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Form PTO-1595

(Rev. 10/02)

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

JUN -4 PM 2:25

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

SPI ACQUISITION, LLC

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

3. Nature of conveyance:

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

Execution Date: 05/11/07

2. Name and address of receiving party(ies)

Name: RBC CENTURA BANK

Internal Address: 75 5th Street, Suite 900

Street Address: 75 5th Street, Suite 900

City: Atlanta State: GA Zip: 30308

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

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s) _____

B. Patent No.(s) D385,733, D344,142
D344,143Additional numbers attached? ☐ Yes ☒ No

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

Name: Bradley E. Wahl, Esq.

Internal Address: Nelson Mullins Riley &

Scarborough, LLP

Street Address: 999 Peachtree Street, NE

Suite 1400

City: Atlanta State: GA Zip: 30309

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3.41).....\$ 120.00

- ☒ Enclosed
- ☐ Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Bradley E. Wahl, Esq.

Name of Person Signing

Signature

May 31, 2007

Date

Total number of pages including cover sheet, attachments, and documents: 7

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments

Washington, D.C. 20231

06/05/2007 DBYRME 00000121 D385733

01 FC:8021

120.00 DP

PATENT

REEL: 019399 FRAME: 0960

Customer No. _____
Loan No. _____
Loan No. _____
Loan No. _____
Loan No. _____

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "Agreement") is made as of May 11, 2007 by SPI ACQUISITION, LLC ("Debtor"), and RBC CENTURA BANK ("Bank")

WITNESSETH:

WHEREAS, Bank and SOUTHERN STAIRCASE HOLDINGS, INC. ("Parent"), SOUTHERN STAIRCASE, INC. ("Borrower") and SOUTHERN STAIRCASE ACQUISITION, INC. ("Acquisition", which subsequently merged with and into Borrower, with Borrower as the surviving entity) have made and entered into a certain Loan and Security Agreement (C & I), dated as of June 19, 2006, as amended (as amended, modified, supplemented and restated from time to time, the "Loan Agreement"); and

WHEREAS, Debtor will acquire certain assets of Stair Parts, Inc., including the "Patents" described herein;

WHEREAS, the financial accommodations to be extended to the Debtor under the Loan Documents will inure to the benefit of Debtor; and

WHEREAS, Bank has required, as a condition to the extension of certain additional financial accommodations to be extended to Borrower under the Loan Agreement, that Debtor pledge to Bank and grant to Bank a Lien on and in its "Patents" (as defined herein) as security for the Obligations; and

WHEREAS, Debtor is willing to execute and deliver this Agreement in order to induce Bank to make financial accommodations set forth in the Loan Documents;

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

1. Defined Terms. Unless otherwise defined herein, each capitalized term used herein that is defined in the Loan Agreement shall have the meaning specified for such term in the Loan Agreement. The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.

2. Security Interest in Patents. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, Debtor hereby grants, assigns, transfers and pledges to the Bank, a security interest in and lien on as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale, to the extent permitted by law, upon the occurrence and during the continuation of an Event of Default, all of Debtor's right, title and interest in and to the following, whether, now existing or hereafter acquired: patents and patent applications, including, without limitation, the patents, and patent applications listed on Schedule I attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue or otherwise recover for past, present and future infringements thereof, (d) all of Debtor's rights corresponding thereto throughout the world, and (e) all other proceeds and products of the foregoing, including (without limitation) any rights pursuant to its agreements with any other party relating thereto (all of the foregoing patents, registered patents and patent applications, together with the items described in clauses (a)-(e) in this Section 2, are sometimes hereinafter individually and/or collectively referred to as the "Patents").

