

07-22-2004

Form PTO-15 (Rev. 06/04)
OMB No. 0451-0027 (exp. 6/30/2005)

U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office



REC

102796947

7/5/04

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

Burnes Operating Company LLC

Execution Date(s) 6/22/04

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

2. Name and address of receiving party(ies)

Name: Congress Financial Corporation,
as Agent

Street Address: 1133 Avenue of the Americas

City: New York

State: New York

Country: United States Zip: 10036

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

3. Nature of conveyance:

- Assignment
- Merger
- Security Agreement
- Change of Name
- Government Interest Assignment
- Executive Order 9424, Confirmatory License
- Other

4. Application or patent number(s):

This document is being filed together with a new application.

A. Patent Application No.(s)

See Schedule A attached hereto.

B. Patent No.(s)

See Schedule A attached hereto.

Additional numbers attached? Yes No

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

Name: Tracey D. Bennett

Internal Address: Otterbourg, Steindler, Houston
& Rosen, P.C.

Street Address: 230 Park Avenue

City: New York

State: New York Zip: 10169

Phone Number: 212-661-9100

Fax Number: 212-682-6104

Email Address: tbennett@oshr.com

6. Total number of applications and patents involved:

25

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 1,000.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed
- None required (government interest not affecting title)

8. Payment Information

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

9. Signature:

Tracey D. Bennett
Signature

7-20-04
Date

Tracey D. Bennett

Name of Person Signing

Total number of pages including cover sheet, attachments, and documents: 22

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

07/22/2004 6TOM11 00000023 D416945

01 FC:8021

1000.00 OP

PATENT
REEL: 015571 FRAME: 0660

SCHEDULE A
TO
PATENT RECORDATION COVER SHEET

LIST OF PATENTS AND PATENT APPLICATIONS

Patent Registration Numbers:

D416945	D414614	5301445
5249902	6027275	6266907
6079574	6142697	6129222
6155602	6308988	6547472
5974714	6210512	4844266

Patent Application Numbers:

10/068156	09/900420	60/475394
60/474667	60/487169	60/509937
60/462157	60/448548	60/473004
29/078295		

PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS AGREEMENT ("Agreement"), dated June 22, 2004, is by and between BURNES OPERATING COMPANY LLC, a Delaware limited liability company ("Debtor") and CONGRESS FINANCIAL CORPORATION, a Delaware corporation, in its capacity as agent pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders (in such capacity "Secured Party").

W I T N E S S E T H :

WHEREAS, Debtor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the patents and applications therefor described in Exhibit A hereto and made a part hereof;

WHEREAS, Debtor, Anchor Hocking Operating Company LLC, a Delaware limited liability company ("Anchor"), Anchor Hocking CG Operating Company LLC, a Delaware limited liability company ("Anchor CG") and Mirro Operating Company LLC, a Delaware limited liability company ("Mirro", together with Debtor, Anchor and Anchor CG, each, a "Borrower" and collectively, "Borrowers"), Secured Party and the parties to the Loan Agreement as lenders (individually, each a "Lender" and collectively, "Lenders") have entered into or are about to enter into financing arrangements pursuant to which Lenders (or Secured Party on behalf of Lenders) may make loans and advances and provide other financial accommodations to Borrowers as set forth in the Loan and Security Agreement, dated of even date herewith, by and among Borrowers, certain affiliates of Borrowers, Secured Party and Lenders (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and the other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, this Agreement (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"); and

WHEREAS, in order to induce Secured Party and Lenders to enter into the Loan Agreement and the other Financing Agreements and to make loans and advances and provide other financial accommodations to Borrowers pursuant thereto, Debtor has agreed to grant to Secured Party certain collateral security as set forth herein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby agrees as follows:

1. GRANT OF SECURITY INTEREST

As collateral security for the prompt performance, observance and indefeasible payment in full of all of the Obligations (as hereinafter defined), Debtor hereby grants to Secured Party

