

10-14-2004



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10-21-04

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):

TPI Technology, Inc.

Execution Date(s) September 30, 2004

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

3. Nature of conveyance:

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

2. Name and address of receiving party(ies)

Name: True North Partners, LLC

Internal Address: Suite 395

Street Address: 6263 N. Scottsdale Road

City: Scottsdale

State: Arizona

Country: United States Zip: 85250

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

4. Application or patent number(s):

This document is being filed together with a new application.

A. Patent Application No.(s)

B. Patent No.(s)

4,902,215	5,052,906	5,316,462	5,439,635	5,601,852
5,702,663	5,721,034	5,904,972	5,958,325	6,159,414
6,558,608	6,773,655			

Additional numbers attached? Yes No

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

Name: Daniel C. Abeles

Internal Address: Eckert Seamans Cherin & Mellott

Street Address: 600 Grant Street - Floor 44

City: Pittsburgh,

State: Pennsylvania Zip: 15219

Phone Number: 412.566.1295

Fax Number: 412.566.6099

Email Address: dabeles@eckertseamans.com

6. Total number of applications and patents involved:

12

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 480.00

- 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 1000
Expiration Date 10/05

b. Deposit Account Number _____
Authorized User Name _____

9. Signature:

Signature

10/17/04
Date

Daniel C. Abeles

Name of Person Signing

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

29

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

10/13/2004 6T0H11 00000055 4902215

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480.00 DP

2. Name and address of receiving party(ies)

Name: Steven C. Lockard

Street Address: 6500 Eagle Ridge Drive

City: El Paso

State: Texas

Country: United States

Zip: 79912

There are no additional names & addresses attached

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement"), dated as of _____, 2004, is made and entered into by and among TPI Technology, Inc., a Delaware corporation (the "Subsidiary"), True North Partners, LLC, an Arizona limited liability company ("TNP"), and Steven C. Lockard ("Lockard" and collectively with TNP the "Secured Party").

WHEREAS, TNP, Lockard, Composites Solutions, Inc. and LCSi Holding, Inc. ("LCSI") are parties to that certain Stock Purchase Agreement of event date herewith (the "Purchase Agreement"); and

WHEREAS, as more fully provided in the Purchase Agreement TNP and Lockard have agreed to defer the payment by LCSi of certain amounts of the purchase price (the "Deferred Payments") as specifically provided in the Purchase Agreement and certain notes delivered pursuant thereto (the "Notes"); and

WHEREAS, Subsidiary will benefit directly and substantially from the Deferred Payments; and

WHEREAS, Subsidiary is executing and delivering that certain Guaranty of even date herewith (the "Subsidiary Guaranty") pursuant to which Subsidiary is unconditionally and irrevocably guaranteeing the obligations of LCSi as set forth in the Guaranty; and

WHEREAS, the execution and delivery of this Agreement is a condition precedent to the TNP and Lockard agreeing to the Deferred Payments.

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions.** All capitalized terms used herein without definitions shall have the respective meanings provided therefor in the Purchase Agreement. The term "State," as used herein, means the State of Delaware. All terms defined in the Uniform Commercial Code of the State and used herein shall have the same definitions herein as specified therein. However, if a term is defined in Article 9 of the Uniform Commercial Code of the State differently than in another Article of the Uniform Commercial Code of the State, the term has the meaning specified in Article 9. The term "Obligations," means all of the obligations of Subsidiary of any kind under the Subsidiary Guaranty and this Agreement and the term "Event of Default," as used herein, means a Guarantor Event of Default under (i) Section 8(a)(i) or 8(a)(ii) of the Subsidiary Guaranty which has occurred and is continuing and which Guarantor Event of Default has not been cured pursuant to Section 8(b) of the Subsidiary Guaranty during the applicable Obligor Cure Period or (ii) Section 8(a)(iii) of the Subsidiary Guaranty which Guarantor Event of Default has not been cured pursuant to Section 8(b)(ii) and further provided that such Guarantor Event of Default under Section 8(a)(iii) is continuing following the 180th day following such Guarantor Event of Default, it being understood that no Event of Default shall exist until the expiration of

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any applicable cure periods as provided in the Guaranty. The term "Copyright Office" as used herein, means the United States Copyright Office. "PTO" as used herein, means the United States Patent and Trademark Office and the term "Escrow Agent" and "Escrow Agreement" each shall have the meaning set forth in those certain Pledge Agreements of even date herewith..

