

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
Bairnco Corporation	11/09/2006
Arlon, Inc.	11/09/2006
Kasco Corporation	11/09/2006
Southern Saw Acquisition Corporation	11/09/2006

RECEIVING PARTY DATA

Name:	Bank of America, N.A., as Agent
Street Address:	300 Galleria Parkway
Internal Address:	Suite 800
City:	Atlanta
State/Country:	GEORGIA
Postal Code:	30339

PROPERTY NUMBERS Total: 4

Property Type	Number
Patent Number:	6703114
Patent Number:	5604017
Patent Number:	5569488
Application Number:	06011876

CORRESPONDENCE DATA

Fax Number: (404)522-8409

*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

Phone: 404-420-5527

Email: rbirdwell@phrd.com

Correspondent Name: Rhonda J. Birdwell, PHRD

Address Line 1: 285 Peachtree Center Avenue

Address Line 2: 1500 Marquis Two Tower

Address Line 4: Atlanta, GEORGIA 30303

PATENT

500183353

REEL: 018545 FRAME: 0360

CH \$160.00 6703114

ATTORNEY DOCKET NUMBER:

2689-33 - BAIRNCO

NAME OF SUBMITTER:

Mitchell M. Purvis

Total Attachments: 14

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## **PATENT SECURITY AGREEMENT**

This **PATENT SECURITY AGREEMENT** (this "Agreement") is made as of November 9, 2006, by and among **BANK OF AMERICA, N.A.**, a national banking association having an office at 300 Galleria Parkway, N.W., Suite 800, Atlanta, Georgia, 30339, in its capacity as agent (together with its successors and assigns in such capacity, "Agent") for the Lenders (as hereinafter defined), **BAIRNCO CORPORATION**, a Delaware corporation ("Bairnco"), **ARLON, INC.**, a Delaware corporation ("Arlon"), **KASCO CORPORATION**, a Delaware corporation ("Kasco"; Bairnco, Arlon and Kasco are referred to herein collectively as the "Borrowers" and each individually as a "Borrower"), and **SOUTHERN SAW ACQUISITION CORPORATION**, a Delaware corporation ("Acquisition"; Acquisition and each of the Borrowers are referred to herein collectively as the "Companies" and each individually as a "Company").

### **Recitals:**

The Borrowers desire to obtain loans and other financial accommodations from Agent and those financial institutions ("Lenders") that are parties from time to time as lenders to that certain Loan and Security Agreement dated as of November 9, 2006 (as from time to time amended, restated, supplemented or otherwise modified, the "Loan Agreement"), by and among the Borrowers, certain affiliates of the Borrowers, Agent and Lenders.

Agent and Lenders are willing to make loans and other financial accommodations to the Borrowers from time to time pursuant to the terms of the Loan Agreement, provided that the Companies execute this Agreement.

NOW, THEREFORE, for Ten Dollars (\$10.00) in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Companies hereby agree with Agent as follows:

1. Each capitalized term used herein (including those used in the Recitals hereto), unless otherwise defined herein, shall have the meaning ascribed to such term in the Loan Agreement. As used herein, the term "Full Payment" shall mean full and final payment of the Obligations and termination of the Commitments; and the term "UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of Georgia.

2. To secure the prompt payment and performance of all of the Obligations, each Company hereby grants, assigns and pledges to Agent, for the benefit of itself and Lenders (collectively, the "Secured Parties"), a continuing security interest in and Lien upon all of the following property of such Company, whether now existing or hereafter created or acquired (collectively, the "Patent Collateral"):

(a) the entire right, title and interest of such Company in and to the patent applications and patents listed in Exhibit A attached hereto (as the same may be amended

from time to time), and all re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof, including, without limitation, the right to sue for past, present and future infringements and rights corresponding thereto throughout the world (all of the foregoing being referred to herein collectively as the "Patents"); and

(b) all proceeds of the foregoing (such as, by way of example, but without limiting the generality of the foregoing, license royalties and proceeds of infringement suits).