(for itself and the benefit of Lenders) a continuing security interest in and a general lien upon, and a conditional assignment of, the following (being collectively referred to herein as the "Collateral"): (a) all of Debtor's now existing or hereafter acquired right, title and interest in and to all of Debtor's interest in any patents and all applications, registrations and recordings relating to the foregoing as may at any time be filed in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other country, including, without limitation, those patents, applications, registrations and recordings described in Exhibit A hereto, together with all rights and privileges arising under applicable law with respect to Debtor's use of any patents and all reissues, divisions, continuations, extensions and renewals thereof (all of the foregoing being collectively referred to herein as the "Patents"); (b) all present and future inventions and improvements described and claimed therein; (c) all income, fees, royalties and other payments at any time due or payable with respect thereto, including, without limitation, payments under all licenses at any time entered into in connection therewith; (d) the right to sue for past, present and future infringements thereof; (e) all rights corresponding thereto throughout the world; and (f) any and all other proceeds of any of the foregoing, including, without limitation, all damages and payments or claims by Debtor against third parties for past or future infringement of the Patents.

2. OBLIGATIONS SECURED

The security interest, lien and other interests granted to Secured Party (for itself and the benefit of Lenders) pursuant to this Agreement shall secure the prompt performance, observance and payment in full of any and all obligations, liabilities and indebtedness of every kind, nature and description owing by Debtor to Secured Party and/or any Lender (and, to the extent set forth in the Loan Agreement, any of their respective affiliates or other institutions that may be providing financial accommodations secured by the assets subject to the security interest of Agent), including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, in each case whether arising under this Agreement, the Loan Agreement or any of the other Financing Agreements, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Loan Agreement or after the commencement of any case with respect to Debtor under the United States Bankruptcy Code or any similar statute (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the commencement of such case, whether or not such amounts are allowed or allowable in whole or in part in such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by Secured Party or any Lender (all of the foregoing being collectively referred to herein as the "Obligations").

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

Debtor hereby represents, warrants and covenants with and to Secured Party the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding):

- (a) Debtor shall pay and perform all of the Obligations according to their terms.

(b) All of the existing Collateral is valid and subsisting in full force and effect, and Debtor owns the sole, full and clear title thereto, and the right and power to grant the security interest and conditional assignment granted hereunder. Except as set forth in Section 3(i) hereof, Debtor shall, at Debtor's expense, perform all acts and execute all documents necessary to maintain the existence of the Collateral consisting of registered Patents as registered patents and to maintain all of the Collateral as valid and subsisting, including, without limitation, the filing of any renewal affidavits and applications. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests or encumbrances of any nature whatsoever, except (i) the security interests granted hereunder and pursuant to the Loan Agreement, (ii) the security interests permitted under the Loan Agreement and (iii) the licenses permitted under Section 3(e) below.

(c) Debtor shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating to the Collateral, or otherwise dispose of any of the Collateral, in each case without the prior written consent of Secured Party, except as otherwise permitted herein or in the Loan Agreement. Nothing in this Agreement shall be deemed a consent by Secured Party to any such action, except as such action is expressly permitted hereunder.

(d) Debtor shall, at Debtor's expense, promptly perform all acts and execute all documents reasonably requested at any time by Secured Party to evidence, perfect, maintain, record or enforce the security interest in and conditional assignment of the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Secured Party to file one or more financing statements (or similar documents) with respect to the Collateral in accordance with the terms and provisions of the Loan Agreement. Debtor further authorizes Secured Party to have this Agreement or any other similar security agreement filed with the Commissioner of Patents and Trademarks or any other appropriate federal, state or government office.

(e) As of the date hereof, Debtor does not have any Patents registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, other than those described in Exhibit A hereto and has not granted any licenses with respect thereto other than as set forth in Exhibit B hereto.