2. Grant of Security Interest. The Subsidiary hereby grants to the Secured Party, to secure the payment and performance in full of all of the Obligations, a security interest in and so pledges and assigns to the Secured Party the following properties, assets and rights of the Subsidiary, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof (all of the same, together with the additional items specified in subsections (a)-(h) below, being hereinafter called the "Collateral"): all personal and fixture property of every kind and nature including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts, chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, and all general intangibles (including all payment intangibles). In addition to, and not in limitation of the general nature of the foregoing, as additional security for the payment and performance of the Obligations, the Subsidiary hereby assigns, transfers and conveys to the Secured Party, and grants a security interest in and mortgage to the Secured Party of, all of the Subsidiary's right, title and interest in, to and under the following Collateral, in each case whether now or hereafter existing or arising or in which the Subsidiary now has or hereafter owns, acquires or develops an interest and wherever located:

(a) All of the Subsidiary's present and future United States registered copyrights and copyright registrations, including the Subsidiary's United States registered copyrights and copyright registrations listed in Schedule A to this Agreement, all of the Subsidiary's present and future United States applications for copyright registrations, including the Subsidiary's United States applications for copyright registrations listed in Schedule B to this Agreement, and all of the Subsidiary's present and future copyrights that are not registered in the Copyright Office including, without limitation, derivative works (collectively, the "Copyrights"), and any and all royalties, payments, and other amounts payable to the Subsidiary in connection with the Copyrights, together with all renewals and extensions of the Copyrights, the right to recover for all past, present, and future infringements of the Copyrights, and all manuscripts, documents, writings, tapes, disks, storage media, computer programs, computer databases, computer program flow diagrams, source codes, object codes and all tangible property embodying or incorporating the Copyrights, and all other rights of every kind whatsoever accruing thereunder or pertaining thereto;

(b) All of the Subsidiary's right, title and interest in and to any and all present and future license agreements with respect to the Copyrights;

(c) All present and future accounts and other rights to payment arising from, in connection with or relating to the Copyrights;

(d) all patents and patent applications, domestic or foreign, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including, but not limited to, such patents and patent applications as described in Schedules C and D to this Agreement), all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;

(e) all state (including common law), federal and foreign trademarks, service marks and trade names, and applications for registration of such trademarks, service marks and trade names (but excluding any application to register any trademark, service mark or other mark prior to the filing under applicable law of a verified statement of use (or the equivalent) for such trademark, service mark or other mark to the extent the creation of a security interest therein or the grant of a mortgage thereon would void or invalidate such trademark, service mark or other mark), all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including, but not limited to, such marks, names and applications as described in Schedules E and F to this Agreement), whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;

(f) the entire goodwill of or associated with the businesses now or hereafter conducted by the Subsidiary connected with and symbolized by any of the aforementioned properties and assets;

(g) all general intangibles and all intangible intellectual or other similar property of the Subsidiary of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(h) all proceeds of any and all of the foregoing Collateral (including license royalties, rights to payment, accounts receivable and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral.

3. Authorization to File Financing Statements and Other Documents. The Subsidiary hereby authorizes filing, effective as of the date hereof, of financing statements, or any similar document or other documents including but not limited to this Agreement, in any jurisdictions and with any filing offices as the Secured Party may reasonably determine are necessary to perfect the security interest granted to the Secured Party herein. Such financing statements and other documents shall name the Subsidiary as debtor and describe the Collateral in the same manner as described herein. The Subsidiary hereby further authorizes the (i) filing of continuation statements and amendments to such financing statements and other documents and (ii) such additional financing statements and other documents, as the Secured Party may reasonably determine are necessary in order to preserve and/or perfect the security interests granted hereby. The Subsidiary shall furnish to the Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party may reasonably request, all in reasonable detail.

