

05-12-2004



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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):

AMPAC ENTERPRISES, INC.

S. 10. 04

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other _____

Execution Date: MARCH 16, 2004

2. Name and address of receiving party(ies)

Name: CITIZENS BANK of MASSACHUSETTS

Internal Address: ATTN: ASSET Based Lending

Street Address: 28 STATE STREET

City: BOSTON State: MA Zip: 02109

Additional name(s) & address(es) attached? ☐ Yes ☒ No

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) 4,692,946 ; 5,093,736 ;

5,815,847 ; 5,873,133 ; 5,953,761 ;

6,021,528 ; 6,513,224

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: JOHN L. HACKETT

Internal Address: BARTLETT, HACKETT, FENBERG

Street Address: 10 HIGH STREET

City: BOSTON State: MA Zip: 02110

6. Total number of applications and patents involved: 7

7. Total fee (37 CFR 3.41).....\$ 280⁰⁰

- ☒ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. 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.

JOHN L. HACKETT

Name of Person Signing

Signature

Date

MAY 3, 2004

Total number of pages including cover sheet, attachments, and documents: 10

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231PATENT
REEL: 015302 FRAME: 050605/11/2004 09:26:46
00000112 1692946
280-900 00
01 FC:8021

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement") is entered into as of March 16th, 2004 by and between AMPAC ENTERPRISES, INC., a Massachusetts corporation having its principal place of business at 1 South Main Street, Shirley, Massachusetts (the "Borrower"), and CITIZENS BANK OF MASSACHUSETTS, a Massachusetts bank with an office at 28 State Street, Boston, Massachusetts (the "Lender").

RECITALS

The Borrower and the Lender are parties to a Loan and Security Agreement dated as of March 16, 2004 (as such may be amended, modified, supplemented or restated hereafter, the "Loan Agreement") pursuant to which the Lender agreed to make certain financing arrangements available to the Borrower, such financing arrangements to be secured by a first priority security interest in all of the tangible and intangible personal property of the Borrower.

The Borrower and Lender have agreed that the Borrower shall grant to the Lender a security interest in all of the intellectual property owned by the Borrower and have entered into this Agreement to reflect such security interest in favor of the Lender.

Accordingly, Borrower and Lender, hereby agree as follows:

1. **DEFINITIONS:** As used herein, the following terms shall have the following meanings:

"Intellectual Property" shall have the meaning assigned to such term in Section 3 hereof.

"IP Collateral" shall have the meaning assigned to such term in Section 2 hereof.

"Licenses" shall mean, collectively, the Patent Licenses and Trademark Licenses.

"Material Adverse Effect" means a material adverse effect on (a) the business, operations, property, assets, or condition, financial or otherwise, of Borrower, (b) the ability of Borrower to perform any material obligation or to pay any Obligations (as defined in the Loan Agreement) under the Loan Agreement or any of the other Financing Documents, or (c) the validity or enforceability of the Loan Agreement or any of the other Financing Documents or any of the material rights or remedies of the Lender thereunder.

"Patents" shall mean all letters patent and applications for letters patent of Borrower, 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.

"Patent Licenses" shall mean all agreements, whether written or oral, providing for the grant by or to Borrower of any right to manufacture, use or sell any invention covered by a

Patent, including, without limitation, the agreements listed on EXHIBIT A annexed hereto and made a part hereof

"PTO" shall mean the United States Patent and Trademark Office or any other federal governmental agency which may hereafter perform its functions.

"Trademarks" shall mean all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress, trade styles, service marks, designs, logos and other source or business identifiers of Borrower, whether registered or unregistered, including, without limitation, the trademarks listed on EXHIBIT B annexed hereto and made a part hereof, together with all registrations and recordings thereof all applications in connection therewith, and any goodwill of the business connected with, and symbolized by, any of the foregoing.

"Trademark Licenses" shall mean all agreements, whether written or oral, providing for the grant by or to Borrower of any right to use any Trademark, including, without limitation, the agreements listed on EXHIBIT B annexed hereto and made a part hereof

2. GRANT OF SECURITY INTEREST: In furtherance and as confirmation of the security interest granted by Borrower to Lender under the Loan Agreement, and as further security for the payment or performance in full of the Obligations, Borrower hereby ratifies such security interest and grants to Lender a continuing security interest, with a power of sale (which power of sale shall be exercisable only following the occurrence of an Event of Default), in all of the present and future right, title and interest of Borrower in and to the following property, and each item thereof, whether now owned or existing or hereafter acquired or arising, together with all products, proceeds, substitutions, and accessions of or to any of the following property (collectively, the "IP Collateral"):

(a) All Patents and Patent Licenses.

(b) All Trademarks and Trademark Licenses.

(c) All renewals of any of the foregoing.

(d) All General Intangibles connected with the use of, or related to, any and all Intellectual Property (including, without limitation, all goodwill of Borrower and its business, products and services appurtenant to, associated with, or symbolized by, any and all Intellectual Property and the use thereof).

(e) 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

(f) The right to sue for past, present and future infringements and dilutions of any of

the foregoing.

