

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	SECURITY AGREEMENT
<b>CONVEYING PARTY DATA</b>	
<b>Name</b>	<b>Execution Date</b>
Climax Manufacturing Company	05/16/2008
<b>RECEIVING PARTY DATA</b>	
<b>Name:</b>	U.S. Bank National Association
<b>Street Address:</b>	425 Walnut Street
<b>City:</b>	Cincinnati
<b>State/Country:</b>	OHIO
<b>Postal Code:</b>	45202
<b>PROPERTY NUMBERS Total: 7</b>	
<b>Property Type</b>	<b>Number</b>
Patent Number:	6305600
Patent Number:	5989171
Patent Number:	D442859
Patent Number:	5364015
Patent Number:	D474807
Patent Number:	D484047
Application Number:	11802850
<b>CORRESPONDENCE DATA</b>	
<b>Fax Number:</b>	(216)241-0816
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
<b>Phone:</b>	216-622-8200
<b>Email:</b>	ipdocket@calfee.com
<b>Correspondent Name:</b>	Carol A. Costanza
<b>Address Line 1:</b>	Calfee, Halter & Griswold LLP
<b>Address Line 2:</b>	800 Superior Avenue, Suite 1400
<b>Address Line 4:</b>	Cleveland, OHIO 44114-2688

**CH \$280.00 6305600**

ATTORNEY DOCKET NUMBER:

33082/04000

NAME OF SUBMITTER:

Carol A. Costanza

Total Attachments: 16

source=00329113#page1.tif

source=00329113#page2.tif

source=00329113#page3.tif

source=00329113#page4.tif

source=00329113#page5.tif

source=00329113#page6.tif

source=00329113#page7.tif

source=00329113#page8.tif

source=00329113#page9.tif

source=00329113#page10.tif

source=00329113#page11.tif

source=00329113#page12.tif

source=00329113#page13.tif

source=00329113#page14.tif

source=00329113#page15.tif

source=00329113#page16.tif

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

### RECITALS:

CLIMAX MANUFACTURING COMPANY, a New York corporation, ("Pledgor"), is entering into the Financing Agreement, as hereinafter defined, with the Lenders party thereto (collectively, together with their respective successors and assigns, "Lenders" and, individually, "Lender") and U.S. BANK NATIONAL ASSOCIATION, as LC Issuer, Lender, and agent for the Lenders ("Agent").

Pledgor understands that the Lenders are willing to enter into the Financing Agreement and to grant such financial accommodations to Pledgor only upon certain terms and conditions, one of which is that Pledgor grant to Agent, for the benefit of the Lenders, a security interest in, and an assignment of, the Collateral, as hereinafter defined, and this Intellectual Property Security Agreement (as the same may from time to time be amended, restated or otherwise modified, this "Agreement") is being executed and delivered in consideration of each financial accommodation, if any, granted to Pledgor by the Lenders under the Financing Agreement, as hereinafter defined, and for other valuable considerations.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

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

"Assignment" shall mean an Assignment in the form of Exhibit A hereto.

"Collateral" shall mean, collectively, all of Pledgor's existing and future (a) Patents; (b) Trademarks; (c) Licenses; (d) all of the goodwill of Pledgor's business, including, but not limited to, all goodwill connected with and symbolized by the Trademarks; and (e) proceeds of any of the foregoing.

"Debt" shall mean, the Obligations as defined in the Financing Agreement.

"Financing Agreement" shall mean the Financing Agreement executed by and among Pledgor, Agent and the Lenders and dated as of even date herewith, as it may from time to time be amended, restated or otherwise modified.

"Licenses" shall mean any license agreement with any other party, whether Pledgor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Schedule C attached hereto and made a part hereof, and the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter owned by Pledgor and now or hereafter covered by such licenses.

"Patents" shall mean any patent and patent application, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Schedule A attached hereto and made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof; (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof; (c) the right to sue for past, present and future infringements thereof; and (d) all rights corresponding thereto throughout the world.

"PTO" shall mean the United States Patent and Trademark Office in Washington, D.C.