4. **Other Actions.** To further the attachment, perfection and first priority of, and the ability of the Secured Party to enforce, the Secured Party's security interest in the Collateral, and without limitation on the Subsidiary's other obligations in this Agreement, the Subsidiary agrees, in each case at the Subsidiary's expense, to take the following actions with respect to the following Collateral:

4.1. **Investment Property.** If the Subsidiary shall at any time hold or acquire any certificated securities, the Subsidiary shall forthwith deliver such certificate to the Escrow Agent to be held pursuant to an escrow agreement substantially similar to the Escrow Agreement, accompanied by such instruments of transfer or assignment duly executed in blank.

4.3 **Intellectual Property.** If the Subsidiary shall obtain rights to any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. The Subsidiary shall use commercially reasonable efforts to provide notice in writing to Secured Party with respect to any such new patent rights. Without limiting the Subsidiary's obligations under this Section 4.3, the Subsidiary authorizes Secured Party unilaterally to modify this Agreement by amending Schedules C and D to include any such new patent rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule C or D shall in any way affect, invalidate or detract from Secured Party's continuing security interest in all Collateral, whether or not listed on Schedule C or D. If the Subsidiary shall obtain rights to any new trademarks, service marks, trade names or application therefor or licenses related thereto, the provisions of this Agreement shall automatically apply thereto. The Subsidiary shall use commercially reasonable efforts to provide notice in writing to Secured Party with respect to any such new marks, names, applications or licenses or the renewal or extension of any registrations. Without limiting the Subsidiary's obligations under this Section 4.3, the Subsidiary authorizes Secured Party to modify this Agreement by amending Schedules E or F to include any such new or modified rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule E or F shall in any way affect, invalidate or detract from Secured Party's continuing security interest in all Collateral, whether or not listed on Schedule E or F. The Subsidiary covenants, following the Subsidiary's acquisition thereof, to use commercially reasonable efforts to provide to the Secured Party identifications of all material copyrights and other rights in and to all copyrightable works hereafter acquired by the Subsidiary and to register such copyrights with the Copyright Office. The Subsidiary shall give Secured Party notice of any additional United States copyright registrations or applications therefor after the date hereof. The Subsidiary authorizes Secured Party unilaterally to modify this Agreement by amending Schedule A or B to include any future United States registered copyrights or applications therefor of the Subsidiary. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule A or B shall in any way affect, invalidate or detract from Secured Party's continuing security interest in all Collateral, whether or not listed on Schedule A or B.

4.4. **Other Actions as to Any and All Collateral.** The Subsidiary further agrees, at the request, option and expense of the Secured Party, to take all reasonable actions the Secured Party may determine to be necessary or useful for the attachment and perfection and the ability of the

Secured Party to enforce following and during the continuance of an Event of Default, the Secured Party's security interest in any and all of the Collateral, including, without limitation, (a) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto under the Uniform Commercial Code, to the extent, if any, that the Subsidiary's signature thereon is required therefor, (b) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Secured Party to enforce, the Secured Party's security interest in such Collateral, (c) seeking to obtain waivers from mortgagees and landlords in form and substance satisfactory to the Secured Party, (d) executing, delivering and filing this Agreement or an abstract or memorandum thereof, or any other document describing Secured Party's interest in the Collateral, with the PTO, the Copyright Office or any applicable state office, and (e) taking all actions under any earlier versions of the Uniform Commercial Code or under any other law, as reasonably determined by the Secured Party to be applicable in any relevant Uniform Commercial Code or other jurisdiction, including any foreign jurisdiction.

5. Pledge Agreement. Concurrently herewith, the Subsidiary is executing and delivering to the Secured Party that certain Pledge Agreement.

6. Perfection Certificate. The Subsidiary is delivering herewith a certificate signed by the Subsidiary and entitled "Perfection Certificate" (the "Perfection Certificate").

7. Covenants Concerning the Subsidiary's Legal Status. The Subsidiary covenants with the Secured Party as follows: (a) without providing at least 30 days prior written notice to the Secured Party, the Subsidiary will not change its name, its place of business or, if more than one, chief executive office, or its mailing address or organizational identification number if it has one, and (b) the Subsidiary will not change its type of organization, jurisdiction of organization.