(f) Debtor shall, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Special Power of Attorney in the form of Exhibit C annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise of the rights and remedies granted to Secured Party hereunder.

(g) Secured Party may, in its discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by Secured Party to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral or the security interest and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, reasonable attorneys' fees and legal expenses. Debtor shall be liable to Secured Party for any such payment, which payment shall be deemed an advance by

Secured Party to Debtor, shall be payable on demand together with interest at the rate then applicable to the indebtedness of Borrowers to Secured Party and Lenders set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

(h) In the event Debtor shall file any application for the registration of a Patent with the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, Debtor shall provide Secured Party with thirty (30) days prior written notice of such action as soon as practicable but in no event later than thirty (30) days after such action. If, after the date hereof, Debtor shall (i) obtain any patent, including any reissue, division, continuation, continuation-in-part, or extension of any patent, file any patent application, including any application for reissue or extension of any patent, or any divisional, continuation, or continuation-in-part application in the United States Patent and Trademark Office or in any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, or (ii) become the owner of any patent or new patentable inventions used in the United States, any State thereof, any political subdivision thereof or in any other country, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request of Secured Party, Debtor shall promptly execute and deliver to Secured Party any and all assignments, agreements, instruments, documents and such other papers as may be reasonably requested by Secured Party to evidence the security interest in and conditional assignment of such Patent in favor of Secured Party.

(i) Debtor has not abandoned any of the Patents and Debtor will not do any act, nor omit to do any act, whereby the Patents may reasonably be expected to become abandoned, invalidated, unenforceable, avoided or avoidable, except that so long as no Default or Event of Default shall exist or have occurred and be continuing, Debtor may abandon any Patent that is not used in connection with the manufacture, sale or distribution of, any inventory of Debtor or any of its affiliates and has not otherwise been and is not otherwise being used by Debtor or any of its affiliates and is otherwise deemed by Debtor in the exercise of its reasonable business judgment to be no longer useful or of any material economic value. Except as set forth in the previous sentence, Debtor shall notify Secured Party immediately if it knows or has reason to know of any reason why any application, registration, or recording with respect to the Patents may reasonably be expected to become abandoned, canceled, invalidated, avoided or avoidable.

(j) Debtor shall render any reasonable assistance, as Secured Party shall determine is necessary, to Secured Party in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, to maintain such application and registration of the Patents as Debtor's exclusive property and to protect Secured Party's interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings, provided, that, Debtor shall not be required to render any such assistance with respect to any Collateral which may be abandoned in accordance with Section 3(i) hereof.

(k) To the best of Debtor's knowledge after due investigation, no material infringement or unauthorized use presently is being made of any of the Patents that would adversely affect in any material respect the fair market value of the Patents or the benefits of this Agreement granted to Secured Party, including, without limitation, the remedies of Secured

Party hereunder. There has been no judgment holding any of the Patents invalid or unenforceable, in whole or part nor is the validity or enforceability of any of the Patents presently being questioned in any litigation or proceeding to which Debtor is a party. Debtor shall promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any other process or product which infringes upon any Patent. If requested by Secured Party, Debtor, at Debtor's expense, shall join with Secured Party in such action as Secured Party, in Secured Party's discretion, may deem advisable for the protection of Secured Party's interest in and to the Patents.

(l) Debtor assumes all responsibility and liability arising from the use of the Patents and Debtor hereby indemnifies and holds Secured Party and Lenders harmless from and against any claim, suit, loss, damage, or expense (including attorneys' fees and legal expenses) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Patent or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof), except for claims resulting solely from Secured Party's or the Lenders' gross negligence or willful misconduct (as determined in a final non-appealable order of a court of competent jurisdiction). The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Loan Agreement.

(m) Debtor shall promptly pay Secured Party and Lenders for any and all expenditures made by Secured Party pursuant to the provisions of this Agreement or for the defense, protection or enforcement of the Obligations, the Collateral, or the security interests and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and reasonable attorneys' fees and legal expenses. Such expenditures shall be payable on demand, be part of the Obligations secured hereby and bear interest at the rate set forth in the Loan Agreement.