3. New Patents. Debtor represents and warrants that, from and after the date of this Agreement, (a) the Patents listed on Schedule 1 are a true, accurate and complete list of all of Debtor's Patents, and (b) no Liens in such Patents have been granted by Debtor to any Person, other than the Bank and except as permitted in the Loan Agreement. If, prior to payment in full of the Obligations and the termination of this Agreement, Debtor shall (i) obtain rights to any new Patents or (ii) become entitled to the benefit of any Patents, the provisions of Section 2 above shall automatically apply thereto. Debtor shall give to the Bank written notice of the acquisition of new Patents promptly after the occurrence thereof. Debtor may, and hereby authorizes the Bank to, modify this Agreement unilaterally upon Debtor's notice to the Bank (i) by amending Schedule I to include any future Patents and (ii) by filing, in addition to and not in substitution for this Agreement, a duplicate original of this Agreement containing on Schedule I thereto, as the case may be, such future Patents.

4. Grant of License. Bank hereby grants to Debtor the royalty-free, exclusive, nontransferable right and license to make, have made, use, and sell the inventions disclosed and claimed in the Patents for Debtor's own benefit and account and for none other. Such right and license shall be exercisable by Debtor only until the occurrence of an Event of Default. Except as otherwise permitted by Loan Documents, Debtor agrees not to sell or assign its interest in, or grant any sublicense under, the right and license granted to it in this Section without the prior written consent of Bank.

5. Royalties. Debtor hereby agrees that the use by the Bank of the Patents as authorized hereunder in connection with the Bank's exercise of its rights and remedies hereunder or pursuant to any Loan Document shall be coextensive with Debtor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Bank to Debtor.

6. Duties of the Debtor. Debtor shall have the duty, to the extent desirable in the normal conduct of its business, to (a) prosecute diligently any Patent application that is part of the Patents pending as of the date hereof or hereafter until the termination of this Agreement, (b) make application on unpatented but patentable inventions, as appropriate, giving due consideration to value, importance, cost, and opinion of counsel as to patentability, and (c) preserve, maintain, and enforce against infringement all Patents (other than nonpayment of maintenance fees on patents which are not necessary or useful in the conduct of Debtor's business or operations, if so consented to by Bank). Debtor further agrees (i) not to abandon any Patent without the prior written consent of the Bank, and (ii) to maintain in full force and effect the Patents. Any expenses incurred in connection with the foregoing shall be borne by the Debtor. The Bank shall not have any duty, other than any duty imposed by law, with respect to the Patents. Without limiting the generality of the foregoing, the Bank shall be under no obligation to take any steps necessary to preserve rights in the Patents against any other parties, but the Bank may do so at its option from and after the occurrence and during the continuance of an Event of Default, and all reasonable out-of-pocket expenses incurred in connection therewith shall be for the account of Debtor and shall be added to the Obligations secured hereby.

7. Power of Attorney; Cumulative Remedies. Debtor hereby irrevocably designates, constitutes and appoints the Bank (and all officers and Banks of the Bank designated by the Bank in its sole and absolute discretion) as Debtor's true and lawful attorney-in-fact, and authorizes the Bank and any of the Bank's designees, in Debtor's or the Bank's name, upon the occurrence and during the continuation of an Event of Default to take any action and execute any instrument necessary or reasonably advisable to accomplish the purposes of this Agreement, and consistent with existing license agreements, including, without limitation, to (i) endorse Debtor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Bank in the use of the Patents, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Patents to anyone, (iii) grant or issue any exclusive or nonexclusive license under the Patents to anyone, and (iv) take any other actions with respect to the Patents as the Bank reasonably deems in its best interest. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated. Debtor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Bank under the Loan Agreement or any other Loan Document, but rather is intended to facilitate the exercise of such rights and remedies.

The Bank shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code

as enacted in any jurisdiction in which the Patents may be located or deemed located. Upon the occurrence of an Event of Default and following the expiration of any applicable notice and/or cure periods and the election by the Bank to exercise any of its remedies under Section 9-504 or Section 9-505 of the Uniform Commercial Code as in effect in the State of Georgia with respect to the Patents, Debtor agrees to assign, convey and otherwise transfer title in and to the Patents to the Bank or any transferee of the Bank and to execute and deliver to the Bank or any such transferee all such agreements, documents and instruments as may be necessary, in the Bank's sole discretion, to effect such assignment, conveyance and transfer. All of the Bank's rights and remedies with respect to the Patents, whether established hereby, by the Loan Agreement or by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence of an Event of Default and following the expiration of any applicable notice and/or cure periods, the Bank may exercise any of the rights and remedies provided in this Agreement, the Loan Agreement or any of the other Loan Documents. Debtor hereby acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Bank under the Loan Agreement, but rather is intended to facilitate the exercise of such rights and remedies. Debtor agrees that any notification of intended disposition of any of the Patents required by law shall be deemed reasonably and properly given if given at least 10 days before such disposition; provided, however, that the Bank may give any shorter notice that is commercially reasonable under the circumstances.

