

Resubmission 1-4-01

FORM PTO-1619A
Expires 08/30/99
OMB 0661-0027

01-05-2001

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

101558135

**RECORDATION FORM COVER SHEET
PATENTS ONLY**

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

Submission Type☐ New☒ Resubmission (Non-Recordation)

Document ID# 101501558

☐ 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) XL Flooring Installation Products, Inc.

Execution Date
Month Day Year
05 24 2000

Name (line 2) _____

Second Party

Name (line 1) _____

Execution Date
Month Day Year

Name (line 2) _____

Receiving Party☐ Mark if additional names of receiving parties attached

Name (line 1) First Union National Bank

☐ 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 2) _____

Address (line 1) 1339 Chestnut Street, 4th Floor

Address (line 2) Widener Building

Address (line 3) Philadelphia

PA USA

19107

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) _____

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0661-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0661-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

PATENT
REEL: 011204 FRAME: 0585

FORM PTO-1619B
Expires 06/30/99
OMB 0861-0027

Page 2

U.S. Department of Commerce
Patent and Trademark Office
PATENT**Correspondent Name and Address**Area Code and Telephone Number **215-977-2544**Name **Robert F. Zielinski**Address (line 1) **Wolf, Block, Schorr and Solis-Cohen LLP**Address (line 2) **1650 Arch Street**Address (line 3) **22nd Floor**Address (line 4) **Philadelphia, PA 19103-2097****Pages**Enter the total number of pages of the attached conveyance document
including any attachments.# **12****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)**09172372****09009941****5962564****60043128****60036905****5565511****60076357****5931354****Patent Number(s)**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.

8**Fee Amount**Fee Amount for Properties Listed (37 CFR 3.41): \$ **320.00**Method of Payment:
Deposit AccountEnclosed ☒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.*

Robert F. Zielinski

Name of Person Signing

Signature

Date

11-01-2000

FORM PTO-1619A
Expires 05/30/99
OMB 0851-0027

JUL 21 AM 10:36

OPR/FINANCE



101501558

U.S. Department of Commerce
Patent and Trademark Office
PATENT**RECORDATION FORM COVER SHEET
PATENTS ONLY**

10-23-00

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

Submission Type

New



Resubmission (Non-Recordation)

Document ID#



Correction of PTO Error

Reel #

Frame #



Corrective Document

Reel #

Frame #

Conveyance Type

Assignment



License



Merger



Security Agreement



Change of Name



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) XL Flooring Installation Products, Inc.

Execution Date:
Month Day Year
05 24 2000

Name (line 2)

Second Party

Name (line 1)

Execution Date:
Month Day Year

Name (line 2)

Receiving Party

Mark if additional names of receiving parties attached

Name (line 1) First Union National Bank

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

If document to be recorded
is an assignment and the
receiving party is not
domiciled in the United
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of a domestic
representative is attached.
(Designation must be a
separate document from
Assignment.)**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)

08/15/2000 DNGUYEN 00000323 09172372

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320.00 0P

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Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231**PATENT**
REEL: 011204 FRAME: 0587

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

THIS PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES SECURITY AGREEMENT is made effective as of the 24th day of May, 2000 by and between XL FLOORING INSTALLATION PRODUCTS, INC. ("Assignor") and FIRST UNION NATIONAL BANK ("Assignee").

BACKGROUND

A. Pursuant to that certain Loan Agreement dated June 18, 1999 by and between Assignee and Assignor (as amended by that certain Amendment to Loan Agreement of even date herewith and as the same may be amended, modified or restated, being referred to herein as the "Loan Agreement") Assignee agreed to extend to Assignor the following credit facilities:

i) a revolving line of credit in the maximum principal amount of Ten Million Dollars (\$10,000,000.00); and

ii) a term loan in the original principal amount of Three Million Five Hundred Thousand Dollars (\$3,500,000.00).

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; provided however, the term "Intellectual Property" shall have the meaning given such term in that certain Subordination Agreement by and among Assignor, Assignee and XL Corporation ("XL") of even date herewith (the "Subordination Agreement").

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 (except the prior interest of XL in the Intellectual Property as described in the Subordination Agreement), 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-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 "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 (except the prior interest of XL in the Intellectual Property as described in the Subordination Agreement), 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.