4. EVENTS OF DEFAULT

The occurrence or existence of any Event of Default under the Loan Agreement is referred to herein individually as an "Event of Default", and collectively as "Events of Default".

5. RIGHTS AND REMEDIES

At any time an Event of Default exists or has occurred and is continuing, in addition to all other rights and remedies of Secured Party, whether provided under this Agreement, the Loan Agreement, the other Financing Agreements, applicable law or otherwise, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor except as such notice or consent is expressly provided for hereunder or is required by applicable law:

(a) Secured Party may require that neither Debtor nor any affiliate or subsidiary of Debtor make any use of the Patents for any purpose whatsoever. Secured Party may make use of any Patents for the sale of goods, completion of work-in-process or rendering of services or otherwise in connection with enforcing any other security interest granted to Secured Party by

Debtor or any subsidiary or affiliate of Debtor or for such other reason as Secured Party may determine in good faith.

(b) Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Secured Party shall in its discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Secured Party may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to Debtor of intended disposition of Collateral is required by law, the giving of ten (10) days prior written notice to Debtor of any proposed disposition shall be deemed reasonable notice thereof and Debtor waives any other notice with respect thereto. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in its discretion, deem appropriate or proper to complete such assignment, sale, or disposition. In any such event, Debtor shall be liable for any deficiency.

(d) In addition to the foregoing, in order to implement the assignment, sale or other disposition of any of the Collateral pursuant to the terms hereof, Secured Party may at any time execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in Section 3(f) hereof, one or more instruments of assignment of the Patents (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Debtor agrees to pay Secured Party on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and attorneys' fees and legal expenses. Debtor agrees that Secured Party and Lenders have no obligation to preserve rights to the Patents against any other parties.

(e) Secured Party may first apply the proceeds actually received from any such license, assignment, sale or other disposition of any of the Collateral to the costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel and other expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations in accordance with the terms of the Loan Agreement. Debtor shall remain liable to Secured Party for any of the Obligations remaining unpaid after the application of such proceeds, and Debtor shall pay Secured Party on demand any such unpaid amount, together with interest at the rate then applicable to the indebtedness of Borrowers to Secured Party and Lenders set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

(f) Debtor shall supply to Secured Party or to Secured Party's designee, Debtor's knowledge and expertise relating to the manufacture and sale of the products and services to which the Patents relate and Debtor's customer lists and other records relating to the Patents and the distribution thereof.

(g) Nothing contained herein shall be construed as requiring Secured Party or any Lender to take any such action at any time. All of Secured Party's and Lenders' rights and

remedies, whether provided under this Agreement, the other Financing Agreements, applicable law or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

**6. JURY TRIAL WAIVER; OTHER WAIVERS
AND CONSENTS; GOVERNING LAW**

(a) The validity, interpretation and enforcement of this Agreement and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

(b) Debtor and Secured Party irrevocably consent and submit to the non-exclusive jurisdiction of the Supreme Court of the State of New York in New York County and the United States District Court for the Southern District of New York, whichever Secured Party may elect, and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected or related or incidental to the dealings of Debtor and Secured Party or any Lender in respect of this Agreement or any of the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Secured Party shall have the right to bring any action or proceeding against Debtor or its property in the courts of any other jurisdiction which Secured Party deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Debtor or its property).

(c) Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Secured Party's option, by service upon Debtor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Debtor shall appear in answer, respond or move in respect of such process, failing which Debtor shall be deemed in default and judgment may be entered by Secured Party against Debtor for the amount of the claim and other relief requested.

