

04-23-2001



101682469

**RECORDATION FORM COVER SHEET
PATENTS ONLY**

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

10-6-8

Submission Type

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

Execution Date
Month Day Year

Name (line 1)

02152001

Name (line 2)

Second Party

Execution Date
Month Day Year

Name (line 1)

Name (line 2)

Receiving Party

Mark if additional names of receiving parties attached

Name (line 1)

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)

Address (line 2)

Address (line 3)
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

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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. 20001

PATENT
REEL: 011692 FRAME: 0069

Correspondent Name and Address

Area Code and Telephone Number

617-227-7460 x16

Name Gerard Fong, Kozodoy, Fong & Ostreicher

Address (line 1) One McKinley Square

Address (line 2) Boston, MA 02109

Address (line 3)

Address (line 4)

Pages

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

6

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)

09625630	09433410	60091742	4356754	4727634	4774867
09346720	60116744		4785704	4911057	4944209
			4984498	5029375	5125312

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.

23

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$ 920.00

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.

Gerard Fong

Name of Person Signing

Signature

Date

2-19-01

**RECORDATION FORM COVER SHEET
CONTINUATION
PATENTS ONLY**

Conveying Party(ies)

Mark if additional names of conveying parties attached

Enter additional Conveying Parties

Name (line 1)

Execution Date
Month Day Year

Name (line 2)

Execution Date
Month Day Year

Name (line 1)

Name (line 2)

Execution Date
Month Day Year

Name (line 1)

Name (line 2)

Receiving Party(ies)

Mark if additional names of receiving parties attached

Enter additional Receiving Party(ies)

Name (line 1)

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)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Name (line 1)

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)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

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)

5155285

5305674

5670733

5189235

5319153

5603898

5189771

5463185

5817966

PATENT AND PATENT
APPLICATION SECURITY AGREEMENT

February 15, 2001

This Patent and Patent Application Security Agreement (the "**Security Agreement**") is made the 15 day of February, 2001 by **Fishman Transducers, Inc.**, a Delaware corporation with its principal executive offices at 340-D Fordham Road, Wilmington, Massachusetts 01887 (the "**Borrower**"), and Stoneham Savings Bank, a Massachusetts bank with its principal executive offices at 359 Main Street Stoneham, MA 02180 (the "**Lender**").

RECITALS

WHEREAS, the Borrower and the Bank have entered into a series of loan arrangements evidenced by among other documents and instruments, a \$700,000.00 Demand Promissory Note, a \$750,000.00 Demand Promissory Note and a \$413,000.00 Term Promissory Note, a Security Agreement, and Loan Agreement, all dated dated February 15, 2001 executed by the Borrower in favor of the Lender (the "**Loan Documents**")

WHEREAS, the Lender has made and has agreed to make certain loans (hereinafter, the "**Loans**") available to Borrower;

WHEREAS, under the Loan Documents, the Borrower has created a security interest in the Borrower's assets to secure the liabilities and obligations of the Borrower to the Lender;

WHEREAS, as a condition, among others, to the continuation of the credit facility contemplated by the Loan Documents, as to further secure the Liabilities (as defined below), the parties hereto shall execute this Security Agreement.

NOW THEREFORE, For good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Borrower and the Lender agree as follows:

1. To secure the Liabilities, the Borrower hereby grants a security interest in favor of the Lender, with power of sale, in and to the following and all proceeds thereof:

(a) All of the Borrower's now owned or existing or hereafter acquired or arising letters patent, patent applications, and the inventions and improvements therein disclosed, and any and all divisions, reissues and continuations of said letters patent including, without limitation the patents listed on **EXHIBIT A** annexed hereto and made a part hereof, together with any goodwill connected with and symbolized by any such patents.

(b) All renewals of any of the foregoing.

(c) All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the foregoing, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof.

(d) The right to sue for past, present and future infringements and dilutions of any of the foregoing.

(e) All of Borrower's rights corresponding to any of the foregoing throughout the world.

All of the foregoing letters patent, patent applications described in Subsection 1.(a), together with the items respectively described in Subsections 1.(b) through and including 1.(e) are hereinafter individually and/or collectively referred to as the "**Patents**".

