


Form PTO-1595 (Rev. 10/02) OMB No. 0651-0027 (exp. 5/30/2005) Tab settings ⇨ ⇨ ⇨ ▼ ▼ ▼ ▼ ▼ ▼ ▼		RECORDATION FORM COVER SHEET <b>PATENTS ONLY</b>		U.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): Flint Trading, Inc.		2. Name and address of receiving party(ies) Name: SunTrust Bank Internal Address: 26th Floor Street Address: 25 Park Place City: Atlanta State: GA Zip: 30303			
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: 9/16/04			
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) 10/816,635; 09/896,795		B. Patent No.(s) 5,861,206; 6,217,254 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: Lance D. Reich Internal Address: Arnall Golden Gregory LLP Street Address: 1201 West Peachtree Street Suite 2800 City: Atlanta State: GA Zip: 30309		6. Total number of applications and patents involved: 4 7. Total fee (37 CFR 3.41) \$ 40.00 <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: 502666			
DO NOT USE THIS SPACE					
9. Signature: Lance D. Reich Name of Person Signing		Signature:  Date: 9/21/04			
Total number of pages including cover sheet, attachments, and documents: 11					

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

CH \$160.00 502666 10816635

**PATENT COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT**

**FLINT TRADING, INC.**

THIS AGREEMENT is made this 16<sup>th</sup> day of September, 2004, between **FLINT TRADING, INC.**, a North Carolina limited liability company ("Debtor"), and **SUNTRUST BANK**, a Georgia banking corporation ("Lender"), under and pursuant to a Loan Agreement (the "Loan Agreement"), dated of even date hereof, among Debtor, Flint Acquisition Corp., a North Carolina corporation (the "Borrower"), Precision Scan, L.L.C., a North Carolina limited liability company ("Precision"), LKF, Inc., a North Carolina corporation ("LKF"), (the Debtor, Precision and LKF are collectively the "Guarantors" and, together with the Borrower, the "Credit Parties") and Lender.

1. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to them in the Loan Agreement.

2. As collateral security for, and to secure the payment and performance of the Credit Party Obligations, Debtor hereby grants, assigns and conveys to Lender, its entire right, title and interest in and to the following (the "Collateral"):

(a) all letters patent of the United States or any other country and all reissues and extensions thereof together with all applications for letters patent of the United States or any other country, including, without limitation, the patent applications and patents listed in Schedule "A" attached hereto, together with all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world, and all re-issues, divisions, continuations, renewals, extensions, and continuations-in-part thereof (all of the foregoing herein collectively referred to as the "Patents"); and

(b) All agreements, whether written or oral, providing for the grant by or to Debtor of any right to manufacture, use or sell any invention covered by a Patent, including, without limitation, any thereof referred to in Schedule "A" attached hereto (collectively, the "Patent Licenses").

3. Debtor covenants and warrants to Lender that:

(a) To the best of Debtor's knowledge, each Patent is valid, subsisting, unexpired, enforceable and has not been abandoned;

(b) None of the Patents is the subject of any licensing or franchise agreement except as set forth on Schedule "B" hereto;

(c) No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of any Patent;

(d) No action or proceeding is pending seeking to limit, cancel or question the validity of any Patent or which, if adversely determined, would have a material adverse effect on the value of any Patent;

(e) All applications pertaining to the Patents have been duly and properly filed, and all registrations or letters pertaining to the Patents have been duly and properly filed and issued, and all Patents are valid and enforceable;

(f) Debtor is the sole and exclusive owner of the entire right, title and interest in and to the Collateral, free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses (other than licenses granted in the ordinary course of business), shop rights and covenants by Debtor not to sue third persons;

(g) Without limiting the generality of the foregoing provisions, no claim has been made that the use of any Collateral does or may violate the rights of any third person;

(h) Upon filing of this Agreement in the United States Patent and Trademark Office, this Agreement will create a legal and valid perfected lien upon and security interest in the collateral (other than foreign Patents), enforceable against Debtor and all third Persons in accordance with its terms;

(i) Debtor has the unqualified right to enter into this Agreement and perform its terms.

