

Form PTO-1595 (Rev. 10/02)		RECORDATION FORM COVER SHEET		U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office	
OMB No. 0651-0027 (exp. 6/30/2005)					
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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.					
1. Name of conveying party(ies): Lawrence M. Sears and Hexagram, Inc.			2. Name and address of receiving party(ies) Name: Wells Fargo Business Credit, Inc. Internal Address: _____ Street Address: 100 East Wisconsin Ave., Suite 1400, MAC N9811-143 City: Milwaukee State: WI Zip: 53202		
Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____					
Execution Date: 09/08/2001					
4. Application number(s) or patent number(s): If this document is being filed together with a new application, the execution date of the application is: _____ A. Patent Application No.(s) _____ B. Patent No.(s) 6072405, 5719564, 5617084, 4957273, 4779839, 4463354 Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
5. Name and address of party to whom correspondence concerning document should be mailed: Name: Adam L. Brookman Internal Address: Godfrey & Kahn, S.C. Street Address: 780 N. Water Street City: Milwaukee State: WI Zip: 53202			6. Total number of applications and patents involved: 6 7. Total fee (37 CFR 3.41).....\$ 240.00 <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: 07-1509		
DO NOT USE THIS SPACE					
9. Signature. Adam L. Brookman _____ 5/12/04 Name of Person Signing Signature Date Total number of pages including cover sheet, attachments, and documents: 8					

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

CH \$240.00 071509 6072405

PATENT SECURITY AGREEMENT

This Patent Security Agreement, dated as of September 8th, 2001, is made by and among LAWRENCE M. SEARS, individually ("Sears"), HEXAGRAM, INC., an Ohio corporation whose address and principal place of business is 23905 Mercantile Road, Beachwood, Ohio 44122 (the "Borrower") (Sears and the Borrower are hereinafter referred to collectively as the "Debtors"), and WELLS FARGO BUSINESS CREDIT, INC., a Minnesota corporation whose address and principal place of business is 100 East Wisconsin Avenue, Suite 1400, MAC N9811-143, Milwaukee, Wisconsin 53202 (hereafter, the "Secured Party").

RECITALS:

The Borrower and the Secured Party have entered into a Credit and Security Agreement dated April 27, 2001 (as the same may hereafter be amended, supplemented or restated from time to time, the "Credit Agreement"), setting forth the terms on which the Secured Party may now or hereafter make certain loans or other financial accommodations to or for the account of the Borrower. Sears has guaranteed the payment of the Borrower's obligations to the Secured Party.

As a further condition to making any loan or other financial accommodation under the Credit Agreement or otherwise, the Secured Party has required the execution and delivery of this Agreement by the Debtors.

ACCORDINGLY, in consideration of the mutual covenants contained in the Credit Agreement and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Obligations" means each and every debt, liability and obligation of every type and description arising under or in connection with any Loan Document (as defined in the Credit Agreement) which either Debtor may now or at any time hereafter owe to the Secured Party, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, independent, joint, several or joint and several, and including, specifically, but not limited to, the Obligations (as defined in the Credit Agreement).

"Patents" means all of the Debtors' respective rights, titles and interests in and to patents, fees or royalties with respect to each, and including, without limitation, the

right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or, solely with respect to patents relating to utility applications, hereafter arising or acquired, including, without limitation, the patents listed on **Exhibit A**.

2. **Security Interest.** The Debtors hereby irrevocably pledge and assign to, and grant the Secured Party a security interest, with power of sale to the extent permitted by law (the "Security Interest"), in the Patents to secure payment of the Obligations.

3. **Representations Warranties and Agreements.** The Debtors hereby represent, warrant and agree as follows:

(a) ***Existence; Authority.*** Sears, individually, and the Borrower, as a corporation, both have full power and authority to make and deliver this Agreement. The execution, delivery and performance of this Agreement by the Borrower have been duly authorized by all necessary action of the Borrower's stockholders and do not and will not violate the provisions of or constitute a default under, any presently applicable law or its articles of incorporation or bylaws or any agreement presently binding on it. This Agreement has been duly executed and delivered by the Debtors and constitutes the Debtors' lawful, binding and legally enforceable obligations, respectively. The correct names of the Debtors are Lawrence M. Sears and Hexagram, Inc. The authorization, execution, delivery and performance of this Agreement do not require notification to, registration with, or consent or approval by, any federal, state or local regulatory body or administrative agency.

(b) ***Patents.*** **Exhibit A** accurately lists all Patents owned or controlled by Sears and used in the Borrower's business as of the date hereof and accurately reflects the existence and status of registrations pertaining to those Patents as of the date hereof. As of the date hereof, there are no pending patent applications which have been filed by Sears or the Borrower.

(c) ***Title.*** Sears has absolute title to each Patent listed on **Exhibit A**, free and clear of all security interests, liens and encumbrances, except the Security Interest and the Borrower's rights to use the Patents as granted by Sears. The applicable Debtor will keep all Patents free and clear of all security interests, liens and encumbrances except the Security Interest.

(d) ***No Sale.*** Subject to the provisions of Section 4, the Debtors will not sell or otherwise dispose of the Patents, or any interest therein, without the Secured Party's prior written consent.