1. The term "Liability" and "Liabilities" as used herein include, without limitation, all and each of the following, whether now existing or hereafter arising:

(A) Any and all liabilities, debts and obligations of the Borrower to the Lender, each of every kind, nature and description, now existing or hereafter arising, whether under this Agreement or any other instrument or document furnished to the Lender or any other agreement with the Lender, including but not limited to under the Loan Documents and any amendments, modifications or replacements thereof.

(B) All loans, advances, indebtedness, notes, obligations, overdrafts and amounts now or hereafter at any time owing by the Borrower to the Lender (including all future advances or the like, whether or not given pursuant to a commitment by the Lender), whether or not any of such are liquidated, unliquidated, primary, secondary, secured, unsecured, direct, indirect, absolute, contingent, or of any other type, nature, or description, or by reason of any cause of action which the Lender may hold against the Borrower.

(C) All interest, fees and other amounts which may be charged to the Borrower and/or which may be due from the Borrower to the Lender from time to time; all fees and charges in connection with any account maintained by the Borrower with the Bank or any service rendered by the Bank; and all costs and expenses incurred or paid by the Bank in respect of this and any other agreement (whether now existing or hereafter arising) between the Borrower and the Lender or instrument or document heretofore or hereafter furnished by the Borrower to the Lender (including, without limitation, Costs of Collection, attorneys' fees, and all court and litigation costs and expenses).

(D) Any and all covenants of the Borrower to or with the Lender and any and all obligations of the Borrower to act or to refrain from acting in accordance with the terms, provisions, and covenants of this Agreement and of any other agreement between the Borrower and the Lender (whether now existing or hereafter arising) or instrument or document heretofore or hereafter furnished by the Borrower to the Lender.

(E) All obligations and liabilities which the Lender may incur or become liable for on account of, or as a result of, any transactions between the Lender and the Borrower, including, without limitation, any which may arise out of any letter of credit or banker's acceptance, or similar instrument issued or obligation incurred by the Lender for the account of the Borrower; any which may arise out of any action brought or threatened against the Lender by the Borrower, any guarantor or endorser of the Liabilities of the Borrower, or by any other person in connection with the Liabilities; and any obligations of the Borrower which may arise as endorser or guarantor of any third party, or as obligor to any third party which obligation has been endorsed, participated, or assigned to the Bank. The term "indirect" also refers to any direct or contingent liability of the Borrower to make payment towards any obligation held by the Lender (including, without limitation, on account of any industrial revenue bond) to the extent so held by the Lender.

The Lender's books and records shall be prima facie evidence of the Borrower's Liabilities.

2. Until this Security Agreement is terminated, the Borrower shall undertake the following with respect to each Patent:

(a) Pay all renewal fees and other fees and costs associated with maintaining the Patents and with the processing of the Patents.

(b) At Borrower's sole cost, expense, and risk, pursue the prompt, diligent, processing of each Application for Registration which is the subject of the foregoing assignment and not abandon or delay any such efforts.

(c) At Borrower's sole cost, expense, and risk, take any and all action which Borrower deems desirable to protect the Patents, including, without limitation, but subject to Borrower's discretion, the prosecution and defense of infringement actions.

3. In the event of

(a) any failure by the Borrower to perform any of its obligations set forth in Section 3, above; and/or

(b) the occurrence of any Event of Default (as defined in the Loan Documents) and/or the making of demand by the Lender,

the Lender acting in its own name or in that of the Borrower may (but shall not be required to) act in the Borrower's place and stead and/or in the Lender's own right in connection therewith.

4. The Borrower represents and warrants that:

(a) The Patents listed on *EXHIBIT A* include all of the registered Patents now owned by the Borrower.

(b) No liens, claims or security interests have been granted by the Borrower to any person or entity in such Patents other than to the Lender or as otherwise permitted pursuant to the Loan Agreement.

5. In order to further secure the Liabilities:

(a) The Borrower shall give the Lender written notice (with reasonable detail) within ten (10) days following the occurrence of any of the following:

(A) The Borrower obtains rights to any new patents or patent applications (other than Borrower's right to sell products containing the patents of others in the ordinary course of Borrower's business).