4. Debtor covenants and agrees that it shall:

(a) Not do any act, or omit to do any act, whereby any Patent may become abandoned or dedicated;

(b) Notify the Lender immediately if it knows, or has reason to know, that any application or registration relating to any Patent may become abandoned or dedicated, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court or tribunal in any country) regarding Debtor's ownership of any Patent or its right to register the same or to keep and maintain the same.

(c) Whenever Debtor, either by itself or through an agent, employee, licensee or designee, shall file an application for the registration of any Patent with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, report such filing to Lender within five (5) Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of Lender, Debtor shall execute and deliver any and all agreements, instruments, documents and papers as Lender may request to evidence the Lender's security interest in any Patent and the goodwill and general intangibles of Debtor relating thereto or represented thereby.

(d) Take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the Patents, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(e) Promptly notify Lender after it learns that any Patent included in the Collateral is infringed, misappropriated or diluted by a third party and promptly sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution, or take such other actions as it shall reasonably deem appropriate under the circumstances to protect such Patent.

(f) If, before the Credit Party Obligations shall have been satisfied in full, Debtor shall obtain rights to any new patentable inventions, or become entitled to the benefit of any patent application or patent for reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent, the provisions of Paragraph 2 shall automatically apply thereto and Debtor shall give Lender prompt notice thereof in writing. Without limiting the generality of the foregoing, Debtor shall promptly provide Lender with (i) a listing of all applications, if any, for new Patents (together with a listing of the issuance of registrations or letters on present applications), which new applications and issued registrations or letters shall be subject to the terms and conditions hereunder, and (ii) a duly executed Notice of Security Interest in Patents in the form attached hereto as Exhibit One or (iii) such other duly executed documents as Lender may request in a form acceptable to counsel for Lender and suitable for recording to evidence the security interest in the Patent which is the subject of such new application.

5. Debtor agrees that, until all of the Credit Party Obligations have been satisfied in full, it will not enter into any agreement (including, without limitation, any license agreement) which is inconsistent with the security interest granted Lender hereunder or which otherwise is inconsistent or in conflict with Debtor's duties under this Agreement.

6. Debtor authorizes Lender to modify this Agreement by amending Schedule "A" to include any future patents and patent applications which are Patents under Paragraph 2 or Paragraph 4(f) hereof.

7. Subject to Lender's right of revocation set forth in Paragraph 8, Lender hereby grants to Debtor the exclusive, non-transferable right and license to make, have made, use and sell the inventions disclosed and claimed in the Patents for Debtor's and its subsidiaries' own benefit and account and for none other. Except for the grant of licenses in the ordinary course of Debtor's business to use the Patents, Debtor agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to Debtor in this Paragraph 7, without the prior written consent of Lender which consent will not be unreasonably withheld for so long as no Event of Default exists.

8. If any Event of Default shall have occurred and be continuing, Lender shall have the right to terminate Debtor's license under the Patents as set forth in Paragraph 7, and Lender shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of Georgia. Without limiting the generality of the foregoing, Lender may immediately, without demand, of performance and without other notice (except as set forth next below) or demand whatsoever to Debtor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon the whole or from time to time any part of the Patents, or interest which Debtor may have therein, and after deducting from the proceeds of sale or other disposition of the Patents all expenses (including all reasonable expenses for brokers' fees and legal services actually incurred), shall apply the residue of such proceeds toward the payment of the Credit Party Obligations. Any remainder of the proceeds after payment in full of the Credit Party Obligations shall be paid over to Debtor. Notice of any sale or other disposition of the Patents shall be given to Debtor at least ten (10) days before the time of any intended public or private sale or other disposition of the Patents is to be made, which Debtor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Patents sold, free from any right of redemption on the part of Debtor, which right is hereby waived and released.

