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U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office



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To the Honorable Commissioner of Pat

ached original documents or copy thereof.

1. Name of conveying party(ies):

Precise Intellectual Property Holdings, Inc. ^{Company}

- Individual(s)
- General Partnership
- Corporation-State
- Other

- Association
- Limited Partnership

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: September 30, 1999

2. Name and address of receiving party(ies)

Name: Fleet National Bank, as agent

Internal Address:

Street Address: One Federal Street

City: Boston State: MA ZIP: 02110

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other

If assignee is not domiciled in the United States, a domestic representative designator is attached: Yes No

(Designations must be a separate document from assignment)

Additional name(s) & addresses attached? Yes No

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1,123,729

Additional numbers attached? Yes No

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

Name: Laura Konrath

Internal Address: Winston & Strawn

33rd Floor

Street Address: 35 West Wacker Drive

City: Chicago State: IL ZIP: 60601

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41).....\$40.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

N/A

(Attach duplicate copy of this page if paying by deposit account)

10/22/1999 J9NHRZ 0000014 1123729

DO NOT USE THIS SPACE

01 EC:481

40.00 DP

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Laura Konrath

Name of Person Signing

[Handwritten Signature]

Signature

10/18/99

Date

Total number of pages including cover sheet, attachments, and document:

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

Commissioner of Patents & Trademarks, Box Assignments

TRADEMARK

REEL: 001979 FRAME: 0089

**PATENT, TRADEMARK AND COPYRIGHT PLEDGE AND SECURITY
AGREEMENT**

PATENT, TRADEMARK AND COPYRIGHT PLEDGE AND SECURITY AGREEMENT, dated as of September 30, 1999 (as amended, supplemented, amended and restated or otherwise modified from time to time, this "Agreement"), made by and among PRECISE INTELLECTUAL PROPERTY HOLDINGS COMPANY, INC., a Delaware corporation ("Grantor"), to FLEET NATIONAL BANK ("Fleet"), as collateral agent (together with any successor collateral agent appointed pursuant to Section 21 of the Security Agreement, the "Collateral Agent") for the Secured Parties, as custodian for the Hedge Banks and as Issuing Bank.

PRELIMINARY STATEMENTS:

(1) Precise Holding Corporation ("Parent"), Precise Technology, Inc. (the "Borrower") and certain Subsidiaries of the Borrower have entered into a Credit Agreement, dated as of June 13, 1997 (said Agreement, as amended through the date hereof and as it may hereafter be amended, supplemented, amended and restated or otherwise modified from time to time, being the "Credit Agreement"; capitalized terms used but not defined herein shall have the meanings given to such terms in the Credit Agreement), with Fleet, as agent (together with any successor agent appointed pursuant to Article VII of the Credit Agreement, the "Agent") for the Lenders, and the Lenders from time to time party thereto.

(2) Grantor is a direct Wholly-Owned Subsidiary of the Borrower.

(3) Parent, the Borrower, Grantor, the Agent and the Lenders have agreed to execute and deliver the Consent and Third Amendment to the Credit Agreement, dated as of September 30, 1999 (the "Consent"), to, among other things, provide for the consent of the Agent and the Lenders to (i) the assignment by the Borrower to Grantor of its intangible property subject to the Liens of the Collateral Agent in such property pursuant to the Collateral Documents on behalf of the Secured Parties (such assignment, the "IP Assignment"), (ii) the grant by Grantor to the Borrower of an exclusive right and license to use such intangible property (such grant, the "IP Grant") pursuant to the License and Royalty Agreement between Grantor and the Borrower, dated as of September 30, 1999 (the "Royalty Agreement") and (iii) the payment by the Borrower of certain royalties to Grantor.

(4) Pursuant to (i) a Credit Agreement Supplement executed and delivered simultaneously herewith, Grantor shall become a Loan Party under the Credit Agreement, (ii) a Pledge and Security Supplement executed and delivered simultaneously herewith, Grantor has granted, assigned and pledged to the Collateral Agent for the ratable benefit of the Secured Parties all of its right, title and interest in and to the Collateral (as defined in the Security Agreement) and (iii) a Subsidiary Guaranty executed and delivered simultaneously

herewith, Grantor has guaranteed to the Secured Parties the payment when due of all obligations and liabilities of Parent and the Borrower under or with respect to the Loan Documents.