8. Covenants Concerning Collateral, etc. The Subsidiary further covenants with the Secured Party as follows: (a) the Collateral will be kept at those locations listed on the Perfection Certificate and the Subsidiary will not other than in the ordinary course of business remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Secured Party, (b) except for the security interest herein granted, liens permitted by the Purchase Agreement and liens in favor of a Working Capital Lender (as defined in the Notes), the Subsidiary shall be the owner of or have other rights in the Collateral free from any right or claim of any other person, lien, security interest or other encumbrance, and the Subsidiary shall defend the same against all claims and demands of all persons at any time claiming the same or any interests therein adverse to the Secured Party, (c) the Subsidiary shall not pledge, mortgage or create any right of any person in or claim by any person to the Collateral, or any security interest, lien or encumbrance in the Collateral in favor of any person, other than the Secured Party and any Working Capital Lender, (d) following an Event of Default, the Subsidiary will permit the Secured Party, or its designee, to inspect the Collateral at any reasonable time, wherever located, (e) the Subsidiary will pay when due all taxes, assessments, governmental charges and levies upon the Collateral or incurred in connection with the use or operation of such Collateral or incurred in connection with this Agreement, and (f) the Subsidiary will not or convey, lease, sell, transfer or otherwise dispose of, in one transaction or series of transaction

any of the Collateral whether now or hereafter acquired except in the ordinary course of business. Notwithstanding anything contained in this Agreement to the contrary, Subsidiary shall be permitted to license and sub-license its intellectual property (other than in violation of Section 7(v) of the Guaranty) and any lien granted in any such intellectual property to Secured Party shall automatically be junior and subordinate to any such license or sub-license.

9. [Intentionally Omitted].

10. [Intentionally Omitted]

11. Collateral Protection Expenses; Preservation of Collateral.

11.1. Expenses Incurred by Secured Party. In the Secured Party's discretion following an Event of Default, if the Subsidiary fails to do so, the Secured Party may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral. The Subsidiary agrees to reimburse the Secured Party on demand for all expenditures so made. The Secured Party shall have no obligation to the Subsidiary to make any such expenditures, nor shall the making thereof be construed as the waiver or cure of any Event of Default.

11.2. Secured Party's Obligations and Duties. Anything herein to the contrary notwithstanding, the Subsidiary shall remain obligated and liable under each contract or agreement comprised in the Collateral to be observed or performed by the Subsidiary thereunder. The Secured Party shall not have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by the Secured Party of any payment relating to any of the Collateral, nor shall the Secured Party be obligated in any manner to perform any of the obligations of the Subsidiary under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by the Secured Party in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Secured Party or to which the Secured Party may be entitled at any time or times. The Secured Party's sole duty with respect to the custody, safe keeping and physical preservation of the Collateral in its possession, under Section 9-207 of the Uniform Commercial Code of the State or otherwise, shall be to deal with such Collateral in the same manner as the Secured Party deals with similar property for its own account.

12. Securities and Deposits. The Secured Party may at any time following and during the continuance of an Event of Default, at its option and as provided in the Escrow Agreement seek to transfer to itself or any nominee any securities constituting Collateral, receive any income thereon and hold such income as additional Collateral or apply it to the Obligations. Whether or not any Obligations are due, the Secured Party may following and during the continuance of an Event of Default demand, sue for, collect, or make any settlement or compromise which it deems desirable with respect to the Collateral. Regardless of the adequacy of Collateral or any other security for the Obligations, any deposits or other sums at any time credited by or due from the Secured Party to the Subsidiary may at any time following and during the continuance of an Event of Default be applied to or set off against any of the Obligations.

13. Notification to Account Debtors and Other Persons Obligated on Collateral. If an Event of Default shall have occurred and be continuing, the Subsidiary shall, at the request and option of the Secured Party, notify account debtors and other persons obligated on any of the Collateral of the security interest of the Secured Party in any account, chattel paper, general intangible, instrument or other Collateral and that payment thereof is to be made directly to the Secured Party or to any financial institution designated by the Secured Party as the Secured Party's agent therefor, and the Secured Party may itself, if an Event of Default shall have occurred and be continuing, without notice to or demand upon the Subsidiary, so notify account debtors and other persons obligated on Collateral. After the making of such a request or the giving of any such notification, the Subsidiary shall hold any proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by the Subsidiary as trustee for the Secured Party without commingling the same with other funds of the Subsidiary and shall turn the same over to the Secured Party in the identical form received, together with any necessary endorsements or assignments. The Secured Party shall apply the proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by the Secured Party to the Obligations, such proceeds to be immediately credited after final payment in cash or other immediately available funds of the items giving rise to them.

