502745001 03/29/2014

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1 Stylesheet Version v1.2 EPAS ID: PAT2791597

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
STYLE CREST ENTERPRISES, INC.	03/19/2014

RECEIVING PARTY DATA

Name:	WELLS FARGO BANK	
Street Address:	ess: 1 SOUTH BROAD STREET, 3RD FLOOR	
City:	PHILADELPHIA	
State/Country:	State/Country: PENNSYLVANIA	
Postal Code: 19107		

PROPERTY NUMBERS Total: 1

Property Type	Number
Patent Number:	6647687

CORRESPONDENCE DATA

Fax Number: (404)965-6596

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via

US Mail.

Phone: 4048853678

Email: sofia.jeong@troutmansanders.com

Correspondent Name: SOFIA JEONG

Address Line 1: 600 PEACHTREE ST. NE, SUITE 5200

Address Line 4: ATLANTA, GEORGIA 30308

ATTORNEY DOCKET NUMBER:	243372.39 SECURITY/PATENT
NAME OF SUBMITTER:	SOFIA JEONG
SIGNATURE:	/sj/
DATE SIGNED:	03/29/2014

Total Attachments: 8

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PATENT SECURITY AGREEMENT

This Patent Security Agreement (the "Agreement"), dated as of March 19, 2014, is made by and between STYLE CREST ENTERPRISES, INC., a Ohio corporation having a business location at the address set forth below next to its signature (the "Debtor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender"), and having a business location at the address set forth below next to its signature.

Recitals

- A. Debtor, Style Crest, Inc. ("SCI"), Style Crest Logistics, Inc. ("SCL"), Style Crest Real Estate, Inc. ("SCRE") and Style Crest Transport, Inc. ("SCT", SCI, SCL, SCRE and SCT are collectively known as the "Borrowers") and Lender are parties to a Credit and Security Agreement (as amended, supplemented or restated from time to time, the "Credit Agreement") dated the same date as this Agreement, setting forth the terms on which Lender may now or hereafter extend credit to or for the account of Borrowers.
- B. As a condition to extending credit to or for the account of Borrowers, Lender has required the execution and delivery of this Agreement by Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. <u>Definitions</u>. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them in the Credit Agreement. In addition, the following terms have the meanings set forth below:

"Patents" means all of Debtor's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A, but excluding any Excluded Property (as defined in the Credit Agreement).

"Security Interest" has the meaning given in Section 2.

- 2. <u>Security Interest</u>. Debtor hereby irrevocably pledges and assigns to, and grants Lender a security interest (the "Security Interest") with power of sale to the extent permitted by law, in the Patents to secure payment of the Obligations. As set forth in the Credit Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of Debtor.
- 3. <u>Representations, Warranties and Agreements</u>. Debtor represents, warrants and agrees as follows:

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- (a) **Existence**; **Authority.** Debtor is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of Debtor.
- (b) **Patents.** Exhibit A accurately lists all Patents owned or controlled by Debtor as of the date hereof, or to which Debtor has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, Debtor owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then Debtor shall within 90 days provide written notice to Wells Fargo with a replacement Exhibit A, which upon acceptance by Wells Fargo shall become part of this Agreement.
- (c) **Affiliates**. As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by Debtor, constitute Patents. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then Debtor shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to Debtor; or (ii) notify Lender of such item(s) and cause such Affiliate to execute and deliver to Lender a patent security agreement substantially in the form of this Agreement.
- (d) **Title.** Debtor has absolute title to each Patent listed on Exhibit A, free and clear of all Liens except Permitted Liens. Debtor (i) will have, at the time Debtor acquires any rights in Patents hereafter arising, absolute title to each such Patent free and clear of all Liens except Permitted Liens, and (ii) will keep all Patents free and clear of all Liens except Permitted Liens.
- (e) **No Sale.** Except as permitted in the Credit Agreement, Debtor will not assign, transfer, encumber or otherwise dispose of the Patents, or any interest therein, without Lender's prior written consent.
- (f) **Defense.** Debtor will at its own expense and using commercially reasonable efforts, protect and defend the Patents against all claims or demands of all Persons other than those holding Permitted Liens.
- (g) **Maintenance.** Debtor will at its own expense maintain the Patents to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent and applications therefor. Debtor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent necessary to its business, nor fail to file any required affidavit or renewal in support thereof, without first providing Lender: (i) sufficient

written notice, of at least 30 days, to allow Lender to timely pay any such maintenance fees or annuities which may become due on any Patents, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