9. At such time as the Credit Parties shall completely satisfy all of the Credit Party Obligations, Lender shall promptly execute and deliver to Debtor all such deeds, assignments and other instruments as may be necessary or proper to revest in Debtor full title to the Patents, subject to any disposition thereof which may have been made by Lender pursuant hereto.

10. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorney's fees and legal expenses actually incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees or encumbrances, or otherwise, in protecting, maintaining and preserving the Patents, shall be borne and paid by Debtor on demand by Lender and until so paid shall be added to the principal amount of the Credit Party Obligations and shall bear interest at the rate prescribed in the Loan Agreement.

11. In the event that Debtor shall fail to enforce any Patent that is material to its business, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce such Patent and any license thereunder, in which event Debtor shall, at the request of Lender do any and all lawful acts and execute and all proper documents required by Lender in aid of such enforcement and Debtor shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Paragraph 11.

12. No course of dealing between Debtor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, 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 future exercise thereof or the exercise of any other right, power or privilege.

13. All of Lender's rights and remedies with respect to the Patents, 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.

14. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and enforceable, in whole or in part, in any jurisdiction, the same shall be deemed severed herefrom and shall not in any manner affect such clause or provisions in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

15. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Paragraph 6.

16. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and the permitted assigns of the parties.

17. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the internal laws of the State of Georgia.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on September 16, 2004:

ATTEST:

Signed, sealed and delivered  
in the presence of:

[Signature]  
Witness  
[Signature]  
Notary Public

My commission expires:

5/8/2007  
(NOTARY SEAL)

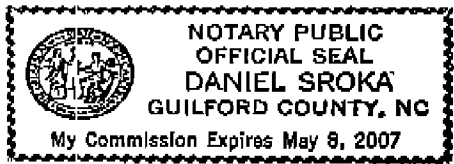
DEBTOR:

FLINT TRADING, INC., a North Carolina  
corporation

By: R Steven Vetter  
Name: R STEVEN VETTER  
Title: President

Attest: [Signature]  
Name: Matthew L. Soule  
Title: Secretary

[CORPORATE SEAL]



Accepted in Atlanta, Georgia:

SUNTRUST BANK

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on September 16, 2004:

**ATTEST:**

Signed, sealed and delivered  
in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_  
(NOTARY SEAL)

**DEBTOR:**

**FLINT TRADING, INC.,** a North Carolina  
corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Attest: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[CORPORATE SEAL]

**Accepted in Atlanta, Georgia:**

**SUNTRUST BANK**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**Schedule "A"**

**Patents and Patent Applications**

Patent Number 5,861,206 (Indents)

Patent Number 6,217,254 (VIZIGRIP)

Application Number 10/816,635 (DecoMark)

Application Number 09/896,795 (Dual Layer)\*

\*Under Final Rejection; application filed by Cleanosol, subject to assignment to Flint/LKF under License Agreement between LKF A/S and LKF, Inc.

**Schedule "B"**

**Licenses, Franchises, etc.**

**None**

**EXHIBIT ONE**

**NOTICE OF GRANT OF SECURITY INTEREST IN PATENTS**

United States Patent and Trademark Office

Ladies and Gentlemen:

Please be advised that pursuant to the Patent Collateral Assignment and Security Agreement dated as of September 16, 2004 (the "Security Agreement") by and between Flint Trading, Inc. (the "Debtor") and SunTrust Bank (the "Lender"), the Debtor has granted a continuing security interest in and continuing lien upon, the patents and patent applications shown below:

**PATENTS**

<u>Patent No.</u>	<u>Description of Patent Item</u>	<u>Date of Patent</u>
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**PATENT APPLICATIONS**

<u>Patent No.</u>	<u>Description of Patent Item</u>	<u>Date of Patent</u>
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The Debtor and the Lender hereby acknowledge and agree that the security interest in the foregoing patents and patent applications (i) may only be terminated in accordance with the terms of the Security Agreement and (ii) is not to be construed as an assignment of any patent or patent application.

Acknowledged and Accepted:

SUNTRUST BANK

Very truly yours,

FLINT TRADING, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Attest: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[CORPORATE SEAL]