(B) The Borrower becomes entitled to the benefit of any patents or patent applications, whether as licensee or licensor (other than Borrower's right to sell products containing the patents of others in the ordinary course of Borrower's business).

(C) The Borrower enters into any new patent license agreement.

(b) The provisions of this Security Agreement shall automatically apply to any such additional property or rights described in 6.(a), above, all of which shall be deemed to be and treated as "Patents" within the meaning of this Security Agreement.

(c) The Borrower hereby authorizes the Lender to modify this agreement by amending *EXHIBIT A* to include any future patents or patent applications, written notice of which is so given, provided, however, the modification of said *EXHIBIT* shall not be a condition to the creation or perfection of the security interest and Security Agreement created hereby.

6. Upon the occurrence of any Event of Default and/or the making of demand by the Lender, the Lender may exercise all rights and remedies of a secured party upon default under the Uniform Commercial Code as adopted in Massachusetts (Massachusetts General Laws, Chapter 106), with respect to the Patents, in addition to which the Lender, subject to the terms of the Loan Agreement, may sell, license, assign, transfer, or otherwise dispose of the Patents. Any person may conclusively rely upon an affidavit of an officer of the Lender that an Event of Default and/or demand

has occurred and that the Lender is authorized to exercise such rights and remedies.

7. The Borrower hereby irrevocably constitutes and designates the Lender as and for the Borrower's attorney in fact:

(a) To exercise any of the rights exercisable after the occurrence of an Event of Default and/or the making of demand, and powers referenced in Section 2.

(b) To execute all and singular such instruments, documents, and papers as the Lender determines to be appropriate in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the Patents.

The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until the within Security Agreement is terminated.

8. Any use by the Lender of the Patents as authorized hereunder in connection with the exercise of the Lender's right and remedies under the within Security Agreement and the Loan Agreement shall be coextensive with Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Lender to the Borrower.

9. Lender hereby grants to Borrower the right, prior to notice from the Lender following the occurrence of an Event of Default (as defined in the Loan Agreement) and/or the making of demand by the Lender, to sue for past, present and future infringement of the Patents including the right to seek injunctions and/or money damages, in an effort by Borrower to protect the Patents against encroachment by third parties; provided, however, that Borrower first notifies Lender in writing of its intention to sue for enforcement of the Patents against a particular party. All reasonable costs arising in connection with any infringement shall be borne by Borrower.

10. Following the payment and satisfaction of all Liabilities, and the termination of any obligation of the Lender to provide loans or financial accommodations under the credit facility contemplated by the Loan Agreement, this Assignment shall terminate and the Lender shall execute and deliver to Borrower all such instruments as the Borrower reasonably may request to re-vest in Borrower full title to the Patents and the associated goodwill, subject to any disposition thereof which may have been made by Lender pursuant hereto or pursuant to the Loan Agreement.

11. The Borrower shall, at the request of the Lender, do any and all acts and execute any and all documents required by the Lender in connection with the protection, preservation, and enforcement of the Lender's rights hereunder.

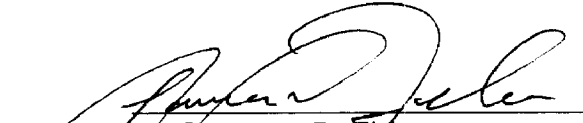
12. The Borrower shall, upon demand, reimburse the Lender for all reasonable costs and expenses incurred by the Lender in the exercise of any rights hereunder (including, without limitation, reasonable fees and expenses of counsel).

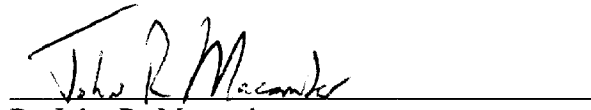
13. This Security Agreement is intended to be supplemental of the Loan Agreement. All provisions of the Loan Agreement shall apply to the Patents and the Lender shall have the same rights with respect to any and all Patents granted the Lender to secure the Liabilities hereunder as thereunder. In the event of a conflict between this Security Agreement and the Loan Agreement, the terms of this Security Agreement shall control with respect to the Patents, and the Loan Agreement shall control with respect to all other collateral.

