

PATENT ASSIGNMENT

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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
James A. Karnes	05/29/2013
RECEIVING PARTY DATA	
Name:	HAVACO TECHNOLOGIES INCORPORATED
Street Address:	2425 West 23rd Street
City:	Erie
State/Country:	PENNSYLVANIA
Postal Code:	16505
PROPERTY NUMBERS Total: 2	
Property Type	Number
Patent Number:	7101608
Patent Number:	6196597
CORRESPONDENCE DATA	
Fax Number:	8144544647
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	814-870-7715
Email:	jdsilva@mijb.com
Correspondent Name:	Jonathan M. D'Silva
Address Line 1:	100 State Street, Suite 700
Address Line 4:	Erie, PENNSYLVANIA 16507-1459
ATTORNEY DOCKET NUMBER:	09717.1000.20
NAME OF SUBMITTER:	Jonathan M. D'Silva
Signature:	/DSI/
Date:	09/03/2013

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Total Attachments: 10

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PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

This Patent, Trademark and Copyright Security Agreement (the "Agreement"), dated as of MAY 29 2013, ~~2012~~, is entered into by and between **DURA-TITE SYSTEMS, LLC**, a Pennsylvania limited liability company, and **JAMES A. KARNES** (jointly and severally, the "Borrower") (each, individually, a "Pledgor" and collectively, the "Pledgors") and **HAVACO TECHNOLOGIES INCORPORATED** (the "Lender").

BACKGROUND:

Pursuant to that certain Loan Agreement by and among the Borrower, the Guarantor and the Lender the Pledgors have agreed, among other things, to grant a security interest to the Lender in certain patents, trademarks, copyrights and other property as security for such loans and other obligations as more fully described herein.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

1. Defined Terms.

a. Except as otherwise expressly provided herein, capitalized terms used in this Agreement shall have the respective meanings assigned to them in the Loan Agreement. Where applicable and except as otherwise expressly provided herein, terms used herein (whether or not capitalized) shall have the respective meanings assigned to them in the Uniform Commercial Code as enacted in Pennsylvania as amended from time to time (the "Code").

b. "Patents, Trademarks and Copyrights" shall mean and include all of each Pledgor's present and future right, title and interest in and to the following: all trade names, patent applications, patents, trademark applications, trademarks and copyrights, whether now owned or hereafter acquired by each Pledgor, including, without limitation, those listed on Schedule A hereto, including all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, and the goodwill of the business to which any of the patents, trademarks and copyrights relate.

c. "Debt" shall mean and include the following: (i) all now existing and hereafter arising indebtedness and obligations of each and every Pledgor to the Lender, under the Loan Agreement or any of the other Loan Documents, including all obligations, liabilities, and indebtedness, whether for principal, interest, fees, expenses or otherwise, of each and every of the Pledgors to the Lender now existing or hereafter incurred under the Loan Agreement or the Note or the Guaranty Agreement or any of the other Loan Documents as any of the same or any one or more of them may from time to time be amended, restated, modified, or supplemented, together with any and all extensions, renewals, refinancings, and refundings thereof in whole or in part (and including obligations, liabilities, and indebtedness arising or accruing after the

commencement of any bankruptcy, insolvency, reorganization, or similar proceeding with respect to the Borrower or which would have arisen or accrued but for the commencement of such proceeding, even if the claim for such obligation, liability or indebtedness is not enforceable or allowable in such proceeding, and including all obligations, liabilities and indebtedness arising from any extensions of credit under or in connection with the Loan Documents from time to time, regardless whether any such extensions of credit are in excess of the amount committed under or contemplated by the Loan Documents or are made in circumstances in which any condition to extension of credit is not satisfied); and (ii) any sums advanced by the Lender or which may otherwise become due pursuant to the provisions of the Loan Agreement, the Note, this Agreement, or any other Loan Documents or pursuant to any other document or instrument at any time delivered to the Lender in connection therewith, including commitment, letter of credit, agent or other fees and charges, and indemnification obligations under any such document or instrument, together with all interest payable on any of the foregoing, whether such sums are advanced or otherwise become due before or after the entry of any judgment for foreclosure or any judgment on any Loan Document or with respect to any default under any of the Debt.