(5) In connection with the transactions contemplated by the Consent, the IP Assignment and the IP Grant, and as a condition precedent thereto, and to the Lenders continuing to make Advances, and to the Issuing Bank continuing to issue Letters of Credit, to the Borrower under the Credit Agreement, and to the entry by the Hedge Banks into the Bank Hedge Agreements with the Borrower from time to time, Grantor shall have granted the assignment and security interest and made the pledge and assignment contemplated by this Agreement.

(6) Grantor will obtain benefits from the transactions contemplated by the Consent, the IP Assignment and the IP Grant, the making of Advances by the Lenders, and the issuance by the Issuing Bank of Letters of Credit, to the Borrower under the Credit Agreement, and the Borrower's entering into of Bank Hedge Agreements with the Hedge Banks and, accordingly, Grantor desires to execute and deliver this Agreement to satisfy the conditions described in the preceding paragraph (5).

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to Grantor, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Agent and the Lenders to enter into the Consent, the Lenders to continue to make Advances, and the Issuing Bank to continue to issue Letters of Credit, to the Borrower under the Credit Agreement, and to induce the Hedge Banks to enter into Bank Hedge Agreements with the Borrower from time to time, Grantor hereby agrees with the Collateral Agent for the ratable benefit of the Secured Parties as follows:

SECTION 1. Grant of Security. Grantor hereby assigns and pledges to the Collateral Agent for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent for the ratable benefit of the Secured Parties, a first priority continuing security interest in all of Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired, whether now or hereafter existing (collectively, the "Intellectual Property Collateral"):

(a) all patents, patent applications and patentable inventions, including, without limitation, each patent and patent application identified on Schedule I attached hereto and made a part hereof, and including without limitation (i) all inventions and improvements described and claimed therein, (ii) the right to sue or otherwise recover for any misappropriations thereof, (iii) all income, royalties, damages, proceeds and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past and future infringements thereof), and (iv) all rights corresponding thereto throughout the world and all reissues, divisions, continuations, continuations-in-part, substitutes, renewals, and extensions thereof, all improvements thereon and all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto (the "Patents");

(b) all trademarks, service marks, trade names, trade dress or other indicia of trade origin, trademark and service mark registrations, and applications for trademark or service mark registrations and any renewals thereof, including, without limitation, each registration and application identified on Schedule II attached hereto and made a part hereof, and including without limitation (i) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (ii) all income, royalties, damages, proceeds and other payments now and hereafter due and/or payable 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), and (iii) all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark, service mark, trade name, trade dress or other indicia of trade origin (the "Trademarks"); and

(c) all copyrights, whether statutory or common law, and whether or not the underlying works of authorship have been published, and all works of authorship and other intellectual property rights therein, all copyrights of works based on, incorporated in, derived from or relating to works covered by such copyrights, all right, title and interest to make and exploit all derivative works based on or adopted from works covered by such copyrights, and all copyright registrations and copyright applications, and any renewals or extensions thereof, including, without limitation, each copyright registration and copyright application, if any, identified on Schedule III attached hereto and made a part hereof, and including, without limitation, (i) the right to print, publish and distribute any of the foregoing, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages, proceeds and payments for past or future infringements thereof), and (iv) all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto (the "Copyrights"); and

(d) all license agreements with any other Person in connection with any of the Patents, Trademarks or Copyrights, or such other Person's patents, trade names, trademarks or copyrights, whether Grantor is a licensor or licensee under any such license agreement, including, without limitation, the license agreements listed on Schedule IV attached hereto and made a part hereof, subject, in each case, to the terms of such license agreements, including, without limitation, terms requiring consent to a grant of a security interest, and any right to prepare for sale, sell and advertise for sale, all Inventory (as defined in the Security Agreement) now or hereafter owned by Grantor and now or hereafter covered by such licenses (the "Licenses").

SECTION 2. Security for Obligations. The pledge, assignment and security interest granted under this Agreement by Grantor secure the prompt and complete payment of

all Obligations of Parent, the Borrower and Grantor now or hereafter existing under the Credit Agreement, the Notes, this Agreement, the Letters of Credit and the other Loan Documents, whether for principal, interest (including, without limitation, interest accruing at the then applicable rate provided in the Credit Agreement after the maturity of the Advances or the Letters of Credit and interest accruing at the then applicable rate provided in the Credit Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), premiums, fees, expenses, or otherwise (all such Obligations being the "Secured Obligations"). Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts that constitute part of the Secured Obligations and would be owed by Parent, the Borrower and Grantor to the Collateral Agent but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving Grantor.

