Agreement shall control. This Security Agreement is also subject to the terms and conditions of a Subordination Agreement, dated August 25, 1998, among the Lender, State Street Bank, the Cartoun Foundation and the Grantor ("Subordination Agreement"). Where any term in this Security Agreement may be inconsistent with any term in the Subordination Agreement, the terms of the Subordination Agreement shall control.

Section 8.01. No Waiver. The failure by the Lender to exercise any right under this Security Agreement shall not operate as a waiver thereof and shall not bar the Lender from continuing to exercise said rights in the future.

Section 9.01. Governing Law. The Security Agreement is to be governed by the laws of the State of North Carolina and is binding on the parties and their successors and assigns. The Grantor may not assign nor transfer any part of its obligations under this Security Agreement either expressly or by operation of law without the written consent of the Lender.

Section 10.01. Severability. The terms of this Security Agreement are severable. If any term shall be found to be invalid or unenforceable, it shall not affect the validity of the remaining terms.

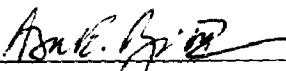
Section 11.01. Further Actions. The Grantor agrees to execute any other documents and take any further action upon the request of the Lender as may be deemed necessary to effectuate the terms of this Security Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement as of the 25th day of August, 1998.


GRANTOR:

EEMAX, INC. (successor by merger to Eemax Acquisition Corp.)

Attest:



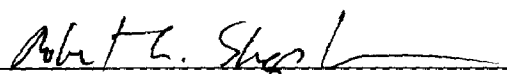
Asa E. Phillips, III,
Assistant Secretary

By: 

Northrup R. Knox, Jr.,
Title: Treasurer

LENDER:

OBERLIN CAPITAL, L.P.
By: Oberlin Capital Partners, LLC, General Partner

By: 

Robert G. Shepley, Jr.
President of the General Partner

Exhibit 1

**PATENTS, PATENT APPLICATIONS
AND PATENTABLE INVENTIONS**

See attached Schedule 1-A and Schedule 1-B

#752207.2

**TRADEMARK
REEL: 1795 FRAME: 0522**

PAGE: 1

PATENT NUMBER: 4762980 ISSUE DATE: 08/09/88
 SERIAL NUMBER: 06/894269 FILING DATE: 08/07/86
 TITLE: ELECTRICAL RESISTANCE FLUID HEATING APPARATUS
 APPLICANT: INSLEY, HAROLD

REEL: 4589 FRAME: 0957 DATE RECORDED: 08/07/86 NUMBER OF PAGES: 002
 ASSIGNOR: INSLEY, HAROLD

EXC DATE: 08/01/86
 ASSIGNEE: THERMAR CORPORATION, THERMAR CENTER, TRUMBULL, CONNECTICUT 0
 6511-0398 A CORP. OF CONNECTICUT
 BRIEF: ASSIGNMENT OF ASSIGNORS INTEREST.
 RETURN ADDRESS: JAMES J. DALEY
 ROBIN, BLECKER & DALEY
 330 MADISON AVE.
 NEW YORK, NY 10017

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PRESS XMIT FOR NEXT PAGE OR FOR A SPECIFIC PAGE
 ENTER PAGE NUMBER (2 DIGITS MAX.), PRESS XMIT

08/13/98 08:25
 PAGE: 2

REEL: 4909 FRAME: 0449 DATE RECORDED: 07/05/88 NUMBER OF PAGES: 002
 ASSIGNOR: THERMAR CORPORATION

EXC DATE: 05/03/88
 ASSIGNEE: CREATIVE CAPITAL CORPORATION, 280 RAILROAD AVENUE, GREENWICH,
 CT 06830, A CT CORP.
 BRIEF: ASSIGNMENT OF ASSIGNORS INTEREST.
 RETURN ADDRESS: ROBIN, BLECKER & DALEY
 330 MADISON AVENUE
 NEW YORK, NEW YORK 10017

REEL: 6611 FRAME: 0050 DATE RECORDED: 07/06/93 NUMBER OF PAGES: 006
 ASSIGNOR: CREATIVE CAPITAL CORPORATION
 EXC DATE: 06/22/93

PRESS XMIT FOR NEXT PAGE OR FOR A SPECIFIC PAGE
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08/13/98 08:25

ASSIGNEE: KEMAX, INC.
 472 PEPPER STREET
 MONROE, CT 06468

BRIEF: ASSIGNMENT OF ASSIGNOR'S INTEREST (SEE DOCUMENT FOR DETAILS).

RETURN ADDRESS: ALBERT ROBIN
 ROBIN, BLECKER, DALEY & DRISCOLL
 330 MADISON AVENUE
 NEW YORK, NEW YORK 10017

* * LAST PAGE * * * ENTER PAGE NUMBER (2 DIGITS MAX.)
 AND PRESS XMIT TO GO BACK TO DESIRED PAGE

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Exhibit 2

TRADEMARKS, TRADEMARK REGISTRATIONS
AND TRADEMARK APPLICATIONS
AND ASSOCIATED GOODWILL

See attached Schedule 2

EEMAX

F-1

EEMAX

Status: REGISTERED

Goods/Services:

Int'l. Class: 11 (U.S. Class: 34)

**ELECTRIC TANKLESS WATER HEATERS FOR COMMERCIAL,
RESIDENTIAL AND INDUSTRIAL USE.**

First Use: AUGUST 1, 1988

In Commerce: AUGUST 1, 1988

Registration No.: 1,794,851

Registered: SEPTEMBER 28, 1993

Serial No.: 74-343818

Filed: DECEMBER 28, 1992

Published: JULY 6, 1993

Correspondent: ALBERT ROBIN

330 MADISON AVENUE

NEW YORK, NY 10017

Registrant: EEMAX, INC., (DE CORP.)

472 PEPPER STREET

MONROE, CT 06468

EEMAX / RN # 1794851

Exhibit 3

COPYRIGHTS, COPYRIGHT REGISTRATIONS AND
COPYRIGHT APPLICATIONS

None

752207.2

RECORDED: 10/01/1998

TRADEMARK
REEL: 1795 FRAME: 0527