2. To secure the full payment and performance of all Debt, each Pledgor hereby grants and conveys a security interest to Lender in the entire right, title and interest of such Pledgor in and to all of its Patents, Trademarks and Copyrights,

3. Each Pledgor jointly and severally covenants and warrants that:

a. the Patents, Trademarks and Copyrights are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

b. to the best of such Pledgor's knowledge, each of the Patents, Trademarks and Copyrights is valid and enforceable;

c. such Pledgor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, Trademarks and Copyrights, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, shop rights and covenants by Pledgor not to sue third persons;

d. such Pledgor has the corporate power and authority to enter into this Agreement and perform its terms;

e. no claim has been made to such Pledgor or, to the knowledge of such Pledgor, any other person that the use of any of the Patents, Trademarks and Copyrights does or may violate the rights of any third party;

f. such Pledgor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Patents, Trademarks and Copyrights;

g. such Pledgor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents, Trademarks and

Copyrights, except for those Patents, Trademarks and Copyrights that are hereafter allowed to lapse in accordance with Paragraph 11 hereof;

h. such Pledgor will not change its state of incorporation, formation or organization, as applicable without providing thirty (30) days prior written notice the Lender;

i. such Pledgor will not change its name without providing thirty (30) days prior written notice to the Lender; and

j. such Pledgor shall preserve its corporate existence and except as permitted by the Loan Agreement, shall not (i) in one, or a series of related transactions, merge into or consolidate with any other entity, the survivor of which is not such Pledgor, or (ii) sell all or substantially all of its assets.

4. Each of the obligations of each Pledgor under this Agreement is joint and several, the Lender may, in its sole discretion, elect to enforce this Agreement against any Pledgor without any duty or responsibility to pursue any other Pledgor and such an election by the Lender shall not be a defense to any action the Lender may elect to take against any Pledgor. The Lender hereby reserves all rights against each Pledgor.

5. Pledgor agrees that, until all of the Debt shall have been indefeasibly satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with Pledgor's obligations under this Agreement, without Lender's prior written consent which shall not be unreasonably withheld except Pledgor may license technology in the ordinary course of business without the Lender's consent to suppliers and customers to facilitate the manufacture and use of such Pledgor's products.

6. If, before the Debt shall have been indefeasibly satisfied in full, Pledgor shall own any new trademarks or any new copyrightable or patentable inventions, or any patent application or patent for any reissue, division, continuation, renewal, extension, or continuation in part of any Patent, Trademark or Copyright or any improvement on any Patent, Trademark or Copyright, the provisions of this Agreement shall automatically apply thereto and such Pledgor shall give to Lender prompt notice thereof in writing. Each Pledgor and Lender agree to modify this Agreement by amending Schedule A to include any future patents, patent applications, trademark applications, trademarks, copyrights or copyright applications and the provisions of this Agreement shall apply thereto.

7. Lender shall have, in addition to all other rights and remedies given it by this Agreement and those rights and remedies set forth in the Loan Agreement, those allowed by applicable Law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks and Copyrights may be located and, without limiting the generality of the foregoing, if an Event of Default has occurred and is continuing, Lender may immediately, without demand of performance and without other notice (except as set forth below) or demand whatsoever to Pledgors, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in a city that the Lender shall designate by notice to the Pledgors, in Erie, Pennsylvania or

elsewhere, the whole or from time to time any part of the Patents, Trademarks and Copyrights, or any interest which any Pledgor may have therein and, after deducting from the proceeds of sale or other disposition of the Patents, Trademarks and Copyrights all expenses (including fees and expenses for brokers and attorneys), shall apply the remainder of such proceeds toward the payment of the Debt as the Lender, in its sole discretion, shall determine. Any remainder of the proceeds after payment in full of the Debt shall be paid over to Pledgors. Notice of any sale or other disposition of the Patents, Trademarks and Copyrights shall be given to Pledgors at least ten (10) days before the time of any intended public or private sale or other disposition of the Patents, Trademarks and Copyrights is to be made, which each Pledgor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Lender may, to the extent, permissible under applicable Law, purchase the whole or any part of the Patents, Trademarks and Copyrights sold, free from any right of redemption on the part of Pledgor, which right is hereby waived and released.