SECTION 3. Grantor Remains Liable. Anything herein to the contrary notwithstanding, (i) Grantor shall remain liable under the contracts and agreements included in the Intellectual Property Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Collateral Agent of any of the rights hereunder shall not release Grantor from any of its duties or obligations under the contracts and agreements included in the Intellectual Property Collateral and (iii) the Collateral Agent has no obligation or liability under the contracts and agreements included in the Intellectual Property Collateral by reason of this Agreement, nor shall the Collateral Agent be obligated to perform any of the obligations or duties of Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 4. Representations and Warranties. Grantor represents and warrants as to itself and its Intellectual Property Collateral as follows:

(a) Grantor is the legal and beneficial owner of the entire right, title and interest in and to the Intellectual Property Collateral in which it is granting a security interest free and clear of any Lien, except for the pledge, assignment and security interest created by this Agreement. No effective financing statement or other instrument similar in effect covering all or any part of the Intellectual Property Collateral or listing Grantor or any trade name of Grantor as debtor is on file in any recording office (including, without limitation, the United States Patent and Trademark Office), except such as may have been filed in favor of the Collateral Agent for the benefit of the Secured Parties relating to this Agreement and those Liens permitted by Section 5.02(a) of the Credit Agreement.

(b) Set forth in Schedule I is a complete and accurate list of all patents and all patent applications owned by Grantor. Set forth in Schedule II is a complete and accurate list of all trademark and service mark registrations and all trademark and service mark applications owned by Grantor. Set forth in Schedule III is a complete and accurate list of all copyright registrations and copyright applications owned by Grantor. Set forth in Schedule IV is a complete and accurate list of all Licenses

owned by Grantor in which Grantor is (i) a licensor with respect to any of the Patents, Trademarks or Copyrights, or (ii) a licensee of any other person's patents, trade names, trademarks or copyrights other than commercially available software manuals under standard terms contained within the software package itself, such as a shrink-wrap or click-wrap license. Grantor has made all necessary filings and recordations to protect and maintain its interest in the patents, patent applications, trademark and service mark registrations, trademark and service mark applications, copyright registrations and copyright applications and licenses set forth in Schedules I, II, III and IV.

(c) As of the date hereof, each patent, patent application, trademark or service mark registration, and trademark or service mark application and copyright registration or copyright application of Grantor set forth in Schedules I, II and III is subsisting and has not been adjudged invalid, unregistrable or unenforceable, in whole or in part, and is valid, registrable and enforceable. Each License of Grantor identified in Schedule IV is validly subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and is valid and enforceable. Grantor has notified the Collateral Agent in writing of all uses of any item of Intellectual Property Collateral which could reasonably be expected to lead to such item becoming invalid or unenforceable, including unauthorized uses by third parties and uses which were not supported by the goodwill of the business connected with such Intellectual Property Collateral.

(d) Grantor has not made a previous assignment, transfer or agreement constituting a present or future assignment, transfer or encumbrance of any of the Intellectual Property Collateral. Grantor has not granted any license (other than those listed in Schedule IV hereto), release, covenant not to sue, or non-assertion assurance to any person with respect to any part of the Intellectual Property Collateral.

(e) Grantor has used reasonable and proper statutory notice in connection with its use of each patent, each registered trademark and service mark and each registered copyright contained in Schedules I, II and III.

(f) This Agreement creates a valid and perfected first priority security interest in the Intellectual Property Collateral, securing the payment of the Secured Obligations, and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly made or taken.

(g) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for (i) the grant by Grantor of the assignment and security interest granted hereby or the execution, delivery or performance of this Agreement by Grantor, (ii) the perfection or maintenance of the pledge, assignment and security interest created hereby (including the first priority nature of such pledge, assignment or security interest) or (iii) the exercise by the Collateral Agent of its rights provided for in this Agreement or the remedies in respect of the Intellectual Property Collateral pursuant

to this Agreement, in each case, other than the filing of financing and continuation statements and amendments thereto, if required, under the UCC, which financing statements have been duly filed, and the filing of this Agreement with the United States Patent and Trademark Office, except where the failure to obtain such authorization or approval or other action would nor, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(h) Except for the Licenses set forth in Schedule IV and except as set forth in Schedule V hereto, Grantor has no knowledge of the existence of any right or any claim that is threatened by any third party relating to any item of Intellectual Property Collateral or any reasonable grounds for such a claim.