IN WITNESS WHEREOF, the Borrower and the Lender respectively have caused this Security Agreement to be executed by officers duly authorized so to do on the date first above written.

FISHMAN TRANSDUCERS, INC.

Stoneham Savings Bank

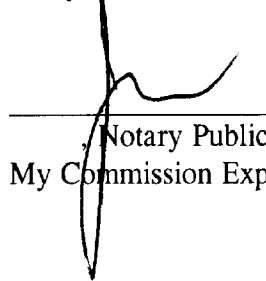

By: Lawrence R. Fishman
Title: President


By: John R. Macomber
Title: Sr. Vice President

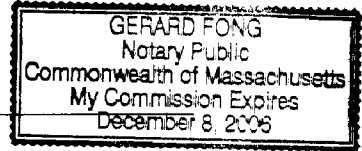
Commonwealth of Massachusetts
County of Suffolk

Then personally appeared before me Lawrence R. Fishman who acknowledged that such person is the duly authorized President of Fishman Transducers, Inc. and that such person had executed the foregoing instrument on its behalf, and who acknowledged that same is his free act and deed.

Witness my hand and seal this 15 day of February 2001.



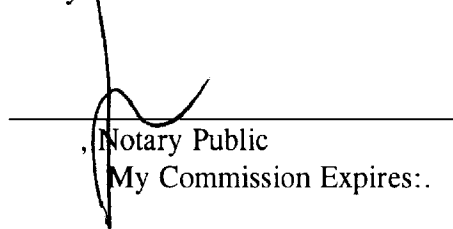
Notary Public
My Commission Expires:



Commonwealth of Massachusetts
County of Suffolk

Then personally appeared before me John R. Macomber, who acknowledged that such person is the duly authorized Sr. Vice President of Stoneham Savings Bank ; and that such person executed the foregoing instrument on its behalf and who acknowledged that same is his free act and deed.

Witness my hand and seal this 15 day of February 2001.



Notary Public
My Commission Expires:.

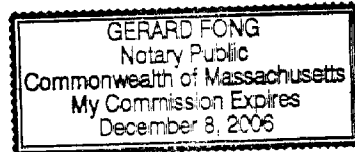


EXHIBIT "A"

Patent Numbers for Fishman Transducers, Inc.

Name	Patent Number	Date of Patent
Musical Instrument Transducer	4,356,754	02-Nov-82
Musical Instrument Transducer	4,727,634	01-Mar-88
Musical Instrument Transducer	4,774,867	04-Oct-88
Musical Instrument Transducer	4,785,704	22-Nov-88
Piezoelectric Transducer for a stringed instrument	4,911,057	27-Mar-90
Stringed Instrument piezoelectric Transducer	4,944,209	31-Jul-90
Percussion Transducer	4,984,498	15-Jan-91
Method of Fabricating a stringed instrument transducer	5,029,375	09-Jul-91
Stringed Instrument piezoelectric Transducer	5,125,312	30-Jun-92
Musical Instrument Piezoelectric Transducer	5,155,285	13-Oct-92
Stringed Musical Instrument	5,189,235	23-Feb-93
Method of making a musical instrument transducer	5,189,771	02-Mar-93
Stringed musical instrument w/visual images	5,305,674	26-Apr-94
Musical Instrument Transducer assembly having a piezoelectric sheet	5,319,153	07-Jun-94
Musical Instrument Transducer	5,463,185	31-Oct-95
Musical Instrument Transducer	5,670,733	23-Sep-97
Hinged Control panel for electrified acoustic guitar	5,603,898	02-Dec-97
Musical Instrument Transducer	5,817,966	06-Oct-98

Patent Applications for Fishman Transducers, Inc.

Name	Reference #	Application #
Circuit Housing for a battery connector	FSHTR-012XX	09/625,630
Electronics Housing having a flexible outer flange	FSHTR-001XX	09/433,410
Battery Box	FSHTR-013XX	
Coaxial Transducer for String Musical Instrument	FSHTR-007xq800	60/091,742
Coaxial Musical Instrument Transducer	FSHTR-007XX	09/346,720
Electronics Package for an Acoustic Instrument	FSHTR-001Xq800	60/116,744