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

3. PROTECTION OF INTELLECTUAL PROPERTY BY BORROWER: Except as set forth below in this Section 3, Borrower shall undertake the following with respect to each of the items respectively described in Sections 2(a) and (b) (collectively, the "Intellectual Property"):

(a) Pay all renewal fees and other fees and costs associated with maintaining the Intellectual Property and with the processing of the Intellectual Property and take all other reasonable and necessary steps to maintain each registration of the Intellectual Property.

(b) Take all actions reasonably necessary to prevent any of the Intellectual Property from becoming forfeited, abandoned, dedicated to the public, invalidated or impaired in any way.

(c) At Borrower's sole cost, expense, and risk, pursue the prompt, diligent processing of each application for registration which is the subject of the security interest created herein and not abandon or delay any such efforts.

(d) At Borrower's sole cost, expense, and risk, take any and all action which Borrower reasonably deems appropriate under the circumstances to protect the Intellectual Property from infringement, misappropriation or dilution, including, without limitation, the prosecution and defense of infringement actions.

Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, and no Material Adverse Effect would result therefrom, Borrower shall not have an obligation to use or to maintain any Intellectual Property (i) that relates solely to any product, that has been discontinued, abandoned or terminated or (ii) that has been replaced with Intellectual Property substantially similar to the Intellectual Property that maybe abandoned or otherwise become invalid, so long as the failure to use or maintain such Intellectual Property does not materially adversely affect the validity of such replacement Intellectual Property and so long as such replacement Intellectual Property is subject to the lien created by this Agreement.

4. BORROWER'S REPRESENTATIONS AND WARRANTIES: Borrower represents and warrants that:

(a) EXHIBIT A is a true, correct and complete list of all Patents and Patent Licenses owned by Borrower as of the date hereof.

(b) EXHIBIT B is a true, correct and complete list of all Trademarks and Trademark Licenses owned by Borrower as of the date hereof

(c) Except as set forth in EXHIBITS A and B, none of the Intellectual Property is the subject of any licensing or franchise agreement pursuant to which Borrower is the licensor or franchisor.

(d) All IP Collateral owned by Borrower is, and shall remain, free and clear of all liens, encumbrances, or security interests in favor of any Person, other than liens in favor of the Collateral Agent and such other liens, claims and encumbrances as maybe permitted by the Loan Agreement or by Lender in its sole and absolute discretion from time to time in writing.

(e) Borrower owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted. No material claim has been asserted and is pending by any Person challenging or questioning the use by Borrower of any of its Intellectual Property or the validity or effectiveness of any of its Intellectual Property, nor does Borrower know of any valid basis for any such claim. To the knowledge of Borrower, the use by Borrower of the Intellectual Property does not infringe the rights of any Person. No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or question the validity of, or Borrower's rights in, any Intellectual Property in any respect that could reasonably be expected to have a Material Adverse Effect on the business or the property of Borrower.

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

(i) Borrower's obtaining rights to, and filing applications for registration of, any new Intellectual Property, or otherwise acquiring ownership of any newly registered Intellectual Property (other than Borrower's right to sell products containing the trademarks of others in the ordinary course of Borrower's business).

(ii) Borrower's becoming entitled to the benefit of any registered Intellectual Property whether as licensee or licensor (other than Borrower's right to sell products containing the trademarks of others in the ordinary course of Borrower's business).

(iii) Borrower's entering into any new Licenses.

(iv) Borrower's knowing or having reason to know, that any application or registration relating to any material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the PTO, the Copyright Office or any court or tribunal) regarding Borrower's ownership of, or the validity of, any material Intellectual Property or Borrower's right to register the same or to own and maintain the same.

5. AGREEMENT APPLIES TO FUTURE INTELLECTUAL PROPERTY:

(a) The provisions of this Agreement shall automatically apply to any such additional property or rights described in subsections (i), (ii) and (iii) of Section 4(g), above, all of which shall be deemed to be and treated as "Intellectual Property" within the meaning of this Agreement.

(b) Upon the reasonable request of Lender, Borrower shall execute and deliver and have

recorded, any and all agreements, instruments, documents and papers as Lender may request to evidence Lender's security interest in any Patent or Trademark and the goodwill and General Intangibles of Borrower relating thereto or represented thereby (including, without limitation, filings with the PTO or any similar office), and Borrower hereby constitutes Lender as its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; provided, however, Lender's taking of such action shall not be a condition to the creation or perfection of the security interest created hereby.

6. BORROWER'S RIGHTS TO ENFORCE INTELLECTUAL PROPERTY: Prior to Lender's giving of notice to Borrower following the occurrence of an Event of Default, Borrower shall have the exclusive right to sue for past, present and future infringement of the Intellectual Property including the right to seek injunctions and/or money damages, in an effort by Borrower to protect the Intellectual Property against encroachment by third parties, provided, however:

(a) Borrower first provides Lender with written notice of Borrower's intention to so sue for enforcement of any Intellectual Property.

(b) Any money damages awarded or received by Borrower on account of such suit (or the threat of such suit) shall constitute IP Collateral.