"Trademarks" shall mean any registered trademark, trademark registration, trade name and trademark application, registered service mark, service mark registration, service name and service mark application, including, without limitation, the trademarks, trademark registrations, trade names and trademark applications, service marks, service mark registrations, service names and service mark applications listed on Schedule B attached hereto and made a part hereof, and (a) renewals thereof; (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payment for past or future infringements thereof; (c) the right to sue for past, present and future infringements thereof; and (d) all rights corresponding thereto throughout the world.

Capitalized terms used in this Agreement without definition have the meanings ascribed to such terms in the Financing Agreement.

**Section 2** Grant of Security Interest. In consideration of and as security for the full and complete payment of all of the Debt, Pledgor hereby agrees that Agent shall at all times have, and hereby grants to Agent, for the benefit of the Lenders, a security interest in all of the Collateral, including (without limitation) all of Pledgor's future Collateral, irrespective of any lack of knowledge by Agent or the Lenders of the creation or acquisition thereof.

**Section 3** Warranties and Representations. Pledgor represents and warrants to Agent and the Lenders that as of the date hereof:

(a) Pledgor owns all of the Collateral and, whether the same are registered or unregistered, no such Collateral has been adjudged invalid or unenforceable;

(b) Pledgor has no knowledge of any claim that the use of any of the Collateral does or may violate the rights of any Person;

(c) except for Permitted Liens, Pledgor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Collateral, free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, registered user agreements and covenants by Pledgor not to sue third Persons;

(d) Pledgor has full power, authority and legal right to pledge the Collateral and enter into this Agreement and perform its terms;

(e) Pledgor has used, and shall continue to use, for the duration of this Agreement, proper statutory notice in connection with its use of the Collateral, except where the failure to do so will not have a Material Adverse Effect;

(f) Pledgor is the true and lawful owner or licensee of the Trademarks listed on Schedule B attached hereto and made a part hereof, and that said listed Trademarks constitute all the marks registered in the PTO that such Pledgor now owns or uses in connection with its business, other than any such marks which are (i) owned but not used and (ii) not material to its business. Pledgor represents and warrants that it owns or is licensed to use all Trademarks that it uses, and that it owns all of the registrations listed on Schedule B. Pledgor further warrants that it is aware of no third party claim that any aspect of Pledgor's present or contemplated business operations infringes or will infringe any registered trademark or registered service mark in a manner which would not reasonably be expected to have a Material Adverse Effect; and

(g) Pledgor is the true and lawful owner or licensee of all rights in the Patents listed on Schedule A, attached hereto and made a part hereof, that said Patents constitute all the United

States patents and applications for United States patents that Pledgor now owns, other than any such patents, applications and registrations which are (i) owned but not used and (ii) not material to its business. Pledgor represents and warrants that it owns or is licensed to practice under all Patent registrations that it owns, uses or practices under. Pledgor further warrants that it is aware of no third party claim that any aspect of Pledgor's present or contemplated business operations infringes or will infringe any patent in a manner which would not reasonably be expected to have a Material Adverse Effect.

**Section 4** Further Assignment Prohibited. Pledgor shall not enter into any agreement that is inconsistent with Pledgor's obligations under this Agreement and shall not otherwise sell or assign its interest in, or grant any license or sublicense with respect to, any of the Collateral other than in the ordinary course of business consistent with past practice without Agent's prior written consent which shall not be unreasonably withheld. Absent such prior written consent, any such attempted sale or license is null and void.

**Section 5** Right to Inspect. Pledgor hereby grants to Agent and Lenders and their employees and agents the right to visit any location of Pledgor and to inspect Pledgor's books and records and to make excerpts therefrom and transcripts thereof at such times and upon such notice as is set forth in Section 8.2 of the Financing Agreement.

**Section 6** Standard Patent and Trademark Use. Pledgor shall not knowingly use the Collateral in any manner that would jeopardize the validity or legal status thereof. Pledgor shall comply with all patent marking requirements as specified in 35 U.S.C. §287. Pledgor shall further conform its usage of any material trademarks to standard trademark usage, including, but not limited to, using the trademark symbols ®, ™, and ™ where appropriate.