(i) Except as set forth in Schedule V, no claim has been made and is continuing or threatened that any item of Intellectual Property Collateral is invalid or unenforceable or that the use by Grantor of any Intellectual Property Collateral does or may violate the rights of any person. Except as set forth in Schedule V, there is currently no infringement or unauthorized use of any item of Intellectual Property Collateral.

(j) Grantor has taken all commercially reasonable steps to use consistent standards of quality in the manufacture, distribution and sale of all products sold and the provision of all services provided under or in connection with any of the Trademarks and has taken all necessary steps to ensure that all licensed users of any of the Trademarks use such consistent standards of quality.

(k) There are no conditions precedent to the effectiveness of this Agreement that have not been satisfied or waived.

SECTION 5. Further Assurances. (a) Grantor agrees that from time to time, at its own expense, it shall promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or that the Collateral Agent may deem desirable and may reasonably request, in order to perfect and protect any pledge, assignment or security interest granted or purported to be granted hereby (including, without limitation, the first-priority nature thereof) or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any part of the Intellectual Property Collateral. Without limiting the generality of the foregoing, Grantor shall promptly execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or as the Collateral Agent may deem desirable and may reasonably request in order to perfect and preserve the pledge, assignment and security interest granted or purported to be granted hereby.

(b) Grantor hereby authorizes the Collateral Agent to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Intellectual Property Collateral without the signature of Grantor where permitted by law. A photocopy or other reproduction of this Agreement or any financing statement covering the

Intellectual Property Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) Grantor shall furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Intellectual Property Collateral and such other reports in connection with the Intellectual Property Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

(d) Grantor agrees that, should it obtain an ownership interest in any Patent, Trademark, Copyright or License which is not now a part of the Intellectual Property Collateral, (i) the provisions of Section 1 hereof shall automatically apply thereto, (ii) any such Patent, Trademark, Copyright or License shall automatically become part of the Intellectual Property Collateral, and (iii) with respect to any ownership interest in any patent, patent application, trademark or service mark registration, trademark or service mark application, copyright registration, copyright application or license that Grantor should obtain, it shall give prompt written notice thereof to the Collateral Agent in accordance with Section 13 hereof. Grantor authorizes the Collateral Agent to modify this Agreement by amending Schedules I, II, III and IV (and will cooperate reasonably with the Collateral Agent in effecting any such amendment) to include any patent, patent application, trademark or service mark registration, trademark or service mark application, copyright application or license which becomes part of the Intellectual Property Collateral under this Section.

(e) With respect to each patent, patent application, trademark or service mark registration, trademark or service mark application, copyright registration, copyright application and license, Grantor agrees to take or cause to be taken all necessary steps, including, without limitation, in the United States Patent and Trademark Office or in any court, to (i) maintain each such patent, patent application, trademark or service mark registration, trademark or service mark application, copyright registration, copyright application and license and (ii) pursue each such application for Patent, Trademark or Copyright now or hereafter included in the Intellectual Property Collateral, including, without limitation, the filing of responses to office actions issued by the United States Patent and Trademark Office, the filing of applications for renewal or extension, the filing of affidavits under Sections 8 and 15 of the United States Trademark Act, and the participation in opposition, cancellation and infringement and misappropriation proceedings, the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for re-issue, renewal or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, infringement and misappropriation proceedings. Grantor agrees to take or cause to be taken corresponding steps with respect to each new or acquired Patent, Trademark, Copyright or License to which it is now or later becomes entitled. Any expenses incurred in connection with such activities shall be borne by Grantor or such other party which has agreed in writing to bear such expenses. Grantor shall not, without the written consent of the Collateral Agent (which shall not be unreasonably withheld), discontinue use of or otherwise abandon any Patent, Trademark or Copyright identified in Schedules I, II and III, or abandon any right to file an application for a Patent, Trademark or Copyright, or abandon any pending application for a Patent, Trademark or Copyright identified in Schedules I, II and III. Further, except to the extent that the Boards

of Directors of Grantor and Borrower determine in good faith that doing so would be in the best interest of the Borrower and Grantor and their respective businesses and would be permitted under the Credit Agreement, Grantor shall not, without the written consent of the Collateral Agent, which consent shall not be unreasonably withheld, discontinue use of or otherwise abandon any other Patent, Trademark or Copyright or abandon any right to file an application for any other Patent, Trademark or Copyright or abandon any pending application for any other Patent, Trademark or Copyright.