14. Power of Attorney.

14.1. Appointment and Powers of Secured Party. The Subsidiary hereby irrevocably, upon and during the continuance of an Event of Default, constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of the Subsidiary or in the Secured Party's own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of the Subsidiary, without notice to or assent by the Subsidiary, to do the following:

(a) upon the occurrence and during the continuance of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise dispose of or deal with any of the Collateral in such manner as is consistent with the Uniform Commercial Code of the State and as fully and completely as though the Secured Party were the absolute owner thereof for all purposes, and to do, at the Subsidiary's expense, at any time, or from time to time, all acts and things which the Secured Party deems necessary or useful to protect, preserve or realize upon the Collateral and the Secured Party's security interest therein, in order to effect the intent of this Agreement, all at least as fully and effectively as the Subsidiary might do, including, without limitation, (i) the filing and prosecuting of registration and transfer applications with the appropriate federal, state, local or other agencies or authorities with respect to trademarks, copyrights and patentable inventions and processes, (ii) upon written notice to the Subsidiary, the exercise of voting rights with respect to voting securities, which rights may be exercised, if the Secured Party so elects, with a view to causing the liquidation of assets of the issuer of any such securities, and (iii) the execution, delivery and recording, in connection with

any sale or other disposition of any Collateral, of the endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral; and

(b) to the extent that the Subsidiary's authorization given in Section 3 is not sufficient, to file such financing statements with respect hereto, with or without the Subsidiary's signature, or a photocopy of this Agreement in substitution for a financing statement, as the Secured Party may deem appropriate and to execute in the Subsidiary's name such financing statements and amendments thereto and continuation statements which may require the Subsidiary's signature.

14.2. Ratification by the Subsidiary. To the extent permitted by law, the Subsidiary hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable.

14.3. No Duty on Secured Party. The powers conferred on the Secured Party hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Secured Party shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Subsidiary for any act or failure to act, except for the Secured Party's own gross negligence or willful misconduct.

15. Rights and Remedies. If an Event of Default shall have occurred and be continuing, the Secured Party, without any other notice to or demand upon the Subsidiary have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code of the State and any additional rights and remedies which may be provided to a secured party in any jurisdiction in which Collateral is located including, without limitation, the right to take possession of the Collateral, and for that purpose the Secured Party may, so far as the Subsidiary can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. The Secured Party may in its discretion require the Subsidiary at Secured Party's cost and expense to assemble all or any part of the Collateral at such location or locations within the jurisdiction(s) of the Subsidiary's principal office(s) or at such other locations as the Secured Party may reasonably designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Secured Party shall give to the Subsidiary at least five Business Days prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. The Subsidiary hereby acknowledges that five Business Days prior written notice of such sale or sales shall be reasonable notice. In addition to the maximum extent permitted by law, the Subsidiary waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of the Secured Party's rights and remedies hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto.

16. Standards for Exercising Rights and Remedies. To the extent that applicable law imposes duties on the Secured Party to exercise remedies in a commercially reasonable manner, the

Subsidiary acknowledges and agrees that it is not commercially unreasonable for the Secured Party (a) to fail to incur expenses reasonably deemed significant by the Secured Party to prepare Collateral for disposition or otherwise to fail to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to fail to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as the Subsidiary, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure the Secured Party against risks of loss, collection or disposition of Collateral or to provide to the Secured Party a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by the Secured Party, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Secured Party in the collection or disposition of any of the Collateral. The Subsidiary acknowledges that the purpose of this Section 16 is to provide non-exhaustive indications of what actions or omissions by the Secured Party would fulfill the Secured Party's duties under the Uniform Commercial Code or other law of the State or any other relevant jurisdiction in the Secured Party's exercise of remedies against the Collateral and that other actions or omissions by the Secured Party shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this Section 16. Without limitation upon the foregoing, nothing contained in this Section 16 shall be construed to grant any rights to the Subsidiary or to impose any duties on the Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 16.

