

08-06-1999

U.S. Department of Commerce
Patent and Trademark Office
PATENT



101112454

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MKP
8-6-99

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

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☒ New
☐ Resubmission (Non-Recordation)
Document ID#
☐ Correction of PTO Error
Reel # Frame #
☐ Corrective Document
Reel # Frame #

Conveyance Type

☐ Assignment ☒ Security Agreement
☐ License ☐ Change of Name
☐ Merger ☐ Other
U.S. Government
(For Use ONLY by U.S. Government Agencies)
☐ Departmental File ☐ Secret File

Conveying Party(ies)

☐ Mark if additional names of conveying parties attached
Name (line 1) Execution Date
Month Day Year
 07 20 99

Second Party

Name (line 1) Execution Date
Month Day Year
Name (line 2)

Receiving Party

☐ Mark if additional names of receiving parties attached
☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Name (line 1) NationsCredit Commercial Corporation
Name (line 2)
Address (line 1) 187 Danbury Road
Address (line 2)
Address (line 3) Wilton CT 06897
City State/Country Zip Code

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name
Address (line 1)
Address (line 2)
Address (line 3)
Address (line 4)

08/09/1999 NTHA11 00000007 5857904

01 FC:581 360.00 DP

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Mail documents to be recorded with required cover sheet(s) information to:
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REEL: 010144 FRAME: 0536

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Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

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Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

9

Application Number(s) or Patent Number(s)

☐

Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

5,857,904	5,437,574	5,387,151
5,295,901	5,160,291	5,127,874
5,125,869	5,556,329	5,080,006

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor.

Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number
only if a U.S. Application Number
has not been assigned.

PCT

PCT

PCT

PCT

PCT

PCT

Number of Properties

Enter the total number of properties involved.

#

9

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

360⁰⁰

Method of Payment:
Deposit Account

Enclosed

☐

Deposit Account

☐

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

☐

No

☐

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. Charges to deposit account are authorized, as indicated herein.

Deneen Sanders

Deneen Sanders

7-20-99

Name of Person Signing

Signature

Date

PATENT MORTGAGE

THIS PATENT MORTGAGE (this "Mortgage"), made as of the 20th day of July, 1999 by Lyemance International, Inc. (together with its successors, "Company"), and NationsCredit Commercial Corporation, as Agent ("Agent") for the Lenders referred to below.

WITNESSETH

WHEREAS, pursuant to a certain Credit Agreement of even date herewith among Company, Copperfield Chimney Supply, Inc., an Oklahoma corporation, Westminster Chimney Supply, Ltd., a Maryland corporation, and Riverton Machine & Foundry, Inc., a Kentucky corporation (together with each of its successors, "Borrowers"), certain lenders (the "Lenders") and the Agent (as the same may hereafter be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), Agent and the Lenders have agreed to make certain loans to the Borrowers, and to extend certain other financial accommodations to or for the benefit of the Borrowers; and

WHEREAS, pursuant to a certain Security Agreement of even date herewith among the Agent and the Borrowers (as the same may hereafter be amended, supplemented or otherwise modified from time to time, the "Security Agreement"), Company has granted to the Agent, for the ratable benefit of the Agent and the Lenders, a continuing security interest in certain of Company's assets, including, without limitation, the Patents (as defined below);

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, Company and the Agent agree as follows:

1. Incorporation of Security Agreement; Credit Agreement Definitions.

The Security Agreement and the provisions thereof are hereby incorporated herein in their entirety by this reference thereto. Capitalized terms used but not defined herein shall have the respective meanings given thereto in the Credit Agreement.

2. Grant and Reaffirmation of Grant of Security Interest.

To secure the complete and timely payment and satisfaction of the Secured Obligations (as such term is defined in the Security Agreement), Company hereby grants to the Agent, and hereby reaffirms its prior grant pursuant to the Security Agreement of, a continuing security interest in Company's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising patents and patent applications (including without limitation, the patents and patent applications listed on Schedule A attached hereto and made a part hereof, and the inventions and improvements described and claimed therein), patentable inventions and the reissues, divisions, continuations, renewals, extensions and continuations in part of

any of the foregoing, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Patents").