**Section 7** Event of Default.

(a) Pledgor expressly acknowledges that Agent may record this Agreement with the PTO. Contemporaneously herewith, Pledgor shall also execute and deliver to Agent the Assignment, which Assignment shall have no force and effect and shall be held by Agent, in escrow, until the occurrence of and during the continuance of an Event of Default; provided that, anything herein to the contrary notwithstanding, the security interest granted herein shall be effective as of the date of this Agreement. After the occurrence of an Event of Default (unless such Event of Default has been cured or waived prior to Agent providing the notice provided for this paragraph), the Assignment shall take effect immediately upon certification of such fact by an authorized officer of Agent in the form attached as Exhibit A and upon written notice to Pledgor and thereafter Agent may, in its sole discretion, record the Assignment with the PTO.

(b) If an Event of Default shall occur, Pledgor irrevocably authorizes and empowers Agent, on behalf of the Lenders, to terminate Pledgor's use of the Collateral and to exercise such rights and remedies as allowed by law. Without limiting the generality of the foregoing, Agent may immediately sell at public or private sale, in a commercially reasonable manner, or otherwise realize upon all or, from time to time, any of the Collateral, together with the associated goodwill, or any interest that Pledgor may have therein, and, after deducting from the proceeds of sale or other disposition of the Collateral all reasonable expenses (including all reasonable expenses for attorneys' and brokers' fees and other legal services), Agent shall apply such proceeds as provided in the Financing Agreement. Any remainder of the proceeds, after payment in full of the Debt, shall be distributed in accordance with Chapter 1309 of the Ohio Revised Code. Notice of any sale or other disposition of the Collateral shall be given to Pledgor at least ten (10) business days before the time of any intended public or private sale or other disposition of the Collateral is to be made, which Pledgor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Agent or any Lender may, to the extent permissible under applicable law, purchase the whole or any part of

the Collateral sold, free from any right of redemption on the part of Pledgor, which right is hereby waived and released.

**Section 8** Termination. At such time as the Debt (other than Contingent Indemnification Obligations) has been irrevocably paid in full, the Commitments, as defined in the Financing Agreement, terminated, and the Financing Agreement terminated and not replaced by any other credit facility with Agent and the Lenders, this Agreement shall terminate and Agent shall, upon Pledgor's request, execute and deliver to Pledgor, at Pledgor's expense, all deeds, assignments, and other instruments as Pledgor shall reasonably request to evidence the release of Agent's security interest in the Collateral in connection with such termination, subject to any disposition thereof that may have been made by Agent pursuant hereto; provided, however that the provisions of Section 9, Section 11, Section 22, Section 23, Section 24, Section 25, Section 26, and Section 27 shall survive any termination of this Agreement.

**Section 9** Maintaining Collateral, Attorneys' Fees, Costs and Expenses. Pledgor shall have the obligation and duty to perform all acts necessary to maintain or preserve the Collateral, provided that Pledgor shall not be obligated to maintain any Collateral in the event Pledgor determines, in the reasonable business judgment of Pledgor, that the maintenance of such Collateral is no longer material to Pledgor's business. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including, without limitation, the reasonable attorneys' fees and legal expenses incurred by Agent and the Lenders in connection with the amendment and enforcement of this Agreement, all renewals, required affidavits and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any material taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Collateral, shall be borne and paid by Pledgor, within ten (10) days of demand by Agent, and, until so paid, shall be added to the principal amount of the Debt.

**Section 10** Pledgor's Obligations to Prosecute. Except as otherwise agreed to by Agent in writing, if Pledgor determines in the reasonable business judgment of Pledgor that the maintenance of such collateral is no longer necessary, Pledgor shall have the duty to prosecute diligently any patent application or trademark application pending as of the date of this Agreement or thereafter until the Debt shall have been paid in full, and to do any and all acts that are necessary or desirable to preserve and maintain all rights in the Collateral, including, but not limited to, payment of any maintenance fees. Any reasonable expenses incurred by Agent in connection with the Collateral shall be borne by Pledgor. Pledgor shall not abandon any Collateral without the prior written consent of Agent, unless such abandonment will not have a material adverse effect on Pledgor or such abandonment is in connection with the abandonment of a product or product line.