8. If any Event of Default shall have occurred and be continuing, Pledgor hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender, as Lender may select in its exclusive discretion, as such Pledgor's true and lawful attorney-in-fact, with the power to endorse such Pledgor's name on all applications, documents, papers and instruments necessary for Lender to use the Patents, Trademarks and Copyrights, or to grant or issue, on commercially reasonable terms, any exclusive or nonexclusive license under the Patents, Trademarks and Copyrights to any third person, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose, on commercially reasonable terms, of the Patents, Trademarks and Copyrights to any third Person. Each Pledgor 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 for the life of this Agreement.

9. At such time as Pledgors shall have indefeasibly paid in full all of the Debt, this Agreement shall terminate and Lender shall execute and deliver to Pledgors all deeds, assignments and other instruments as may be necessary or proper to re-vest in Pledgor full title to the Patents, Trademarks and Copyrights, subject to any disposition thereof which may have been made by Lender pursuant hereto.

10. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and expenses incurred by Lender in connection with the preparation of this Agreement 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 taxes, counsel fees, maintenance fees, encumbrances, the protection, maintenance or preservation of the Patents, Trademarks and Copyrights, or the defense or prosecution of any actions or proceedings arising out of or related to the Patents, Trademarks and Copyrights, shall be borne and paid by Pledgor within fifteen (15) days of demand by Lender, and if not paid within such time, shall be added to the principal amount of the Debt and shall bear interest at the highest rate prescribed in the Loan Agreement.

11. Pledgor shall have the duty, through counsel reasonably acceptable to Lender, to prosecute diligently any patent applications of the Patents, Trademarks and Copyrights pending as of the date of this Agreement if commercially reasonable or thereafter until the Debt shall

have been indefeasibly paid in full, to make application on unpatented but patentable inventions (whenever it is commercially reasonable in the reasonable judgment of such Pledgor to do so) and to preserve and maintain all rights in patent applications and patents of the Patents, including without limitation the payment of all maintenance fees. Any expenses incurred in connection with such an application shall be borne by Pledgors. No Pledgor shall abandon any Patent, Trademark or Copyright without the consent of Lender, which shall not be unreasonably withheld.

12. Each Pledgor shall have the right, with the consent of Lender, which shall not be unreasonably withheld, to bring suit, action or other proceeding in its own name, and to join Lender, if necessary, as a party to such suit so long as Lender is satisfied that such joinder will not subject it to any risk of liability, to enforce the Patents, Trademarks and Copyrights and any licenses thereunder. Each Pledgor shall promptly, upon demand, reimburse and indemnify Lender for all damages, costs and expenses, including reasonable legal fees, incurred by Lender as a result of such suit or joinder by such Pledgor.

13. No course of dealing between Pledgor and Lender, nor any failure to exercise nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Loan Agreement or other Loan Documents shall operate as a waiver of such right, power or privilege, 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.

14. All of Lender's rights and remedies with respect to the Patents, Trademarks and Copyrights, whether established hereby or by the Loan Agreement or by any other agreements or by Law, shall be cumulative and may be exercised singularly or concurrently.

15. 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 clause or provision of this Agreement in any jurisdiction.

16. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Paragraph 6.

17. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties, provided, however, that Pledgor may not assign or transfer any of its rights or obligations hereunder or any interest herein and any such purported assignment or transfer shall be null and void.

18. This Agreement shall be governed by and construed in accordance with the internal Laws of the Commonwealth of Pennsylvania without regard to its conflicts of law principles.