(d) **DEBTOR AND SECURED PARTY EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF DEBTOR AND SECURED PARTY OR ANY LENDER IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTOR AND SECURED PARTY EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND**

THAT DEBTOR OR SECURED PARTY MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF DEBTOR AND SECURED PARTY TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Secured Party and Lenders shall not have any liability to Debtor (whether in tort, contract, equity or otherwise) for losses suffered by Debtor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Secured Party or such Lender that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, Secured Party and Lenders shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Agreement and the other Financing Agreements.

7. MISCELLANEOUS

(a) All notices, requests and demands hereunder shall be in writing and deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by certified mail, return receipt requested, five (5) days after mailing. All notices, requests and demands upon the parties are to be given to the following addresses (or to such other address as any party may designate by notice in accordance with this Section):

If to Debtor: Burnes Operating Company LLC
5115 Parkcenter Avenue
Suite 150
Dublin, Ohio 43017
Attention: A. Jeffrey Zappone, CFO
Telephone No.: (614) 210-7200
Telecopy No.: (614) 210-7253

with a copy to: Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
Attention: Daniel V. Oshinsky, Esq.
Telephone No.: (212) 756-2000
Telecopy No.: (212) 593-5955

If to Secured Party
and Lender: Congress Financial Corporation,
as Agent
1133 Avenue of the Americas
New York, New York 10036
Attention: Portfolio Manager

(b) All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Debtor, Borrowers, Secured Party and any Lender pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof," "herein," "hereunder," "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 7(e) hereof. All references to the term "Person" or "person" herein shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock company, trust, joint venture or other entity or any government or any agency, instrumentality or political subdivision thereof.

(c) This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon Debtor and its successors and assigns and inure to the benefit of and be enforceable by Secured Party and Lenders and their respective successors and assigns.

(d) If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

(e) Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Secured Party. Secured Party and Lenders shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Secured Party. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Secured Party or any Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Secured Party or such Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

(f) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Agreement.

(g) Capitalized terms not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

BURNES OPERATING COMPANY LLC

By: 

Title: Treasurer and Chief Financial Officer

CONGRESS FINANCIAL CORPORATION,
as Agent

By: _____

Title: _____

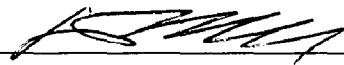
IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

BURNES OPERATING COMPANY LLC

By: _____

Title: _____

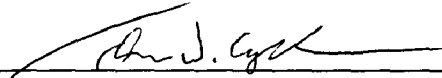
CONGRESS FINANCIAL CORPORATION,
as Agent

By:  _____

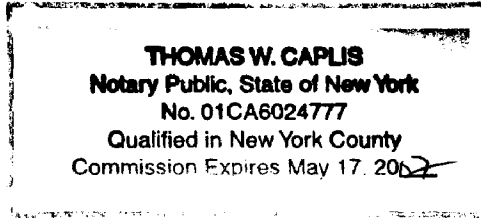
Title: **First Vice-President** _____

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

On this 22nd day of June, 2004, before me personally came A. Jeffrey Zappone, to me known, who being by me duly sworn, did depose, acknowledge and say that he/~~she~~ is the TREASURER CFO of BURNES OPERATING COMPANY LLC, the limited liability company described in and which executed the foregoing instrument; and that he/~~she~~ signed his/~~her~~ name thereto by order of the managing member of said limited liability company.



Notary Public



STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

On this ___ day of June, 2004, before me personally came _____, to me known, who, being duly sworn, did depose and say, that he/she is the _____ of CONGRESS FINANCIAL CORPORATION, the corporation described in and which executed the foregoing instrument; and that he/she signed his/her name thereto by order of the Board of Directors of said corporation.

Notary Public

STATE OF NEW YORK)
) s.s.:
COUNTY OF NEW YORK)

On this ___ day of June, 2004, before me personally came _____, to me known, who being by me duly sworn, did depose, acknowledge and say that he/she is the _____ of BURNES OPERATING COMPANY LLC, the limited liability company described in and which executed the foregoing instrument; and that he/she signed his/her name thereto by order of the managing member of said limited liability company.