8. Successors and Assigns. This Agreement shall be binding upon Debtor and its successors and assigns, and shall inure to the benefit of Bank and its nominees, successors and assigns. Debtor's successors and assigns shall include, without limitation, a receiver or a trustee of Debtor; provided, however, that Debtor shall not voluntarily assign or transfer its rights or obligations hereunder without the Bank's prior written consent.

9. Governing Law. This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the laws and decisions of the State of Georgia, without reference to the conflicts or choice of law principles thereof.

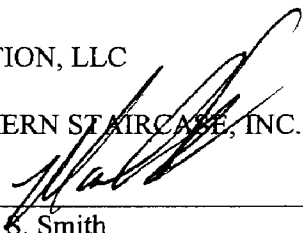
10. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Loan Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

DEBTOR:

SPI ACQUISITION, LLC

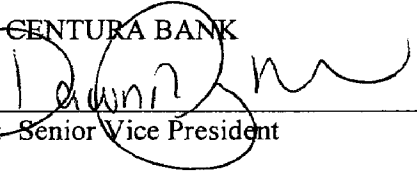
By: SOUTHERN STAIRCASE, INC.

By: 
Mark S. Smith
Chief Financial Officer

[SEAL]

Agreed and Accepted as of this May 11, 2007

RBC CENTURA BANK

By: 
Title: Senior Vice President

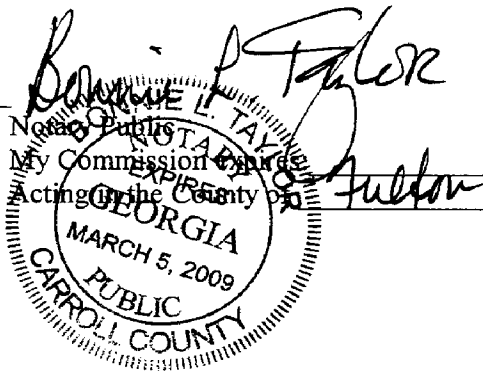
STATE OF GEORGIA)

)ss.:

COUNTY OF FULTON)

The foregoing Patent Security Agreement as executed and acknowledged before me this May 11, 2007 by Mark S. Smith, personally known to me to be an officer SOUTHERN STAIRCASE, INC., the sole member of SPI ACQUISITIONS, LLC, on behalf of such company.

(SEAL)



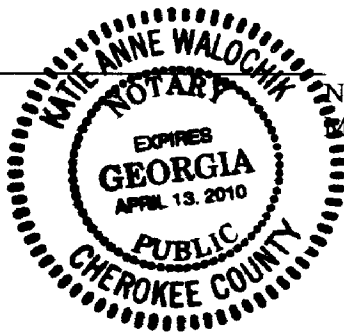
STATE OF GEORGIA)

)ss.:

COUNTY OF FULTON)

The foregoing Patent Security Agreement as executed and acknowledged before me this May 11, 2007 by Dawnita McCain, personally known to me to be a Vice President of RBC CENTURA BANK, a banking corporation, on behalf of said Bank.

(SEAL)



Katie Anne Walochuk
Notary Public
My Commission expires: 4/13/10

Schedule 1
To
Patent Security Agreement

Dated as of May 11, 2007

<u>Name</u>	<u>Record Owner</u>	<u>Registration No.</u>	<u>Date</u>
Tiffany 5205, 5215	SPI Acquisition, LLC	D385,733	11/4/97
Savannah 2300	SPI Acquisition, LLC	D344,142	2/8/94
Biltmore 2500	SPI Acquisition, LLC	D344,143	2/8/94