3. Warranties and Representations. Company warrants and represents to Agent that:

- i. no Patent has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Patent been cancelled, in whole or in part and each such Patent is presently subsisting;
- ii. each Patent is valid and enforceable;
- iii. Company is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Patent, free and clear of any liens, charges and encumbrances, including without limitation licenses, shop rights and covenants by Company not to sue third persons, except Permitted Liens;
- iv. Company has no notice of any suits or actions commenced or threatened with reference to any Patent; and
- v. Company has the unqualified right to execute and deliver this Mortgage and perform its terms.

4. Restrictions on Future Agreements. Company agrees that until the Secured Obligations shall have been satisfied in full and the Security Agreement shall have been terminated, Company shall not, without the prior written consent of Agent, sell or assign its interest in, or grant any license under, any Patent or enter into any other agreement with respect to any Patent, and Company further agrees that it shall 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 transferred to Agent under this Mortgage.

5. New Patents. Company represents and warrants that the Patents listed on Schedule A constitute all of the federally registered Patents now owned by Company. If, before the Secured Obligations shall have been satisfied in full and the Security Agreement has been terminated, Company shall (i) become aware of any existing Patents of which Company has not been previously informed, (ii) obtain rights to any new federally registered Patents or any new patentable inventions, or (iii) become entitled to the benefit of any Patents, which benefit is not in existence on the date hereof, the provisions of this Mortgage

above shall automatically apply thereto and Company shall give the Agent prompt written notice thereof. Company hereby agrees that, upon the Agent's written request, Company will execute and deliver to the Agent one or more supplements to this Mortgage, each in form and content substantially similar to this Mortgage, in respect of any and all new federally registered Patents owned by Company.

6. Royalties; Term. The term of the security interests granted herein shall extend until the earlier of (i) the expiration of each of the Patents, and (ii) the payment in full of the Secured Obligations and the termination of the Security Agreement in accordance with its terms. Company agrees that upon the occurrence of an Event of Default, the use by the Agent of all Patents shall be worldwide, except as limited by their terms, and without any liability for royalties or other related charges from Agent to Company.

7. Release of Mortgage. This Mortgage is made for collateral purposes only. Upon payment in full of the Secured Obligations and termination of the Security Agreement, Agent shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Financing Documents.

8. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne jointly and severally by Company. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Agent in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Patents or in defending or prosecuting any actions or proceedings arising out of or related to the Patents shall be borne by and paid jointly and severally by Company and shall be charged against the Secured Obligations.

9. Duties of Company. Company shall have the duty (i) to file and prosecute diligently any patent applications pending as of the date hereof or hereafter until the Secured Obligations shall have been paid in full and the Security Agreement has been terminated, (ii) to make application on unpatented but patentable inventions, as commercially reasonable, (iii) to preserve and maintain all rights in the Patents, as commercially reasonable and (iv) to ensure that the Patents are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with Company's obligations under this Section 8 shall be borne by Company.

10. Agent's Right to Sue. After an Event of Default, each Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and, if Agent shall commence any such suit, Company 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 Company 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 Company and Agent, nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder or under the Financing Documents 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 Mortgage are severable, and if any clause or provision shall be held 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 Mortgage in any jurisdiction.

13. Modification. This Mortgage cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

14. Effect on Other Agreements; Power of Attorney; Cumulative Remedies. Company acknowledges and agrees that this Mortgage is not intended to limit or restrict in any way the rights and remedies of the Agent or any Lender under the Credit Agreement or the Security Agreement but rather is intended to supplement and facilitate the exercise of such rights and remedies. Company hereby authorizes Agent upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Agent as Agent may select, in its sole discretion, as Company's true and lawful attorney-in-fact, with power to (i) endorse Company's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Patents or (ii) take any other actions with respect to the Patents as Agent deems to be in the best interest of Agent, or (iii) grant or issue any exclusive or non-exclusive license under the Patents to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents to anyone. Company 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 the Secured Obligations shall have been paid in full and the Security Agreement has been terminated. All of the rights and remedies of the Agent and each Lender with respect to the Patents, whether established hereby, by the Credit Agreement or the Security Agreement, by any other agreements, or by law, shall be cumulative and may be exercised singularly or concurrently. Agent shall have, in addition to all other rights and remedies given it by the terms of this Mortgage and the Financing Documents, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in New York.