Notary Public

STATE OF NEW YORK)
) s.s.:
COUNTY OF NEW YORK)

On this 18th day of June, 2004, before me personally came DARRYL KURIGER, to me known, who, being duly sworn, did depose and say, that he/~~she~~ is the 1ST VICE PRESIDENT of CONGRESS FINANCIAL CORPORATION, the corporation described in and which executed the foregoing instrument; and that he/~~she~~ signed his/~~her~~ name thereto by order of the Board of Directors of said corporation.

Tracey D. Bennett
Notary Public

TRACEY D. BENNETT
Notary Public, State of New York
No. 01BE6022715
Qualified in Queens County
Commission Expires 4/5/2007

EXHIBIT A
TO
PATENT COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT

LIST OF PATENTS

Burnes Operating Company LLC Patents

TYPE	APPL NUM	REG NUM	STATUS	COUNTRY	APP DATE	ISS DATE	EXP DATE	TITLE
ORD	02001421.3		Pending	European Patent Convention	18-Jan- 2002		18-Jan- 2022	Album Page
ORD	00103381.0	1033264	Published	European Patent Convention	23-Feb- 2000	06-Sep- 2000	23-Feb- 2020	Album Page
ORD	1101485.9		Published	Hong Kong	28-Feb- 2000		28-Feb- 2020	Album Page
ORD	999591		Pending	Mexico	19-Oct- 1999		19-Oct- 2019	Album Page
DES	29/083606	D416945	Granted	United States	12-Feb- 1998	23-Nov- 1999	23-Nov- 2013	Decorative Display
DES	29/089317	D414614	Granted	United States	12-Jun- 1998	05-Oct- 1999	05-Oct- 2013	Decorative Display
ORD	10/068156		Pending	United States	06-Feb- 2002		06-Feb- 2022	Bobblehead Photograph Frame
ORD	07/731503	5301445	Granted	United States	17-Jul- 1991	12-Apr- 1994	17-Jul- 2011	Album Page For Bi- Directional Insertion And Centering Of Rectangular Images
ORD	07/903917	5249902	Granted	United States	25-Jun- 1992	05-Oct- 1993	25-Jun- 2012	Loose-Leaf Binder Assembly Process And Apparatus
ORD	09/108936	6027275	Granted	United States	01-Jul- 1998	22-Feb- 2000	01-Jul- 2018	Seal For Notebook And Album Rings
ORD	09/256672	6266907	Granted	United States	23-Feb- 1999	31-Jul- 2001	23-Feb- 2019	Album Page
ORD	09/236796	6079574	Granted	United States	25-Jan- 1999	27-Jun- 2000	25-Jan- 2019	Display And Storage System
ORD	09/388977	6142697	Granted	United States	02-Sep- 1999	07-Nov- 2000	02-Sep- 2019	Ring Lock For Album Or Binder
ORD	09/320151	6129222	Granted	United States	26-May- 1999	10-Oct- 2000	09-Sep- 2019	Display And Storage System