- (h) Lender's Right to Take Action. If Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after Lender gives Debtor written notice thereof (or, in the case of the agreements contained in subsection (g), immediately upon the occurrence of such failure, without notice or lapse of time), or if Debtor notifies Lender that it intends to abandon a Patent necessary to its business, Lender may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of Debtor (or, at Lender's option, in Lender's own name) and may (but need not) take any and all other actions which Lender may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.
- (i) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Debtor shall pay Lender on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Lender in connection with or as a result of Lender's taking action under subsection (h) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by Lender at the Default Rate.
- (j) **Power of Attorney.** To facilitate Lender's taking action under subsection (h) and exercising its rights under Section 6, Debtor hereby irrevocably appoints (which appointment is coupled with an interest) Lender, or its delegate, as the attorney-in-fact of Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by Debtor under this Section 3, or, necessary for Lender, after an Event of Default, to enforce or use the Patents or to grant or issue any exclusive or non-exclusive license under the Patents to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents to any third party. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the payment and performance of all Obligations.

- 4. <u>Debtor's Use of the Patents</u>. Debtor shall be permitted to control and manage the Patents, including the right to exclude others from making, using or selling items covered by the Patents and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.
- 5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.
- 6. <u>Remedies</u>. Upon the occurrence of an Event of Default and at any time thereafter, Lender may, at its option, take any or all of the following actions:
 - (a) Lender may exercise any or all remedies available under the Credit Agreement.
 - (b) Lender may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents.
 - (c) Lender may enforce the Patents and any licenses thereunder, and if Lender shall commence any suit for such enforcement, Debtor shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement.
- Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by Lender. A waiver signed by Lender shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Lender's rights or remedies. All rights and remedies of Lender shall be cumulative and may be exercised singularly or concurrently, at Lender's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor under this Agreement shall be given in the manner and with the effect provided in the Credit Agreement. Lender shall not be obligated to preserve any rights Debtor may have against prior parties, to realize on the Patents at all or in any particular manner or order, or to apply any cash proceeds of Patents in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Debtor and Lender and their respective participants, successors and assigns and shall take effect when signed by Debtor and delivered to Lender, and Debtor waives notice of Lender's acceptance hereof. Lender may execute this Agreement if appropriate for the purpose of filing, but the failure of Lender to execute this Agreement shall not affect or impair the validity or effectiveness of this

Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by Debtor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of the State of New York without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have executed this Patent Security Agreement as of the date written above.

Style Crest Enterprises, Inc. 2450 Enterprise Street

STYLE CREST ENTERPRISES, INC.

2450 Enterprise Street Fremont, Ohio 43420

Attn: Tyrone G. Frantz, Chief Financial Officer By:

Tyrone G. Frantz/

Chief Financial Officer

STATE OF OHIO

COUNTY OF SANDUSKY)

The foregoing instrument was acknowledged before me this 1 day of March, 2014, by Tyrone G. Frantz, the Chief Financial Officer of Style Crest Enterprises, Inc., a Ohio corporation, on behalf of the corporation.

Notary Public

DENISE REINBOLT

Notary Public

State of Ohio

My Commission Expires (2-7-1)

PATENT REEL: 032555 FRAME: 0851 Wells Fargo Bank, National Association 1 South Broad Street, 3rd Floor Philadelphia, PA 19107

Attention:

Relationship Manager for Style

Crest, Inc.

WELLS FARGO BANK, NATIONAL

ASSOCIATION

By: Revin C. Maitlane

Kevin C. Maitland Authorized Signatory

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this <u>19</u> day of March, 2014, by Kevin C. Maitland, an Authorized Signatory of Wells Fargo Bank, National

Association, on behalf of the national association.

// Nota

STEPHEN J. JEZIOROWSKI Notary Public - State of Florida My Comm. Expires Oct 16, 2014 Commission # EE 25378 Bonded Through National Notary Assn.

EXHIBIT A

UNITED STATES ISSUED PATENTS

<u>Title</u>	<u>Patent Number</u>	<u>Issue Date</u>
Simulated log siding	6,647,687*	11/18/03

Debtor licensed Patent 6,647,687 to Kaycan, Ltd, KP Building Products, Inc., and Kaytec, Inc. pursuant to a License Agreement dated July 9, 2007.

UNITED STATES PATENT APPLICATIONS

Serial Number Filing Date **Title**

None

FOREIGN ISSUED PATENTS

Country <u>Title</u> Patent Number <u>Issue Date</u>

None

UNITED STATES PATENT APPLICATIONS

<u>Title</u> Serial Number Filing Date

None

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RECORDED: 03/29/2014

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