**Section 11** Agent's Rights to Enforce. Pledgor shall have the right but not the obligation to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Collateral. Agent shall have the right, but shall have no obligation, to join in any such action during the existence of an Event of Default. Pledgor shall promptly, and in any event within ten (10) days of demand, reimburse and indemnify Agent and Lenders for all damages, reasonable costs and expenses, including attorneys' fees incurred by Agent in connection with the provisions of this Section 11, in the event Agent and Lenders elect to join in any such action commenced by Pledgor.

**Section 12** Power of Attorney. Pledgor hereby authorizes and empowers Agent, on behalf of Lenders, to make, constitute and appoint any officer or agent of Agent as Agent may select, in its exclusive discretion, as Pledgor's true and lawful attorney-in-fact, after the occurrence and

during the continuance of an Event of Default, with the power to endorse Pledgor's name on all applications, documents, papers and instruments necessary for Agent to use the Collateral, or to grant or issue any exclusive or nonexclusive license under the Collateral to any third party, or necessary for Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral, together with associated goodwill to a third party or parties. Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.

**Section 13** Agent's Right to Perform Obligations. If Pledgor materially fails to comply with any of its obligations under this Agreement, Agent, on behalf of Lenders, may after reasonable notice to Pledgor, but is not obligated to, do so in Pledgor's name or in Agent's name, but at Pledgor's expense, and Pledgor hereby agrees to reimburse Agent on demand in full for all reasonable expenses, including reasonable attorneys' fees, incurred by Agent in protecting, defending and maintaining the Collateral.

**Section 14** Additional Documents. Pledgor shall, upon written request of Agent, enter into such additional documents or instruments as may be reasonably required by Agent in order to effectuate, evidence or perfect Agent's interests in the Collateral as evidenced by this Agreement.

**Section 15** New Collateral. If, before the Debt shall have been satisfied in full, Pledgor shall obtain rights to any new Collateral, the provisions of Section 2 and Section 7 hereof shall automatically apply thereto as if the same were identified on Schedules A, B or C attached hereto and made a part hereof as of the date hereof, and Pledgor shall give Agent prompt written notice thereof.

**Section 16** Modification for New Collateral. Pledgor hereby authorizes Agent to modify this Agreement by amending Schedules A, B and/or C to include any future Collateral as contemplated by Section 2 and Section 15 hereof and, at Agent's request, Pledgor shall execute any documents or instruments reasonably required by Agent in order to modify this Agreement as provided in this Section 16, provided that any such modification to Schedules A, B and/or C shall be effective without the signature of Pledgor. Pledgor hereby acknowledges that Agent may refile or re-record this Agreement with the PTO, together with any such modification to Schedules A, B and/or C.

**Section 17** No Waiver. No course of dealing between Pledgor and Agent and Lenders, nor any failure to exercise, nor any delay in exercising, on the part of Agent or Lenders, any right, power or privilege hereunder or under any of the 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.

**Section 18** Remedies Cumulative. All of the rights and remedies of Agent and Lenders with respect to the Collateral, whether established hereby or by the Loan Documents, or by any other agreements or by law shall be cumulative and may be executed singularly or concurrently.

**Section 19** Severability. 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 provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

**Section 20** Modifications. Except as provided in Section 16 hereof, this Agreement may be amended or modified only by a writing signed by Pledgor and Agent, on behalf of Lenders. In

the event that any provision herein is deemed to be inconsistent with any provision of any other document, other than the Financing Agreement, the provisions of this Agreement shall control.

**Section 21** Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties, except that Pledgor may not assign any of its rights or duties hereunder without the prior written consent of Agent. Any attempted assignment or transfer without the prior written consent of Agent shall be null and void.

**Section 22** Notice. All notices, requests, demands and other communications provided for hereunder shall be in writing and, if to Pledgor, mailed or delivered to it, addressed to it at the address specified on the signature pages of the Financing Agreement, and, if to a Lender, mailed or delivered to it, addressed to the address of such Lender specified on the signature pages of the Financing Agreement. Any notice required, permitted or contemplated hereunder shall be in writing and addressed to the party to be notified at the address set forth in the Financing Agreement or at such other address as each party may designate for itself from time to time by notice hereunder, and shall be deemed validly given (i) three days following deposit in the U.S. certified mails (return receipt requested), with proper postage prepaid, or (ii) the next Business Day after such notice was delivered to a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement satisfactory with such carrier, made for the payment thereof, or (iii) upon receipt of notice given by facsimile or personal delivery.