(f) Grantor agrees to notify the Collateral Agent promptly and in writing if it learns (i) that any item of the Intellectual Property Collateral may be determined to have become abandoned or dedicated or (ii) of any adverse determination or the institution of any proceeding (including, without limitation, the institution of any proceeding in the United States Patent and Trademark Office or any court) regarding any item of the Intellectual Property Collateral.

(g) In the event that Grantor becomes aware that any item of the Intellectual Property Collateral is infringed or misappropriated by a third party, Grantor shall promptly notify the Collateral Agent and shall take such actions as Grantor or the Collateral Agent deems reasonable and appropriate under the circumstances to protect such Intellectual Property Collateral, including, without limitation, suing for infringement or misappropriation and for an injunction against such infringement or misappropriation. Any expense incurred in connection with such activities shall be borne by Grantor (or by such other party that has agreed in writing to bear such expenses).

(h) Grantor shall continue to use or cause to be used proper statutory notice in connection with its use of each of its patents, registered trademarks and service marks and registered copyrights contained in Schedules I, II, III.

(i) Grantor shall take or cause to be taken all steps which it or the Collateral Agent deems reasonable and appropriate under the circumstances to preserve and protect its Intellectual Property Collateral, including, without limitation, maintaining the quality of any and all products or services used or provided in connection with any of the Trademarks, consistent with the quality of the products and services as of the date hereof, and taking all steps necessary to ensure that all licensed users of any of the Trademarks use such consistent standards of quality; provided, that Grantor shall have the right to abandon or dispose of any Intellectual Property Collateral to the extent the Boards of Directors of Grantor and Borrower determine in good faith that doing so would be in the best interest of the Borrower and Grantor and their respective businesses and would be permitted under the Credit Agreement.

SECTION 6. Transfers and Other Liens. Grantor agrees not (i) to sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any item of the Intellectual Property Collateral or (ii) to create or suffer to exist any Lien upon or with respect to any of the Intellectual Property Collateral, except for the pledge, assignment and security interest created by this Agreement and except as otherwise permitted by the other Loan Documents and the Royalty Agreement.

SECTION 7. The Collateral Agent Appointed Attorney-in-Fact. Grantor hereby irrevocably appoints the Collateral Agent as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor or otherwise, from time to time upon the occurrence and during the continuance of a Default and with prior notice to Grantor, to take any action and to execute any instrument that may be necessary or that the Collateral Agent may deem desirable to accomplish the purposes of this Agreement, including, without limitation:

(a) to ask for, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Intellectual Property Collateral,

(b) to receive, endorse and collect any drafts, instruments, chattel paper and other documents in connection with subsection 7(a) hereof and give full discharge for the same; and

(c) to file any claims or take any action or to institute any proceedings that may be necessary or that the Collateral Agent may deem desirable for the collection of any payments relating to any of the Intellectual Property Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Intellectual Property Collateral.

SECTION 8. The Collateral Agent May Perform. If Grantor fails to perform any agreement contained herein, the Collateral Agent, with prior notice to Grantor, may itself perform, or cause performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by Grantor under Section 11 hereof.

SECTION 9. The Collateral Agent's Duties. The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Intellectual Property Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the safe custody and preservation of the certificates of registration for any of the Trademarks or the letters patent for any of the Patents in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Intellectual Property Collateral, whether or not the Collateral Agent has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Intellectual Property Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of the certificates of registration for any of the Trademarks or the letters patent for any of the Patents in its possession if such certificates of registration and letters patent are accorded treatment substantially equal to that which the Borrower accords its own property of like tenor. The Collateral Agent may resign from the performance of all of its functions and duties under this Agreement at any time in accordance with the provisions of Section 21 of the Security Agreement.

SECTION 10. Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Collateral Agent may exercise in respect of the Intellectual Property Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the Uniform Commercial Code in effect in the State of New York at such time (the "New York UCC") whether or not the New York UCC applies to the affected Intellectual Property Collateral, and also may (i) require Grantor to, and Grantor hereby agrees that it shall at its own expense and upon request of the Collateral Agent forthwith, assemble all or part of the documents and things embodying any part of the Intellectual Property Collateral as directed by the Collateral Agent and make them available to the Collateral Agent at a place to be designated by the Collateral Agent that is reasonably convenient to both parties and (ii) without notice except as specified below, sell the Intellectual Property Collateral or any part thereof in one or more parcels at public or private sale, at any exchange or broker's board or at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Agent may deem commercially reasonable. In the event of any sale, assignment, or other disposition of any of the Intellectual Property Collateral of Grantor, the goodwill of the business connected with and symbolized by any Trademarks subject to such disposition shall be included, and Grantor shall supply to the Collateral Agent or its designee Grantor's know-how and expertise, and documents and things embodying the same, relating to the manufacture, distribution, advertising and sale of products or the provision of services relating to any Intellectual Property Collateral subject to such disposition, and Grantor's customer lists and other records and documents relating to such Intellectual Property Collateral and to the manufacture, distribution, advertising and sale of such products and services. Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Intellectual Property Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale, without further notice, may be made at the time and place to which it was so adjourned.