(c) Following the occurrence of any Event of Default, Lender, by notice to Borrower, may terminate or limit Borrower's rights under this Section 6.

7. LENDER'S ACTIONS TO PROTECT INTELLECTUAL PROPERTY: In the event of:

(a) Borrower's failure, within five (5) days of written notice from Lender, to cure any failure by Borrower to observe or perform any of Borrower's covenants, agreements or other obligations hereunder; and/or

(b) the occurrence and continuance of any other Event of Default,

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

8. RIGHTS UPON DEFAULT: Upon the occurrence of any Event of Default, in addition to all of the other rights and remedies provided to Lender in the Loan Agreement with respect to the Collateral, Lender may exercise all rights and remedies of a secured party upon default under the Uniform Commercial Code as adopted in the Commonwealth of Massachusetts, with respect to the IP Collateral, in addition to which Lender may sell, license, assign, transfer, or otherwise dispose of the Intellectual Property. Any person may conclusively rely upon an affidavit of an officer of the Lender that an Event of Default has occurred and that Lender is authorized to exercise such rights and remedies.

9. LENDER AS ATTORNEY IN FACT:

(a) Borrower hereby irrevocably constitutes and designates Lender as and for Borrower's attorney in fact, effective following the occurrence and during the continuance of any Event of Default:

(i) To supplement and amend from time to time EXHIBITS A and B of this Agreement to include any new or additional Intellectual Property of Borrower.

(ii) To exercise any of the rights and powers referenced herein.

(iii) To execute all such instruments, documents, and papers as Lender reasonably 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 Intellectual Property.

(b) The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until this Agreement is terminated by a duly authorized officer of Lender.

(c) Lender shall not be obligated to do any of the acts or to exercise any of the powers authorized by Section 9(a), but if Lender elects to do any such act or to exercise any of such powers, it shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to Borrower for any act or omission to act except for any act or omission to act as to which there is a final determination made in a judicial proceeding (in which proceeding Lender has had an opportunity to be heard) which determination includes a specific finding that the subject act or omission to act had been grossly negligent or in actual bad faith.

10. LENDER'S RIGHTS:

(a) Any use by Lender of the Intellectual Property, as authorized hereunder in connection with the exercise of Lender's rights and remedies under this Agreement and under the Loan Agreement shall be coextensive with Lender's rights thereunder and with respect thereto and without any liability for royalties or other related charges.

(b) None of this Agreement, the Loan Agreement, or any act, omission, or circumstance taken or arising hereunder may be construed as directly or indirectly conveying to Lender any present right, title or interest in and to the Intellectual Property, which right, title and interest is effective only following the occurrence of any Event of Default.

11. INTENT: This Agreement is being executed and delivered by Borrower for the purpose of registering and confirming the grant of the security interest of Lender in the IP Collateral with the PTO. It is intended that the security interest granted pursuant to this Agreement is granted as a supplement to, and not in limitation of the security interest granted to Lender under the Loan Agreement. All provisions of the Loan Agreement shall apply to the IP Collateral. Lender shall have the same rights, remedies, powers, privileges and discretions with respect to the security interests created in the IP Collateral as in all other Collateral. In the event of a conflict between

this Agreement and the Loan Agreement, the terms of this Agreement shall control with respect to the IP Collateral and the Loan Agreement with respect to all other Collateral.

12. **CHOICE OF LAWS:** It is intended that this Agreement take effect as a sealed instrument and that all rights and obligations hereunder, including matters of construction, validity, and performance, shall be governed by the laws of The Commonwealth of Massachusetts.

IN WITNESS WHEREOF, Borrower and Lender respectively have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

WITNESS



BORROWER
AMPAC ENTERPRISES, INC.

By:

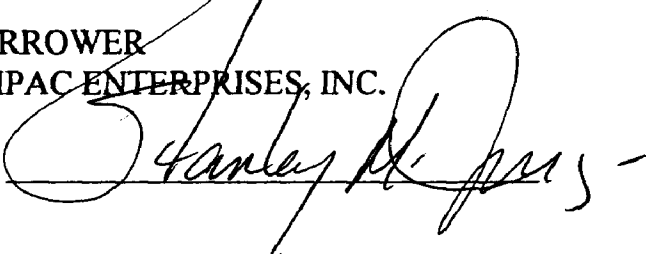


EXHIBIT A

List of Patents and Patent Licenses
Patents and Patent Applications

<u>Patent No.</u>	<u>Date of Issuance</u>	<u>Title</u>
4,692,946	September 15, 1987	
5,093,736	March 3, 1992	
5,815,847	October 6, 1998	
5,873,133	February 23, 1999	
5,953,761	September 21, 1999	
6,021,528	February 8, 2000	
6,513,224	February 4, 2004	

EXHIBIT B

List of Trademarks and Trademark Licenses
Trademark Registrations and Applications

<u>Trademark</u>	<u>Registration No.</u>	<u>Registration Date</u>
ALL-STAR	811,776	July 26, 1966
ALL-STAR	1,358,080	September 3, 1985
ALL-STAR (fanciful)	2,214,993	December 29, 1998
SUPERSWING	1,238,502	June 26, 1984