**Section 23** Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Ohio, without regard to principles of conflicts of law. Pledgor hereby irrevocably submits to the non-exclusive jurisdiction of any Ohio state or federal court sitting in Cincinnati, Ohio, over any action or proceeding arising out of or relating to this Agreement, any Loan Document or any instrument, agreement or document executed in connection therewith, and Pledgor hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such Ohio state or federal court. Pledgor hereby irrevocably waives, to the fullest extent permitted by law, any objection it may now or hereafter have to the laying of venue in any action or proceeding in any such court as well as any right it may now or hereafter have to remove such action or proceeding, once commenced, to another court on the grounds of FORUM NON CONVENIENS or otherwise. Pledgor agrees that a final, nonappealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

**Section 24** Indemnity: Administration and Enforcement. Pledgor will reimburse each Lender, on such Lender's demand from time to time, and Agent, on Agent's demand from time to time, for any and all reasonable fees, costs, and reasonable expenses (including, without limitation, the reasonable fees and disbursements of legal counsel) incurred by such Lender or Agent, as the case may be, in administering this Agreement and in protecting, enforcing, or attempting to protect or enforce its rights under this Agreement, together with interest thereon, following notice received by Pledgor, at a rate per annum equal to the Default Rate.

**Section 25** Unconditional and Continuing Security Interest. Pledgor's obligations under this Agreement and the granting of a security interest to Agent pursuant to this Agreement are unconditional and effective immediately, and (except for obligations surviving indefinitely pursuant to Section 8) those obligations and the security interest so granted shall continue in full effect until terminated pursuant to Section 8, regardless of the lapse of time, regardless of the fact that there may be a time or times when no Debt is outstanding, regardless of any act, omission, or course of dealing whatever on the part of Agent and Lenders, or any of them, and regardless of any other event, condition, or thing. Without limiting the generality of the foregoing, neither the amount of the Debt for purposes of this Agreement, nor Pledgor's obligations under this



Agreement, nor the security interest granted pursuant to this Agreement shall be diminished or impaired by:

(a) the granting by Agent or any Lender of any credit to any Loan Party, whether or not liability therefor constitutes Debt, or any failure or refusal of Agent or any Lender to grant any other credit to any Loan Party even if Agent or any Lender thereby breaches any duty or Commitments to Pledgor or any other Person,

(b) the application by Agent or any Lender of credits, payments, or proceeds to any portion of the Debt,

(c) any extension, renewal, or refinancing of the Debt in whole or in part,

(d) any amendment, restatement, or other modification of any kind in, to, or of any Loan Document, or any consent or other indulgence granted to any Loan Party, or any waiver of any Event of Default (under this Agreement or the Financing Agreement),

(e) any acceptance of security for any Loan Party on the Debt or any part thereof, or any release of any security or Loan Party, whether or not Agent or any Lender receive consideration for the release,

(f) any discharge of the Debt in whole or in part under any bankruptcy or insolvency law or otherwise,

(g) the failure of Agent or any Lender to make any presentment or demand for payment, to assert or perfect any claim, demand, or interest, or to enforce any right or remedy, or any delay or neglect by Agent or any Lender in respect of the Debt or any part thereof or any security therefor,

(h) any failure to give Pledgor notice of (i) the making of any loan or other credit extension or the terms, conditions, and other provisions applicable thereto, (ii) any dishonor by Pledgor or any other Loan Party, or (iii) the inaccuracy or incompleteness of any representation, warranty, or other statement made by any Loan Party, or

(i) any defense that may now or hereafter be available to any Loan Party, whether based on suretyship, impairment of collateral, accord and satisfaction, breach of warranty, breach of contract, failure of consideration, tort, lack of capacity, usury, or otherwise, or any illegality, invalidity, or unenforceability of the Debt or any part thereof or of any Loan Document.