17. No Waiver by Secured Party, etc. The Secured Party shall not be deemed to have waived any of its rights or remedies in respect of the Obligations or the Collateral unless such waiver shall be in writing and signed by the Secured Party. No delay or omission on the part of the Secured Party in exercising any right or remedy shall operate as a waiver of such right or remedy or any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All rights and remedies of the Secured Party with respect to the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as the Secured Party deems expedient.

18. Suretyship Waivers by the Subsidiary. The Subsidiary waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral

received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, the Subsidiary assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Secured Party may deem advisable. The Secured Party shall have no duty as to the collection or protection of the Collateral or any income therefrom, the preservation of rights against prior parties, or the preservation of any rights pertaining thereto beyond the safe custody thereof as set forth in Section 11.2. The Subsidiary further waives any and all other suretyship defenses. Notwithstanding the foregoing, the Subsidiary does not waive any of the terms or provisions of the Obligations or as otherwise set forth herein or under the Guaranty or Pledge Agreement.

19. Marshalling. The Secured Party shall not be required to marshal any present or future collateral security (including but not limited to the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, the Subsidiary hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Secured Party's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, the Subsidiary hereby irrevocably waives the benefits of all such laws.

20. Proceeds of Dispositions; Expenses. Following and during the continuance of an Event of Default, the Subsidiary shall pay to the Secured Party on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by the Secured Party in protecting, preserving or enforcing the Secured Party's rights and remedies under or in respect of any of the Obligations or any of the Collateral. After deducting all of said expenses, the residue of any proceeds of collection or sale or other disposition of the Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as the Secured Party may determine or in such order or preference as is provided in the Purchase Agreement, proper allowance and provision being made for any Obligations not then due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Sections 9-608(a)(1)(C) or 9-615(a)(3) of the Uniform Commercial Code of the State, any excess shall be returned to the Subsidiary. In the absence of final payment and satisfaction in full of all of the Obligations, the Subsidiary shall remain liable for any deficiency.

21. Overdue Amounts. Following and during the continuance of an Event of Default, until paid, all amounts due and payable by the Subsidiary hereunder shall be a debt secured by the

Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in the Notes.

22. Governing Law. This Agreement shall be governed by, and construed in accordance with, the substantive laws of the State of Delaware, without regard to conflict of laws principles.

23. **WAIVER OF JURY TRIAL AND CONSENT TO JURISDICTION.**
GUARANTOR HEREBY IRREVOCABLY CONSENTS TO THE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT IN THE STATE OF DELAWARE AND KNOWINGLY AND IRREVOCABLY WAIVES A TRIAL BY JURY WITH RESPECT TO ANY PROCEEDING INVOLVING THIS AGREEMENT.

24. Miscellaneous. The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon the Subsidiary and its respective successors and assigns, and shall inure to the benefit of the Secured Party and its successors and assigns. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Subsidiary acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF, intending to be legally bound, the Subsidiary has caused this Agreement to be duly executed as of the date first above written.

TPI TECHNOLOGY, INC.

By: /s/ Steven C. Lockard
Title: President & CEO

Accepted:

TRUE NORTH PARTNERS, LLC

By: /s/ Michael L. Pierce
Title: Member

[Signatures continued from previous page]

/s/ Steven C. Lockard
Steven C. Lockard

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF DELAWARE)
) ss.
COUNTY OF _____)

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this ____ day of _____, 2004, personally appeared _____ to me known personally, and who, being by me duly sworn, deposes and says that [s]he is the ____ of _____, and that said instrument was signed and sealed on behalf of said _____ by authority of its Board of Directors, and said ____ acknowledged said instrument to be the free act and deed of said _____.

