

08-16-2002

Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)
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J.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Copper Craft, Inc.

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

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

Execution Date: 06/13/02

2. Name and address of receiving party(ies)

Name: Wachovia Bank, Nat'l Association

Internal Address: _____

Address: _____

Street Address: 2240 Butler Pike

City: Plymouth Meetir State: PA Zip: 19462

- 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
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1783149

Additional number(s) attached Yes No

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

Name: Rosanna L. Suriano, Esquire

Internal Address: White and Williams LLP

1800 One Liberty Place

Street Address: 1650 Market Street

City: Philadelphia State: PA Zip: 19103

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:

501292

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

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.

Rosanna L. Suriano, Esquire

Name of Person Signing


Signature

8/12/02
Date

Total number of pages including cover sheet, attachments, and document: 13

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

08/15/2002 GT0N11 00000169 501292 1783149
01 FC:481 40.00 CH

TRADEMARK
REEL: 2563 FRAME: 0902

**PATENTS, TRADEMARKS, COPYRIGHTS
AND LICENSES SECURITY AGREEMENT**

THIS PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES SECURITY AGREEMENT is made effective as of the 13th day of June, 2002 by and between **COPPER CRAFT, INC.** ("Assignor") and **WACHOVIA BANK, NATIONAL ASSOCIATION** ("Assignee").

BACKGROUND

A. Pursuant to that certain Loan and Security Agreement dated of even date herewith by and between Assignor, certain affiliates of Assignor and Assignee (such Loan and Security Agreement, as heretofore or hereafter amended, modified or restated, being referred to herein as the "**Loan Agreement**"), Assignee agreed to extend to Assignor and certain of its affiliates certain credit facilities as described therein.

B. The Loan Agreement provides, inter alia, that Assignor will grant to Assignee a security interest in all of Assignor's assets, including, without limitation, its patents, patent rights, patent applications, servicemarks, trademarks, service trademark applications, service 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. All obligations of Assignor to Assignee, whether now or hereafter owing or existing, including without limitation all obligations hereunder, under the Loan Agreement, the Loan Documents and the Notes, and the payment, performance and discharge of all other obligations or undertakings now or hereafter made by or for the benefit of Assignor to or for the benefit of Assignee, under this Agreement or under any other agreement, promissory note or undertaking now existing or hereafter entered into by Assignor with or to Assignee, including any guaranty or surety obligations of Assignor owed to Assignee, and the undertakings of Assignor to immediately pay to Assignee the amount of any overdraft on any deposit account maintained with Assignee are sometimes hereinafter referred to collectively as the "**Bank Indebtedness**".

2. (a) **Security Interest.** To secure the complete and timely payment and satisfaction of all Bank Indebtedness, Assignor hereby assigns, mortgages and pledges to Assignee and grants to Assignee 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 such 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 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-pup and out-pup 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 "C"** 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 "D"** 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.** To secure the complete and timely payment and satisfaction of all Bank Indebtedness, Assignor hereby mortgages and pledges to Assignee and grants to Assignee 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 such 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(a), above, the "**Collateral**");

i. servicemarks, trademarks, servicemark and trademark registrations, tradenames, trademark applications, and all goodwill attendant thereto, including, without limitation, the servicemarks, trademarks and 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, (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 Bank Indebtedness shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignor will not, without Assignee'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 Assignee under this Security Agreement.

4. **New Patents, Trademarks, and Licenses.** Assignor represents and warrants that the Patents, Trademarks, Copyrights and Licenses listed on **Exhibits "A", "B", "C" and "D"**, respectively, constitute all of the patents, trademarks, copyrights, applications and licenses, now owned by Assignor. If, before all Bank Indebtedness shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignor shall (i) obtain rights to any new patentable inventions, trademarks, trademark registrations, tradenames, copyrights or licenses, or (ii) become entitled to the benefit of any patent, trademark or copyright application, trademark, trademark registration 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 Assignee prompt written notice thereof. Assignor hereby authorizes Assignee 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, trademark applications, tradenames, copyrights and licenses which are Patents, Trademarks, Copyrights or Licenses, as applicable, under **Section 2** above or under this **Paragraph 4**. Assignor hereby agrees to provide to Assignee such assignment or other documentation as Assignee may request to record Assignee's lien on such future Patents, Trademarks, Copyrights or Licenses.

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

6. **Assignee's Right to Inspect.** Assignee 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 Assignee, or a conservator appointed by Assignee, shall have the right to establish such additional reasonable product quality controls as Assignee, 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 (i) not to sell or assign its interest in, or grant any license under, the Patents, Trademarks, Copyrights or Licenses, without the prior written consent of Assignee; (ii) 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; (iii) not to adversely change the quality of said products without Assignee's express written consent; and (iv) to provide Assignee, 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 Bank Indebtedness and termination of the Loan Agreement, Assignee shall execute and deliver to Assignor a termination of Assignee'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, Trademarks, Copyrights and Licenses, subject to any disposition thereof which may have been made by Assignee pursuant hereto.

8. **Duties of Assignor.** Assignor shall have the duty (i) to prosecute diligently any patent, trademark and copyright application pending as of the date hereof or thereafter until all Bank Indebtedness shall have been paid in full and the Loan Agreement is terminated, (ii) to make application on unpatented but patentable inventions and on trademarks and copyrights, as appropriate, and (iii) 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 shall 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 consent of the Assignee, which consent shall not be unreasonably withheld.