**Section 26** No Setoff; Rights Against Other Loan Parties. Pledgor hereby (a) waives all now existing or hereafter arising rights to recoup or offset any obligation of Pledgor under this Agreement against any claim or right of Pledgor against Agent or any Lender, (b) waives all rights of exoneration now or hereafter arising out of or in connection with this Agreement, and (c) agrees that unless and until all of the Debt shall have been paid in full, Pledgor will not assert against any other Loan Party or any other Loan Party's property any rights (including, without limitation, contribution, indemnification, reimbursement, and subrogation) now or hereafter arising (whether by contract, operation of law, or otherwise) out of or in connection with this Agreement.

**Section 27 JURY TRIAL WAIVER.** PLEDGOR, AGENT AND LENDERS, TO THE EXTENT PERMITTED BY LAW, EACH WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG AGENT, LENDERS AND PLEDGOR, OR ANY OF THEM, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION THEREWITH OR THE TRANSACTIONS RELATED THERETO. THIS WAIVER SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY THE ABILITY OF ANY LENDER TO PURSUE REMEDIES PURSUANT TO ANY PROVISION CONTAINED IN ANY NOTE, OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT AMONG PLEDGOR, AGENT AND LENDERS, OR ANY OF THEM.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the 16<sup>th</sup> day of May, 2008.

CLIMAX MANUFACTURING COMPANY

By: David H. Waterman  
Name: DAVID H. WATERMAN  
Title: ASSISTANT SECRETARY

U.S. BANK NATIONAL ASSOCIATION,  
as Agent and as a Lender

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature Page to IP Security Agreement – Borrower]

PATENT  
REEL: 021138 FRAME: 0515

**Section 27 JURY TRIAL WAIVER.** PLEDGOR, AGENT AND LENDERS, TO THE EXTENT PERMITTED BY LAW, EACH WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG AGENT, LENDERS AND PLEDGOR, OR ANY OF THEM, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION THEREWITH OR THE TRANSACTIONS RELATED THERETO. THIS WAIVER SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY THE ABILITY OF ANY LENDER TO PURSUE REMEDIES PURSUANT TO ANY PROVISION CONTAINED IN ANY NOTE, OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT AMONG PLEDGOR, AGENT AND LENDERS, OR ANY OF THEM.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the \_\_\_\_\_ day of May, 2008.

CLIMAX MANUFACTURING COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION,  
as Agent and as a Lender

By: Joseph J. Scaglione  
Name: JOSEPH J. SCAGLIONE  
Title: VICE PRESIDENT

SCHEDULE A

Patents

<u>U.S. Patent Number</u>	<u>Description</u>
1) 6,305,600	Carton having a prefolded interior paper lining and a method of preparing a carton with a prefolded interior paper lining
2) 5,989,171	Carton having a prefolded interior paper lining and a method of preparing a carton with a prefolded interior paper lining
3) D442,859	No Leak Carton Design
4) 5,364,015	Box with simulated loose wrap^
5) D474,807	Envelope Pack Design*
6) D484,047	Carton Blank*
7) 11/802,850	Carton Assembly having a water proof lining. Application pending.

^Expired due to failure to pay maintenance fee in 2006.

\*Patents are owned by Urban Hirschey and will be assigned to Climax Manufacturing Company post-closing.

All patents and trademarks owned by Climax Manufacturing Company were collaterally assigned to Manufacturers and Traders Trust Company as collateral for financing in 2006. All such assignments will be terminated in connection with the payoff of Manufacturers and Traders Trust Company.

SCHEDULE B

Trademarks

Trademark Serial Number

Word Mark

1) 73388611

C

## SCHEDULE C

### Licenses

- 1) Peoplesoft Genesis Version A7.3 software
- 2) IBM ISeries Computer Operating System
- 3) Licenses for the following list of software
- 4) Computer Associates Etrust anti-virus
- 5) Computer Associates Brightstore Arcserve backup - which includes open file agent, exchange agent, SQL agent
- 6) GFI Mail Essentials
- 7) MS Windows
- 8) MS Office
- 9) MS Project
- 10) MS Visio
- 11) Omniform
- 12) Rexson Impress software/Ink room
- 13) Gerber Profile - Die Room
- 14) EasyBender - Die Room
- 15) DuPont Chroma Pro Server - CAD room
- 16) Genline - Impact Software - CAD room
- 17) Adobe Creative Suite 3 design software - CAD room
- 18) Scorpion Barcode - CAD room
- 19) Stuff-it - CAD room
- 20) Screen Calipers - CAD room
- 21) Silverfast Scanner software - CAD room
- 22) Toast - CAD - burning DVD's - CAD room
- 23) Scansoft Paperport
- 24) Scansoft PDF Professional 4
- 25) Seagull Bartender Software