Notary Public
My commission expires:

**SCHEDULE A
Registered Copyrights**

Title of Work

Registration Number

Date of Registration

NONE

**SCHEDULE B
Copyright Applications**

Title of Work

Application Number

NONE

SCHEDULE C
Issued U.S. Patents of the Subsidiary

Patents	Title	Inventor(s)	Issue Date
4,902,215 (US) (283370-00033)	Plastic Transfer Molding Techniques For The Production Of Fiber Reinforced Plastic Structures	W. Seemann, III	02/20/90
5,052,906 (US) (283370-00034)	Plastic Transfer Molding Techniques For The Production Of Fiber Reinforced Plastic Structures	W. Seemann	10/01/91
5,316,462 (US) (283370-00025)	Unitary Vacuum Bag For Forming Fiber Reinforced Composite Articles	W. Seemann	05/31/94
680,262 (Australia) (283370-00027)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	12/11/97
267,196 (New Zealand) (283370-00031)	Unitary Vacuum Bag To Press And Distribute Resin On Mould Fibre Lay-Up	W. Seemann	4/9/98
2,156,061 (Canada) (283370-00028)	Unitary Vacuum Bag and Process For Making Same	W. Seemann	03/02/99
5,439,635 (US) (283370-00021)	Unitary Vacuum Bag For Forming Fiber Reinforced Composite Articles And Process For Making The Same	W. Seemann	08/08/95
5,601,852 (US) (283370-00035)	Unitary Vacuum Bag For Forming Fiber Reinforced Composite Articles And Process For Making The Same	W. Seemann	02/11/97
5,702,663 (US) (283370-00036)	Vacuum Bag for Forming Fiber Reinforced Composite Articles And Method For Using Same	W. Seemann	12/30/97
5,721,034 (US) (283370-00037)	Large Composite Structures Incorporating A Resin Distribution Network	W. Seemann, III G. Tunis, III A. Perrella R. Haraldsson W. Everitt E. Pearson	02/24/98

5,904,972 (US) (283370-00038)	Large Composite Core Structures Formed By Vacuum Assisted Resin Transfer Molding	G. Tunis S. Winckler*	05/18/99
5,958,325 (US) (283370-00042)	Large Composite Structures And A Method For Production Of Large Composite Structures Incorporating A Resin Distribution Network	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	09/28/99
308243 (Norway) (283370-00032)	Unitary Vacuum Bag For Forming Fiber Reinforced Composite Articles And Process For Making Same	W. Seemann	08/21/00
2223779 (Canada) (283370-00046)	Production Of Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	8/8/00
ZL96195474.4 (China) (283370-00047)	Production Of Large Composite Structures	W. Seemann A. Perrella G. Tunis	03/29/01
ZL00129914.x (China) (283370-00073)	Production Of Large Composite Structures, Tool And Method Therefore	W. Seemann A. Perrella G. Tunis	12/12/03
738579 (Australia) (283370-00044)	Production Of Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	1/3/02
708818 (Australia) (283370-00045)	Production Of Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	11/25/99
311277 (New Zealand) (283370-00019)	Production Of Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	2/8/00
312,448 (Norway) (283370-00018)	Production Of Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson	5/13/02

		A. Perrella G. Tunis	
6,159,414 (US) (283370-00039)	Large Composite Core Structures Formed By Vacuum Assisted Resin Transfer Molding	G. Tunis S. Winckler*	12/12/2000
741696 (Australia) (283370-00060)	Large Composite Core Structures Formed By Vacuum Assisted Resin Transfer Molding	G. Tunis S. Winckler*	3/21/02
HK1015317 (Hong Kong) (283370-00014)	Production Of Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	11/9/01
0 684 899 (Italy) (283370-000219)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	01/16/02
306949 (Korea) (283370-00030)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	08/16/01
0 684 899 (Germany) (283370-00029)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	01/16/02
0 684 899 (Austria) (283370-00029)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	01/16/02
0 684 899 (Switzerland) (283370-00029)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	01/16/02
0 684 899 (Greece) (283370-00029)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	01/16/02
0 684 899 (Ireland) (283370-00029)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	01/16/02
0 684 899 (Sweden) (283370-00029)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	01/16/02
0 684 899 (Belgium) (283370-00029)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	01/16/02
0 684 899 (Denmark) (283370-00029)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	01/16/02
0 684 899 (Spain) (283370-00029)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	01/16/02

0 684 899 (France) (283370-00029)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	01/16/02
0 684 899 (Great Britain) (283370-00029)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	01/16/02
0 684 899 (The Netherlands) (283370-00029)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	01/16/02
0 684 899 (Portugal) (283370-00029)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	01/16/02
6,558,608 (US) (283370-00076)	Method For Molding Fiber Reinforced Resin Composite Container	R. Haraldsson A. Perrella	05/06/03
0 831 987 (283370-00048) (Europe)	Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	3/12/03
0 831 987 (283370-00048) (Switzerland)	Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	3/12/03
0 831 987 (283370-00048) (Germany)	Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	3/12/03
0 831 987 (283370-00048) (Denmark)	Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	3/12/03