3. Each Company covenants with and warrants to Agent that:

(a) The Patents are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) Such Company is now and shall continue to be the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, free and clear of any Liens other than Permitted Liens;

(c) Such Company has the unqualified right to enter into this Agreement and perform its terms; and

(d) Such Company has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents and has made, and will continue to make, all appropriate filings with the United States Patent and Trademark Office and any applicable foreign filing offices to maintain the Patents in existence, including, without limitation, filing all necessary documents with the United States Patent and Trademark Office and any applicable foreign filing offices for each Patent to maintain it without loss of protection therefor.

4. Until Full Payment of the Obligations, no Company shall enter into any license agreement relating to any of the Patents with any Person except non-exclusive licenses to customers, vendors, suppliers, agents or other service providers of the Company in the regular and ordinary course of such Company's business as presently conducted and for reasonable and customary compensation, nor shall any Company become a party to any agreement with any Person that is inconsistent with such Company's obligations under this Agreement.

5. If, before Full Payment of the Obligations, any Company shall obtain rights to any new patentable inventions, or become entitled to the benefit of any patent application or patent for any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent, the provisions of paragraph 2 hereof shall automatically apply thereto and such Company shall give to Agent prompt notice thereof in writing.

6. Each Company irrevocably authorizes and empowers Agent to modify this Agreement by amending Exhibit A to include any future patents and patent applications.

7. Each Company hereby grants to Agent, and its employees and agents (and any Lender or Lenders and their respective employees and agents), the visitation, audit and

inspection rights with respect to such Company and its Patent Collateral that each Borrower has granted with respect to such Borrower and its Collateral as set forth in the Loan Agreement.

8. At any time that an Event of Default exists, Agent shall have, in addition to all other rights and remedies given it by this Agreement and the other Loan Documents, all rights and remedies under applicable law and all rights and remedies of a secured party under the UCC and all other rights and remedies under any other applicable law. Without limiting the generality of the foregoing, Agent may immediately, for the benefit of Secured Parties, without demand of performance and without notice (except as described in the next sentence, if required by applicable law) or demand whatsoever to any Company, each of which the Companies hereby expressly waive, and without advertisement (except as otherwise provided by applicable law), collect directly any payments due any Company in respect of the Patent Collateral, or sell at public or private sale or otherwise realize upon all or from time to time any of the Patent Collateral or any interest that the Company may have therein. Each Company hereby agrees that ten (10) days notice to such Company of any public or private sale or other disposition of any of the Patent Collateral shall be reasonable notice; provided, however, that no notice shall be required hereunder if not otherwise required by applicable law. At any such sale or disposition, Agent may, to the extent permitted by law, purchase the whole or any part of the Patent Collateral sold free from any right of redemption on the part of any Company, which right the Companies hereby waive and release. After deducting from the proceeds of such sale or other disposition of the Patent Collateral all reasonable costs and expenses incurred by Agent in enforcing its rights hereunder (including, without limitation, all attorneys' fees), Agent shall apply the remainder of such proceeds to the payment of the Obligations in such order or manner as may be authorized or required by the Loan Agreement. Any remainder of the proceeds after Full Payment of the Obligations shall be paid over to the corresponding Company. If any deficiency shall arise, such Company and each Guarantor of the Obligations shall remain jointly and severally liable therefor.

9. Each Company hereby makes, constitutes and appoints Agent, and any officer or agent of Agent as Agent may select, as such Company's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall exist: to endorse such Company's name on all applications, documents, papers and instruments necessary for Agent to continue the maintenance of or to use the Patents, or to grant or issue any exclusive or nonexclusive license under the Patents to any other Person, or to assign, pledge, convey or otherwise transfer title in or dispose of any Patent Collateral to any other Person. Each Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until Full Payment of the Obligations.

10. Any and all reasonable fees, costs and expenses, of whatever kind or nature, (including, without limitation, reasonable attorneys' fees and legal expenses) incurred by Agent in connection with the preparation of this Agreement and any other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including, without limitation, all taxes in connection therewith) with the United States Patent and Trademark Office or in any other public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, Liens or otherwise, in protecting, maintaining, or preserving any Patent Collateral or in defending or prosecuting any actions or proceedings arising out of or related to

any Patent Collateral, shall be borne and paid by the Companies jointly and severally (it being the intent of the Companies and Agent that the Companies shall be responsible for the payment of all sums, fees, costs and expenses, including, without limitation, all maintenance fees payable with respect to the Patents) or, if paid by Agent in its sole discretion, shall be reimbursed by the Companies, jointly and severally, **on demand** by Agent and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the per annum interest rate then applicable for Base Rate Loans.