9. **Event of Default.** Upon the occurrence of an Event of Default, as defined in the Loan Agreement, Assignee may, without further notice to or consent of Assignor, immediately record all assignments previously executed and delivered to Assignee by Assignor and/or execute and record with all applicable offices (including, without limitation, the Patent and Trademark Office) an absolute assignment to Assignee by Assignor of all rights, title and interest of Assignor in and to the Patents, Trademarks, Copyrights, Licenses and other Collateral. Assignor hereby authorizes and agrees that Assignee may, through the power of attorney granted in **Section 14** hereof, 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 Assignee shall deem reasonable or appropriate to transfer and convey all right, title and interest of Assignor in and to the Collateral to Assignee or any other person or entity selected by Assignee.

10. **Assignee's Right to Sue.** Assignee 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 Assignee shall commence any such suit, Assignor shall, at the request of Assignee, do any and all lawful acts and execute any and all proper documents required by Assignee in aid of such enforcement and Assignor shall promptly, upon demand, reimburse and indemnify Assignee for all costs and expenses incurred by Assignee in the exercise of its rights under this **Section 10.**

11. **Waivers.** No course of dealing between Assignor and Assignee, nor any failure to exercise, nor any delay in exercising, on the part of Assignee, 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 Assignee'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 Assignee to make, constitute and appoint any officer or agent of Assignee as Assignee may select, in its sole discretion, as Assignor's true and lawful attorney-in-fact, with power to (i) endorse Assignor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Assignee to protect, evidence, perfect or enforce its security interest in the Patents, Trademarks, Copyrights and Licenses, (ii) take any other actions with respect to the Patents, Trademarks, Copyrights and/or Licenses as the Assignee reasonably deems in the best interest of the Assignee, (iii) following an Event of Default, grant or issue any exclusive or non-exclusive license under the Patent or Trademark to anyone, including Assignee, and/or (iv) following an Event of Default, assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks, Copyrights or Licenses to anyone, including Assignee. Assignee may act under such power of attorney to take the actions referenced in **Section 4**. Assignee 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 Bank Indebtedness 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 Assignee 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

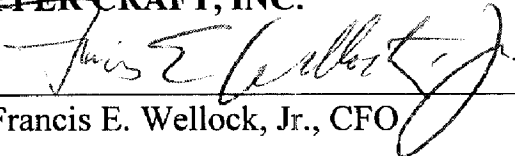
Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks, Copyrights or Licenses may be located.

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 Assignee, its nominees, successors and assigns.

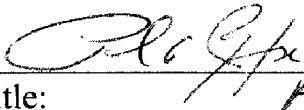
16. **Governing Law.** This Security Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

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

COPPER CRAFT, INC.

By: 
Francis E. Wellock, Jr., CFO

WACHOVIA BANK, NATIONAL ASSOCIATION

By: 
Name/Title: Paul A. Pyfer
SVP

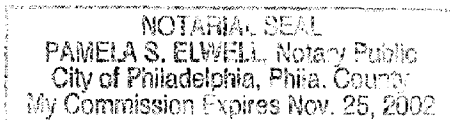
ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA :
 : ss:
COUNTY OF *Philadelphia* :

On this 13th day of June, 2002, before me, a Notary Public, personally appeared **Paul Pyfer**, who acknowledged himself to be a duly acting **Senior Vice President of Wachovia Bank, National Association** and that he as such **Senior Vice President**, being duly authorized to do so, executed the foregoing Patents, Trademarks, Copyrights and Licenses Security Agreement for the purposes therein contained by signing his name as such **Senior Vice President** on behalf of the Assignee.

Pamela S. Elwell

Notary Public
My Commission Expires:



ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA :
 : SS:
COUNTY OF *Philadelphia* :

On this 13th day of June, 2002, before me, a Notary Public, personally appeared Francis E. Wellock, Jr., who acknowledged himself/herself to be the duly elected Chief Financial Officer of **Copper Craft, Inc.**, a Texas corporation, and that he as such officer, being duly authorized to do so, executed the foregoing Patents, Trademarks, Copyrights and Licenses Security Agreement for the purposes therein contained by signing his name as such officer on behalf of Assignor.

Pamela S. Elwell

Notary Public
My Commission Expires:

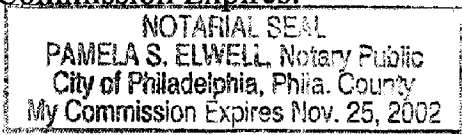


EXHIBIT "A"

TO

**PATENTS, TRADEMARKS, COPYRIGHTS
AND LICENSES SECURITY AGREEMENT**

Patents

None

EXHIBIT "B"
TO

**PATENTS, TRADEMARKS, COPYRIGHTS
AND LICENSES SECURITY AGREEMENT**

Trademarks

<u>OWNER</u>	<u>TRADEMARK</u>	<u>REGISTRATION OR SERIAL NUMBER</u>	<u>FILING DATE/ REGISTRATION DATE</u>
Copper Craft, Inc.	COPPER CRAFT**	1783149	May 21, 1992/ July 20, 1993

** This trademark was transferred from Armeco Systems, Inc. to Copper Craft, Inc. by an assignment dated March 31, 2000 (recorded with the United States Patent and Trademark Office on May 8, 2000). At the time of transfer, the trademark was subject to a pre-existing Article 9 security interest.

EXHIBIT "C"

TO

**PATENTS, TRADEMARKS, COPYRIGHTS
AND LICENSES SECURITY AGREEMENT**

Copyrights

None

EXHIBIT "D"

TO

**PATENTS, TRADEMARKS, COPYRIGHTS
AND LICENSES SECURITY AGREEMENT**

Licenses

None