0 831 987 (283370-00048) (Spain)	Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	3/12/03
0 831 987 (283370-00048) (France)	Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	3/12/03
0 831 987 (283370-00048) (Britain)	Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	3/12/03
0 831 987 (283370-00048) (Greece)	Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	3/12/03
0 831 987 (283370-00048) (Ireland)	Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	3/12/03
0 831 987 (283370-00048) (Italy)	Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	3/12/03

0 831 987 (283370-00048) (Portugal)	Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	3/12/03
0 831 987 (283370-00048) (Sweden)	Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	3/12/03
0 998 385 (283370-00059) (Europe)	Large Composite Core Structures Formed By Vacuum Assisted Resin Transfer Molding	G. Tunis S. Winckler*	11/05/03
6,773,655 (US) (283370-00013)	Large Composite Structures And A Method For Production Of Large Composite Structures Incorporating A Resin Distribution Network	W. Seemann G. Tunis	08/10/04
0 525 263 (Europe) (283370-00058)	Plastic Transfer Molding Techniques For The Production Of Fiber Reinforced Plastic Structures	W. Seemann	3/27/96
1304211 (Europe) (283370-00048-1) (283370-00093)	Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	4/28/04
190,756 (India) (283370-00023)	Unitary Vacuum Bag For Forming Fiber Reinforced Composite Articles And Process For Making Same	W. Seemann	08/2004
502432 (New Zealand) (283370-00066) (283370-00012-8)	Large Composite Core Structures Formed By Vacuum Assisted Resin Transfer Molding	G. Tunis S. Winckler*	9/9/02

SCHEDULE D
Pending U.S. Patent Applications of the Subsidiary

Application (Docket No.)	Title	Inventor(s)	Filing Date
624/Del/2003 283370-00023-1 283370-00097 (India)	Unitary Vacuum Bag For Forming Fiber Reinforced Composite Articles And Process For Making Same	W. Seemann	4/21/03
625/Del/2003 283370-00023-2 283370-00098 (India)	Unitary Vacuum Bag For Forming Fiber Reinforced Composite Articles And Process For Making Same	W. Seemann	4/21/03
709122/97 (Korea) (283370-00017)	Large Composite Structures And A Method For Production Of Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	12/08/97
1285 /Del/1996 (India) (283370-00015)	Large Composite Structures And A Method For Production Of Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	06/11/96
1285 /Del/1996 (India) (283370-00015-1) (283370-00110)	Large Composite Structures And A Method For Production Of Large Composite Structures	W. Seemann E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	06/11/96
Appl. No. 8-500904. (Japan) (Pub. No. 10-504501) (283370-00024)	Unitary Vacuum Bag And Process For Making Same	W. Seemann	05/15/95
Appl. No. 9-501558	Production Of Large Composite	W. Seemann	6/4/96

(Japan) (Pub. No. 20005016569 (283370-00016)	Structures	E. Pearson W. Everitt R. Haraldsson A. Perrella G. Tunis	
00129913.1 (China) (283370-00072)	Production Of Large Composite Structures	W. Seemann A. Perrella G. Tunis	6/4/96
03103308.8 (Hong Kong) (283370-00100)	Production Of Large Composite Structures	W. Seemann A. Perrella G. Tunis	6/4/96
03103309.7 (Hong Kong) (283370-00101)	Production Of Large Composite Structures	W. Seemann A. Perrella G. Tunis	6/4/96
00-503992 (283370-00063) (Japan)	Large Composite Core Structures Formed By Vacuum Assisted Resin Transfer Molding	G. Tunis S. Winckler *	07/23/98

SCHEDULE E
U.S. Trademarks of the Subsidiary

Mark	Registration No.
SCRIMP	1,953,608
SCRIMP	2,769,424

SCHEDULE F
Pending U.S. Trademark Applications of the Subsidiary

Application No.	Filing Date	Applicant	Mark
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NONE