TYPE	APPL NUM	REG NUM	STATUS	COUNTRY	APP DATE	ISS DATE	EXP DATE	TITLE
ORD	09/392882	6155602	Granted	United States	09-Sep-1999	05-Dec-2000	26-May-2019	Page Protection System For Albums And Ti-Ie Like
ORD	09/618904	6308988	Granted	United States	18-Jul-2000	30-Oct-2001	18-Jul-2020	Page Protection System For Photo Albums And The Like
ORD	09/764932	6547472	Granted	United States	18-Jan-2001	15-Apr-2003	18-Jan-2021	Album Page
ORD	09/900420		Pending	United States	06-Jul-2001		06-Jul-2021	Album Page
ORD	08/880264	5974714	Granted	United States	23-Jun-1997	02-Nov-1999	23-Jun-2017	Picture Frame Back Attachment
ORD	09/008149	6210512	Granted	United States	16-Jan-1998	03-Apr-2001	16-Jan-2018	Embossing Of Laminated Picture Frame Molding
ORD	07/074082	4844266	Granted	United States	16-Jul-1987	04-Jul-1989	16-Jul-2007	Display System
ORD	Unfiled		Unfiled	United States				Peel And Stick Repositionable Frame
ORD	Unfiled		Unfiled	United States				Scrapbook Page Frame
PRO	60/475394		Pending	United States	03-Jun-2003		03-Jun-2004	Instant Decorating System
PRO	60/474667		Pending	United States	30-May-2003		30-May-2004	Method Of Power Coating Mdr Laminated Paper
PRO	60/487169		Pending	United States	14-Jul-2003		14-Jul-2004	Wall Hanging System
PRO	60/509937		Pending	United States	10-Oct-2003		10-Oct-2004	U-Channel Display Unit
PRO	60/462157		Pending	United States	11-Apr-2003		11-Apr-2004	Display Page With Pockets
PRO	60/448548		Pending	United States	19-Feb-2004			Image Display with Configurable Lettering
ORD			Pending	United States	04-Mar-2004			A Method and Device for Displaying Images in a Collage
PRO	60/473004		Pending	United States	23-May-2003			Wall Hanging System
DES	29/078295?		Pending	United States	24-Oct-1997			Decorative Display
			Unfiled	United States				Walking Picture Frame

TYPE	APPL. NO.	REG. NO.	STATUS	COUNTRY	APP. DATE	ISS. DATE	EXP. DATE	TITLE
ORD			Unfiled	United States				Photo Mat with Attachment and Alignment Means
ORD			Unfiled	United States				Paper-Laminated Articles and Method and Manufacture
			Unfiled	United States				Photo Album

9656425.1

EXHIBIT B
TO
PATENT COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT

LICENSES

Burnes Operating Company LLC Patent Licenses

None

9656425.1

PATENT
REEL: 015571 FRAME: 0679

EXHIBIT C
TO
PATENT COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT

Special Power Of Attorney

STATE OF NEW YORK)
) s.s.:
COUNTY OF NEW YORK)

KNOW ALL MEN BY THESE PRESENTS, that BURNES OPERATING COMPANY LLC ("Debtor"), having an office at 5115 Parkcenter Avenue, Suite 150, Dublin, Ohio 43017, hereby appoints and constitutes, severally, CONGRESS FINANCIAL CORPORATION, as Agent ("Secured Party"), and each officer thereof, its true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Debtor:

1. Execution and delivery of any and all agreements, documents, instrument of assignment, or other papers which Secured Party, in its discretion, deems necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all right, title, and interest of Debtor in and to any patents and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to the foregoing.

2. Execution and delivery of any and all documents, statements, certificates or other papers which Secured Party, in its discretion, deems necessary or advisable to further the purposes described in Subparagraph 1 hereof.

This Power of Attorney is made pursuant to a Patent Collateral Assignment and Security Agreement, dated of even date herewith, between Debtor and Secured Party (the "Security Agreement") and is subject to the terms and provisions thereof. This Power of Attorney being coupled with an interest, is irrevocable until all "Obligations", as such term is defined in the Security Agreement, are paid in full and the Security Agreement is terminated in writing by Secured Party.

Dated: _____, 2004

BURNES OPERATING COMPANY LLC

By: _____

Title: _____

STATE OF NEW YORK)
) s.s.:
COUNTY OF NEW YORK)

On the ____ day of _____, 2004, before me personally came
_____, to me known, who being by me duly sworn, did depose,
acknowledge and say that he/she is the _____ of BURNES OPERATING
COMPANY LLC, the limited liability company which executed the foregoing instrument and
that he/she signed his/her name thereto by order of the managing member of such limited
liability company.

Notary Public