- 26) Formport
- 27) Filemaker
- 28) IBM Client Access
- 29) Tharo Easy Label
- 30) Maintsmart - Maintenance software
- 31) Autocad Lt

EXHIBIT A

FORM OF ASSIGNMENT

THIS DOCUMENT SHALL BE HELD BY AGENT IN ESCROW PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF THE INTELLECTUAL PROPERTY SECURITY AGREEMENT, DATED AS OF MAY 16, 2008 (AS THE SAME MAY FROM TIME TO TIME BE AMENDED, RESTATED OR OTHERWISE MODIFIED, THE "AGREEMENT"), EXECUTED BY CLIMAX MANUFACTURING COMPANY ("PLEDGOR"), IN FAVOR OF U.S.BANK NATIONAL ASSOCIATION, AS AGENT FOR THE LENDERS, AS DEFINED IN THE AGREEMENT (TOGETHER WITH ITS SUCCESSORS AND ASSIGNS, "AGENT"). BY SIGNING IN THE SPACE PROVIDED BELOW, THE UNDERSIGNED OFFICER OF AGENT CERTIFIES THAT AN EVENT OF DEFAULT (AS DEFINED IN THE AGREEMENT) HAS OCCURRED AND IS CONTINUING AND THAT AGENT HAS ELECTED TO TAKE POSSESSION OF THE COLLATERAL (AS DEFINED BELOW) ON BEHALF OF AND FOR THE BENEFIT OF LENDERS AND TO RECORD THIS DOCUMENT WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE. UPON RECORDING OF THIS DOCUMENT WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE, THIS LEGEND SHALL CEASE TO HAVE ANY FORCE OR EFFECT.

U.S. BANK NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

ASSIGNMENT

WHEREAS, CLIMAX MANUFACTURING COMPANY, a New York corporation ("Pledgor"), is the owner of the Collateral, as hereinafter defined;

WHEREAS, Pledgor has executed an Intellectual Property Security Agreement, dated as of May 16, 2008 (as the same may from time to time be amended, restated or otherwise modified, the "Agreement") in favor of U.S. BANK NATIONAL ASSOCIATION, as Agent for Lenders, as defined in the Agreement ("Agent"), pursuant to which Pledgor has granted to Agent, for the benefit of Lenders, a security interest in the Collateral as security for the Debt, as defined in the Agreement;

WHEREAS, the Agreement provides that the security interest in and of the Collateral is effective as of the date of the Agreement;

WHEREAS, the Agreement provides that this Assignment shall become effective upon the occurrence and during the continuance of an Event of Default, as defined in the Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and intending to be legally bound hereby, Pledgor, its successors and assigns, subject to the limitations stated in the paragraph immediately following, does hereby transfer, assign and set over until Agent, its successors, transferees and assigns, all of its existing and future Collateral (as defined in the Agreement), including, but not limited to, the Collateral listed on **Schedules A, B, and C** of the Agreement (which such schedules shall also be deemed schedules hereto) that is registered in the United States Patent and Trademark Office in



Washington, D.C. or that is the subject of pending applications in the United States Patent and Trademark Office.

This Assignment shall be effective only upon the certification of an authorized officer of Agent, as provided above, that (a) an Event of Default, as defined in the Agreement, has occurred and is continuing, and (b) Agent has elected to take actual title to the Collateral.

IN WITNESS WHEREOF, the undersigned has caused this Assignment to be executed by its duly authorized officer on May 16, 2008.

CLIMAX MANUFACTURING COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
                                      ) SS:  
COUNTY OF \_\_\_\_\_ )

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said CLIMAX MANUFACTURING COMPANY, a New York corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 16 day of May, 2008.

\_\_\_\_\_  
Notary Public