(e) **Defense.** The Debtors will at their own expense, and using their reasonable efforts, protect and defend the Patents against all claims or demands of all persons other than the Secured Party.

(f) **Maintenance.** The Debtors will at their own expense maintain the Patents to the extent reasonably advisable in the Borrower's business. The Debtors covenant that they will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent, nor fail to file any required affidavit in support thereof, without first providing the Secured Party: (i) sufficient written notice, as provided in the Credit Agreement, to allow the Secured Party to timely pay any such maintenance fees or annuity which may become due on any of said Patents, or to file any affidavit with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit, should such be necessary or desirable.

(g) **Secured Party's Right to Take Action.** If either Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Secured Party gives such Debtor written notice thereof (or, in the case of the agreements contained in subsection (f), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtors notify the Secured Party that they intend to abandon a Patent, the Secured Party may (but need not) pay the necessary maintenance fee on behalf and in the name, place and stead of the Debtors (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure.

(h) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Debtors shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (g) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Secured Party at the highest rate then applicable to any of the Obligations.

(i) **Power of Attorney.** To facilitate the Secured Party's taking action under subsection (g) and exercising its rights under Section 6, the Debtors hereby irrevocably appoint (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Debtors with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtors, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be

obtained, executed, delivered or endorsed by the Debtors under this Section 3, or, necessary for the Secured Party, after an Event of Default, to enforce or use the Patents or to grant or issue any exclusive or non-exclusive license under the Patents to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents to any third party. The Debtors hereby ratify all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the payment and performance of all Obligations (as defined therein).

4. Debtors' Use of the Patents. The Debtors shall be permitted to control and manage the Patents, including, without limitation, the right to grant licenses and sublicenses thereunder, to permit others to grant sublicenses thereunder, and the right to exclude others from making, using or selling items covered by the Patents and any licenses and sublicenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) either Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Credit Agreement.

(b) The Secured Party, subject to the rights of any licensees and/or sublicensees, may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents.

(c) The Secured Party may enforce the Patents and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Debtors shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

7. Miscellaneous. This Agreement has been duly and validly authorized by all necessary action, corporate or otherwise. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. A waiver signed by the Secured Party shall be

effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. The Secured Party shall not be obligated to preserve any rights the Debtors may have against prior parties, to realize on the Patents at all or in any particular manner or order, or to apply any cash proceeds of Patents in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtors and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Debtors and delivered to the Secured Party, and the Debtors waive notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Debtors shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of Wisconsin without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

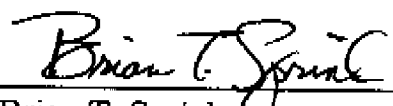
IN WITNESS WHEREOF, the parties have executed this Patent Security Agreement as of the date written above.




Lawrence M. Sears

WELLS FARGO BUSINESS CREDIT, INC.

HEXAGRAM, INC.

By: 

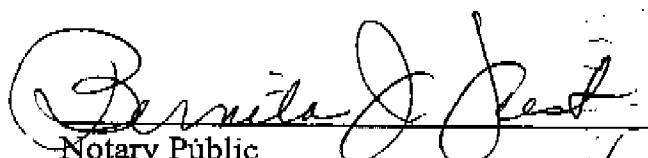
Brian T. Sprink
Assistant Vice President

By: 

Lawrence M. Sears
Chief Executive Officer


STATE OF WISCONSIN)
COUNTY OF MILWAUKEE)

The foregoing instrument was acknowledged before me this 14th day of September, 2001, by Brian T. Sprink, an Assistant Vice President of Wells Fargo Business Credit, Inc., a Minnesota corporation, on behalf of the corporation.


Notary Public
My commission expires 2/10/02

STATE OF OHIO)
COUNTY OF CUYAHOGA)

The foregoing instrument was acknowledged before me this 8th day of September, 2001, by Lawrence M. Sears, both in his individual capacity and in his capacity as the Chief Executive Officer of Hexagram, Inc., an Ohio corporation, on behalf of said corporation.


Notary Public
My commission JERROLD L. GOLDSTEIN, Attorney
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date.
Section 147.06 R.C.

MW519581_2.DOC

Exhibit A**UNITED STATES ISSUED PATENTS**

TITLE	PATENT NO.	ISSUE DATE	STATUS	OWNER
METER TRANSMISSION UNIT FOR USE WITH A PIT SET UTILITY METER	6,072,405	06/06/00	Issued	L M Sears
UTILITY METER READING SYSTEM	5,719,564	02/17/98	Issued	L M Sears
APPARATUS FOR COMMUNICATING UTILITY USAGE-RELATED INFORMATION FROM A UTILITY USAGE LOCATION TO A UTILITY USAGE REGISTERING DEVICE	5,617,084	04/01/97	Issued	L M Sears
REMOTE SHUT-OFF VALVE	4,957,273	09/19/90	Issued	L M Sears
SYSTEM FOR ACTUATING AN ELECTRICAL VALVE FROM A REMOTE LOCATION	4,779,839	10/25/88	Issued	L M Sears
APPARATUS FOR COMMUNICATING UTILITY USAGE RELATED INFORMATION FROM A UTILITY USAGE LOCATION TO A PORTABLE UTILITY USAGE REGISTERING DEVICE	4,463,354	07/31/84	Issued	L M Sears