19. Each Pledgor hereby irrevocably submits to the nonexclusive jurisdiction of the courts of the Commonwealth of Pennsylvania sitting in Erie County and of the United States District Court for the Western District of Pennsylvania, and any appellate court thereof, in any action or proceeding arising out of or relating to this Agreement, and Pledgors hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such Pennsylvania state or, to the fullest extent permitted by applicable law, in such federal court. Each Pledgor hereby waives to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding. Each Pledgor hereby appoints the process agent identified below (the "Process Agent") as its agent to receive on behalf of such party and its respective property service of copies of the summons and complaint and any other process which may be served in any action or proceeding. Such service may be made by mailing or delivering a copy of such process to any of the Pledgors in care of the Process Agent at the Process Agent's address, and each of the Pledgors hereby authorizes and directs the Process Agent to receive such service on its behalf. Each Pledgor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions (or any political subdivision thereof) by suit on the judgment or in any other manner provided by law. Each Pledgor further agrees that it shall, for so long as any Commitment or any obligation of any Loan Party to the Lender remains outstanding, continue to retain Process Agent for the purposes set forth in this Section 19. The Process Agent is _____. Each Pledgor shall produce to the Lender evidence of the acceptance by Process Agent of such appointment.

20. This Agreement may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument. Each Pledgor acknowledges and agrees that a telecopy transmission to the Lender of the signature pages hereof purporting to be signed on behalf of any Pledgor shall constitute effective and binding execution and delivery hereof by such Pledgor.

21. EXCEPT AS PROHIBITED BY LAW, EACH PLEDGOR AND EACH OF THE COMPANIES HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY A JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER DOCUMENTS OR TRANSACTIONS RELATING THERETO.

22. All notices, requests, demands, directions and other communications given to or made upon any party hereto under the provisions of this Agreement shall be as set forth in "Notices" provision of the Loan Agreement.

23. Each Pledgor acknowledges and agrees that, in addition to the other rights of the Lender hereunder and under the other Loan Documents, because the Lender's remedies at law for failure of such Pledgor to comply with the provisions hereof relating to the Lender's rights (i) to inspect the books and records related to the Pledged Collateral, (ii) to receive the various notifications such Pledgor is required to deliver hereunder, (iii) to obtain copies of agreements and documents as provided herein with respect to the Pledged Collateral, (iv) to enforce the provisions hereof pursuant to which the such Pledgor has appointed the Lender its attorney-in-


fact, and (v) to enforce the Lender's remedies hereunder, would be inadequate and that any such failure would not be adequately compensable in damages, such Pledgor agrees that each such provision hereof may be specifically enforced.

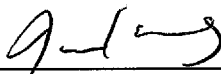
[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE ☐ PATENT, TRADEMARK,
AND COPYRIGHT SECURITY AGREEMENT]

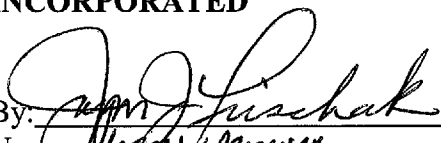
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed
by their respective officers or agents thereunto duly authorized, as of the date first above written.

DURA-TITE SYSTEMS, LLC

By: 
Name: JAMES KARNES
Title: PRESIDENT / CEO


Name: James A. Karnes
Title: _____

**HAVACO TECHNOLOGIES
INCORPORATED**

By: 
Name: NATHAN PRISCHAK
Title: PRESIDENT

**SCHEDULE A
TO
PATENT, TRADEMARK, AND COPYRIGHT SECURITY AGREEMENT**

**LIST OF REGISTERED PATENTS, TRADEMARKS,
TRADE NAMES, AND COPYRIGHTS**

1. Registered Patents: [Attached]
2. Trademarks: None
3. Trade Names: None
4. Copyrights: None

LIST OF REGISTERED PATENTS

	<u>Patent Number</u>	<u>Title</u>
1.	7,338,095	Plastic heating duct connectors
2.	D558,325	Trunk line take-off
3.	7,101,608	Eave vent insulation
4.	6,196,597	Heating duct