11. Each Company shall use commercially reasonable efforts to detect any infringers of the Patents and shall notify the Agent in writing of material infringements detected. Each Company shall have the duty, through counsel acceptable to Agent, to prosecute diligently any patent application for a Patent pending as of the date of this Agreement or thereafter until Full Payment of the Obligations, to make application on unpatented but patentable inventions (subject to such Company's reasonable discretion in the ordinary course of business or, during the existence of an Event of Default or a Default, promptly upon Agent's request), to file and prosecute opposition and cancellation proceedings, to file and prosecute lawsuits to protect each Patent and to do any and all acts which are deemed necessary or desirable by Agent to preserve and maintain all rights in patent applications for each Patent, unless in any such case such Company has determined that such Patent is no longer material to the conduct of its business. Any expenses incurred in connection with such applications or proceedings shall be borne by such Company. No Company shall abandon any pending patent application or Patent without the prior written consent of Agent, unless such Company has determined that such patent application or Patent is no longer necessary or material to the conduct of its business.

12. Notwithstanding anything to the contrary contained in paragraph 11 hereof, at any time that an Event of Default exists Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and any license hereunder, or to defend any suit or counterclaim in its own name to protect any Patents or license hereunder, in either of which events the Companies shall at the request of Agent do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Agent to aid such enforcement or defense and the Companies shall promptly, upon demand, reimburse and indemnify Agent for all reasonable costs and expenses incurred by Agent in the exercise of its Agent's rights under this paragraph 12.

13. If any Company fails to comply with any of its obligations hereunder and at the time of such failure or as a result thereof an Event of Default exists, then, to the extent permitted by applicable law, Agent may discharge such obligations in such Company's name or in Agent's name, in Agent's sole discretion, but at such Company's expense, and such Company agrees to reimburse Agent in full for all expenses, including, without limitation, attorneys' fees, incurred by Agent in prosecuting, defending or maintaining the Patents or Agent's interest therein pursuant to this Agreement.

14. No course of dealing between any Company and Agent or any Lender, nor any failure to exercise, nor any delay in exercising, on the part of Agent or any Lender, any right, power or privilege hereunder or under any of the other Loan Documents, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder

or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

15. All of Agent's rights and remedies with respect to the Patent Collateral, whether established by this Agreement or by any of the other Loan Documents, or by any other agreements or by applicable law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable, in whole or in part, in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provisions in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

17. This Agreement, together with the other Loan Documents, constitutes and expresses the entire understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings, inducements or conditions, whether express or implied, oral or written. This Agreement is subject to modification only by writing signed by the parties, except as provided in paragraph 6 hereof.

18. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of each Secured Party and upon the successors and permitted assigns of each Company. No Company shall assign its rights or delegate its duties hereunder without the prior written consent of Agent.

19. Each Company hereby waives notice of Agent's acceptance hereof.

20. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Georgia.

21. This Agreement may be executed in any number of counterparts and by different parties to this Agreement on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

**22. To the fullest extent permitted by applicable law, the Companies and Agent each waive the right to trial by jury in any action, suit, proceeding or counterclaim of any kind arising out of or related to this Agreement or the Patent Collateral.**

[Remainder of page intentionally left blank; signatures appear on following page]

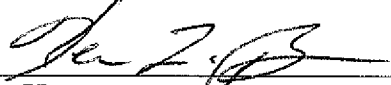
IN WITNESS WHEREOF, the parties hereto have signed, sealed and delivered this Agreement on the day and year first written above.