15. Binding Effect; Benefits. This Mortgage shall be binding upon Company and its respective successors and assigns, and shall inure to the benefit of the Agent and its successors and assigns.

16. APPLICABLE LAW; SEVERABILITY. THIS MORTGAGE SHALL BE CONSTRUED IN ALL RESPECTS IN ACCORDANCE WITH, AND GOVERNED BY, ALL OF THE PROVISIONS OF THE NEW YORK UNIFORM COMMERCIAL CODE AND BY THE OTHER INTERNAL LAWS (AS OPPOSED TO CONFLICT OF LAWS PROVISIONS) OF THE STATE OF NEW YORK, EXCEPT FOR THE PERFECTION AND ENFORCEMENT OF SECURITY INTERESTS AND LIENS IN OTHER JURISDICTIONS, WHICH SHALL BE GOVERNED BY THE LAWS OF THOSE JURISDICTIONS OR, AS APPLICABLE, BY THE LAWS OF THE UNITED STATES OF AMERICA. WHENEVER POSSIBLE, EACH PROVISION OF THIS MORTGAGE SHALL BE INTERPRETED IN SUCH A MANNER AS TO BE EFFECTIVE AND VALID UNDER APPLICABLE LAW, BUT IF ANY PROVISION OF THIS MORTGAGE SHALL BE PROHIBITED BY OR INVALID UNDER APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE ONLY TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISIONS OR THE REMAINING PROVISIONS OF THIS MORTGAGE.

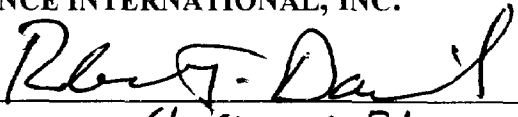
17. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

18. Further Assurances. Company agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Agent shall reasonably request from time to time in order to carry out the purpose of this Mortgage and agreements set forth herein.

19. Survival of Representations. All representations and warranties of Company contained in this Mortgage shall survive the execution and delivery of this Mortgage and shall be remade on the date of each borrowing under the Financing Documents.

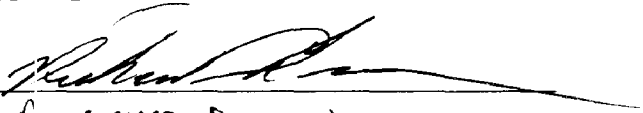
IN WITNESS WHEREOF, the parties hereto have duly executed this Mortgage as of the date first above written.

LYEMANCE INTERNATIONAL, INC.

By: 
Title Chairman of Bd.

Accepted and Agreed to as of the date first written above:

NATIONSCREDIT COMMERCIAL CORPORATION,
AS AGENT

By 
Its Authorized Signatory

SCHEDULE A

PATENT REGISTRATIONS

<u>Company:</u>	<u>Patent Description</u>	<u>U.S. Patent No.</u>	<u>Date Registered</u>
Lyemance International, Inc.	Chimney Cap	5,857,904	1/12/99
Lyemance International, Inc.	Top sealing chimney cap	5,437,574	8/1/95
Lyemance International, Inc.	Top sealing chimney cap	5,387,151	2/7/95
Lyemance International, Inc.	Top sealing	5,295,901	3/22/94
Lyemance International, Inc.	Chimney Damper	5,160,291	11/3/92
Lyemance International, Inc.	Chimney Damper with Hammer Device damper.	5,127,874	7/7/92
Lyemance International, Inc.	Spring Based Chimney Chimney Damper	5,125,869	6/30/92
Lyemance International, Inc.	Chimney Damper with Locking Mechanism	5,556,329	9/17/96
Lyemance International, Inc.	Chimney Damper Device	5,080,006	1/14/92

PATENT APPLICATIONS

<u>Company:</u>	<u>Patent Application Description</u>	<u>U.S. Application No.</u>	<u>Date Registered</u>
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N/A

(SCHEDULE: WPD)