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. **License.** Assignor hereby grants Assignee a license to use the patent described on Schedule(a)(i) attached hereto in connection with the sale or transfer by Assignee of any inventory

pledge by Assignor to Assignee. Such license shall be a royalty-free license and may be used by Assignee without charge.

7. **Assignee's Right to Inspect.** Assignee shall have the right, at any time and from time to time upon reasonable notice, 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.

8. **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

9. **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 without the consent of the Assignee, which consent shall not be unreasonably withheld.

10. **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 15** 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.

11. 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 11.**

12. 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.

13. 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.

14. 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.

15. 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.

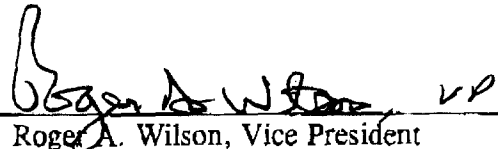
16. **Binding Effect; Benefits.** This Security Agreement shall be binding upon the Assignor and its successors and assigns, and shall inure to the benefit of Assignee, its nominees, successors and assigns.

17. **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.

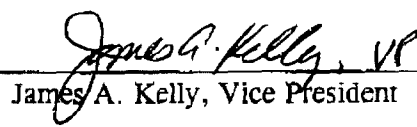
XL FLOORING INSTALLATION PRODUCTS,
INC.

By: _____

 VP
Roger A. Wilson, Vice President

FIRST UNION NATIONAL BANK

By: _____

 VP
James A. Kelly, Vice President

ACKNOWLEDGMENTSTATE OF GEORGIA

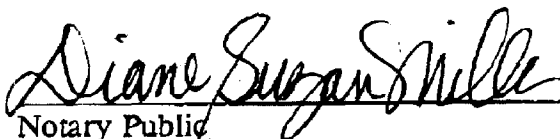
:

COUNTY OF FULTON

: SS

:

On this 24th day of May, 2000, before me, a Notary Public, personally appeared Roger A. Wilson, who acknowledged himself/herself to be a duly acting Vice President of **XL FLOORING INSTALLATION PRODUCTS, INC.** and that he/she as such 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/her name as such Vice President on behalf of the Assignee.



Notary Public

My Commission Expires: Notary Public, Fulton County, Georgia
My Commission Expires March 4, 2001

ACKNOWLEDGMENT

STATE OF Pennsylvania :
COUNTY OF Philadelphia : SS
:

On this 24th day of May, 2000, before me, a Notary Public, personally appeared James A. Kelly who acknowledged himself/herself to be a Vice President of **FIRST UNION NATIONAL BANK** and that he/she 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/her name as such officer on behalf of Assignor.

Elizabeth Sookin
Notary Public
My Commission Expires:

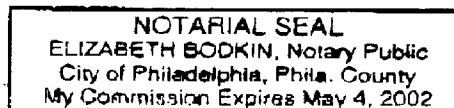


EXHIBIT A**XL FLOORING INSTALATION PRODUCTS, INC.****U.S. PATENTS****Issued**

<u>Patent No.</u>	<u>Date Issued</u>
5,962,564	October 5, 1999
5,565,511	October 15, 1996
5,931,354	August 3, 1999

U.S. PATENT APPLICATIONS

<u>Serial No.</u>	<u>Filing Date</u>
09/172,372	October 14, 1998
60/043,128	April 9, 1997
60/076,357	February 27, 1998
09/009,941	January 21, 1998
60/036,905	February 5, 1997

EXHIBIT B
LIST OF TRADEMARKS

<u>Item</u>	<u>Registration No.</u>	<u>Registered Date</u>
STIX Trademark	1,824,786	3/8/94
XL Trademark (design)	1,808,688	12/7/93
STIX (design)	1,803,001	11/9/93
XL	1,440,949	6/2/87
JET SPREAD	2,125,393	12/30/97

EXHIBIT "C"
TO
PATENTS, TRADEMARKS, COPYRIGHTS
AND LICENSES SECURITY AGREEMENT

Copyrights

NONE

EXHIBIT "D"

TO

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

Licenses

NONE