**"COMPANIES":**

ATTEST:

\_\_\_\_\_  
**Larry D. Smith**, Secretary  
[CORPORATE SEAL]

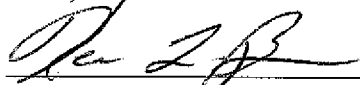
**BAIRNCO CORPORATION**

By:   
Name: **Kenneth L. Bayne**  
Title: Vice President & Treasurer

ATTEST:

\_\_\_\_\_  
**Larry D. Smith**, Secretary  
[CORPORATE SEAL]

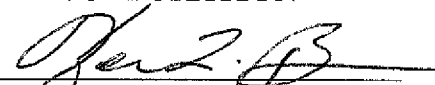
**ARLON, INC.**

By:   
Name: **Kenneth L. Bayne**  
Title: Treasurer

ATTEST:

\_\_\_\_\_  
**Larry D. Smith**, Secretary  
[CORPORATE SEAL]

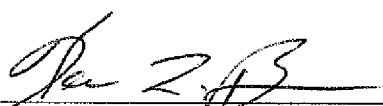
**KASCO CORPORATION**

By:   
Name: **Kenneth L. Bayne**  
Title: Vice President & Treasurer

ATTEST:

\_\_\_\_\_  
**Larry D. Smith**, Secretary  
[CORPORATE SEAL]

**SOUTHERN SAW  
ACQUISITION CORPORATION**

By:   
Name: **Kenneth L. Bayne**  
Title: Vice President and Treasurer


[Signatures continue on following page]



IN WITNESS WHEREOF, the parties hereto have signed, sealed and delivered this Agreement on the day and year first written above.

**"COMPANIES":**


ATTEST:

  
Larry D. Smith, Secretary  
[CORPORATE SEAL]

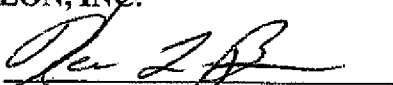
**BAIRNCO CORPORATION**

By:   
Name: **Kenneth L. Bayne**  
Title: Vice President & Treasurer


ATTEST:

  
Larry D. Smith, Secretary  
[CORPORATE SEAL]

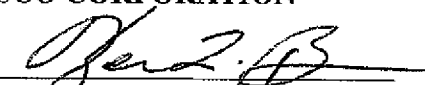
**ARLON, INC.**

By:   
Name: **Kenneth L. Bayne**  
Title: Treasurer


ATTEST:

  
Larry D. Smith, Secretary  
[CORPORATE SEAL]


**KASCO CORPORATION**

By:   
Name: **Kenneth L. Bayne**  
Title: Vice President & Treasurer

ATTEST:

  
Larry D. Smith, Secretary  
[CORPORATE SEAL]

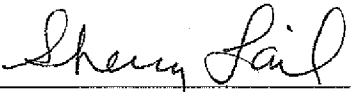
**SOUTHERN SAW  
ACQUISITION CORPORATION**

By:   
Name: **Kenneth L. Bayne**  
Title: Vice President and Treasurer

[Signatures continue on following page]

Accepted:

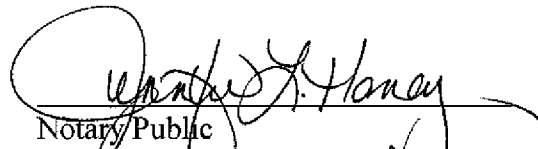
**BANK OF AMERICA, N.A.,**  
as Agent

By:   
Name: **Sherry Lail**  
Title: Senior Vice President

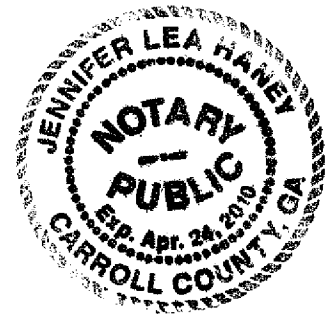
STATE OF GEORGIA       §  
                                     §  
COUNTY OF FULTON     §

BEFORE ME, the undersigned authority, on this day personally appeared Kenneth L. Bayne, the Vice President and Treasurer of **Bairnco Corporation**, a Delaware corporation, to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 8<sup>th</sup> day of November, 2006.

  
Notary Public  
My Commission Expires: Apr 24, 2010

[NOTARIAL SEAL]



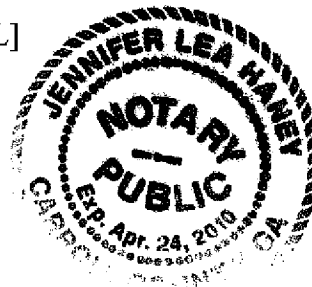
STATE OF GEORGIA     §  
                                  §  
COUNTY OF FULTON   §

BEFORE ME, the undersigned authority, on this day personally appeared Kenneth L. Bayne, the Treasurer of **Arlon, Inc.**, a Delaware corporation, to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 8<sup>th</sup> day of November, 2006.

  
Notary Public  
My Commission Expires: April 24, 2010

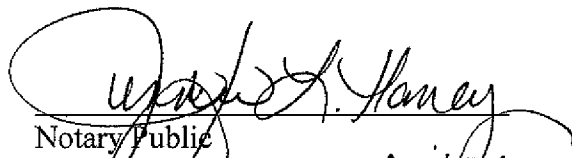
[NOTARIAL SEAL]



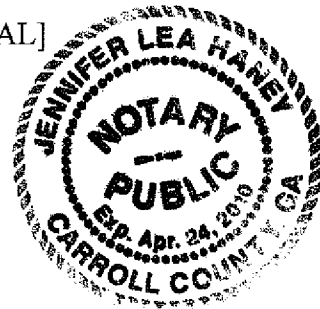
STATE OF GEORGIA       §  
                                  §  
COUNTY OF FULTON     §

BEFORE ME, the undersigned authority, on this day personally appeared Kenneth L. Bayne, the Vice President and Treasurer of **Kasco Corporation**, a Delaware corporation, to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 8<sup>th</sup> day of November, 2006.

  
Notary Public  
My Commission Expires: April 24, 2010

[NOTARIAL SEAL]



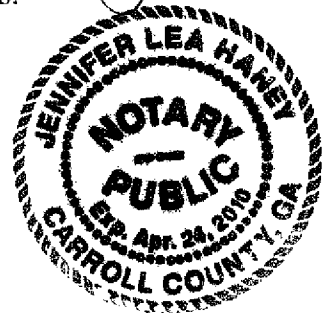
STATE OF GEORGIA     §  
                                  §  
COUNTY OF FULTON   §

BEFORE ME, the undersigned authority, on this day personally appeared Kenneth L. Bayne, the Vice President and Treasurer of **SOUTHERN SAW ACQUISITION CORPORATION**, a Delaware corporation, to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 8<sup>th</sup> day of November, 2006.

  
Notary Public  
My Commission Expires:

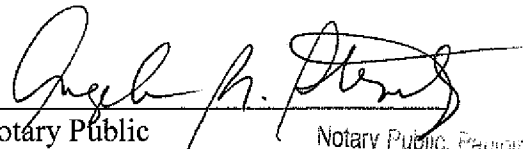
[NOTARIAL SEAL]



STATE OF GEORGIA       §  
                                  §  
COUNTY OF FULTON     §

BEFORE ME, the undersigned authority, on this day personally appeared Sherry Lail, Senior Vice President of **Bank of America, N.A.**, a national banking association, as Agent, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said national banking association.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 9<sup>th</sup> day of November, 2006.

  
\_\_\_\_\_  
Notary Public                      Notary Public, Paulding County, Georgia  
My Commission Expires:      My Commission Expires June 6, 2009

[NOTARIAL SEAL]

## EXHIBIT A

### Patents and Patent Applications

Patent	Federal Registration Number	Registration Date	Owner of Patent
Laminate structures, methods for production thereof and uses therefor	6,703,114	3/9/2004	Arlon, Inc.
Multi-dielectric laminates	5,604,017	2/18/1997	Arlon, Inc.
Method of making multi-dielectric laminates	5,569,488	10/29/1996	Arlon, Inc.
Saw blade for cutting bread and process of using the same	5,095,790	3/17/1992	Southern Saw Acquisition Corporation

### Patent Applications

Patent Application	Federal Serial Number	Application Date	Owner of Patent
Low loss prepregs, compositions useful for the preparation thereof and uses therefor	20060118766	6/8/2006	Arlon, Inc.