(b) Any cash held by the Collateral Agent as Collateral and all cash proceeds received by the Collateral Agent in respect of any sale of, collection from, or other realization upon, all or any part of the Intellectual Property Collateral may, in the discretion of the Collateral Agent, be held by the Collateral Agent as collateral for, and/or then or at any time thereafter applied in whole or in part by the Collateral Agent for the ratable benefit of the Secured Parties against, all or any part of the Secured Obligations in such order in accordance with Section 20(b) of the Security Agreement.

(c) It is understood that Grantor shall remain jointly and severally liable with the other Loan Parties to the extent of any deficiency between the amount of the proceeds of the Intellectual Property Collateral and the aggregate amount of the Secured Obligations.

(d) The Collateral Agent may exercise any and all rights and remedies of Grantor in respect to the Intellectual Property Collateral, including, without limitation, any and all rights of Grantor to demand or otherwise require payment of any amount under, or performance of any provision of, any of the Intellectual Property Collateral.

(e) All payments received by Grantor in respect of the Intellectual Property Collateral shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other funds of Grantor and shall be forthwith paid over to the Collateral Agent in the same form as so received (with any necessary endorsement or assignment).

SECTION 11. Indemnity and Expenses. (a) Grantor agrees to indemnify the Collateral Agent and its officers, directors, employees, agents and advisors (each an "Indemnified Party") from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except to the extent that such claims, losses or liabilities are found in a final, nonappealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

(b) Grantor jointly and severally agrees to pay to the Collateral Agent, upon demand, the amount of any and all reasonable costs and expenses (including, without limitation, the reasonable fees and expenses of its counsel and of any experts and agents, including, without limitation, the following costs of such counsel, experts and agents: support staff, litigation preparation, computerized research, telephone, telefax, mileage, deposition, postage, photocopy, process service, video tape and other similar costs) that the Collateral Agent may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Intellectual Property Collateral, (iii) the exercise or enforcement of any of the rights of the Collateral Agent or (iv) the failure by Grantor to perform or observe any of the provisions hereof.

SECTION 12. Amendments; Waivers; Etc. (a) No amendment or waiver of any provision of this Agreement, and no consent to any departure by Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Agent and the Collateral Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) No failure on the part of the Collateral Agent to exercise, and no delay in exercising, any right, power or privilege hereunder shall operate as a waiver thereof or consent thereto; nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

SECTION 13. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telecopier, telegraphic or telex communication) and mailed, telecopied, telegraphed, telexed or delivered, (i) if to the Collateral Agent,

addressed to it at its address set forth in Section 8.02 of the Credit Agreement, (ii) if to Grantor, at its address set forth under its signature below, or (ii) as to any party at such other address as shall be designated by such party in a notice to each other party complying as to delivery with the terms of this Section 13. All such notices and other communications shall, when mailed, telecopied, telegraphed or telexed, be effective when deposited in the mails, transmitted by telecopier, delivered to the telegraph company or confirmed by telex answerback, respectively, addressed as aforesaid.

SECTION 14. Continuing Security Interest; Assignments Under the Credit Agreement. This Agreement shall create a continuing security interest in the Intellectual Property Collateral and shall (i) remain in full force and effect until the later of (x) the indefeasible and irrevocable cash payment in full of the Secured Obligations and (y) the Final Maturity Date, (ii) be binding upon Grantor, its successors and assigns and (iii) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of, and be enforceable by, the Collateral Agent and its respective successors, transferees and assigns. Without limiting the generality of clause (iii) of this Section 14, any Collateral Agent may assign or otherwise transfer all or any portion of its rights and obligations under the Credit Agreement (including, without limitation, all or any portion of its Commitment or Commitments, the Advances owing to it and any Note or Notes held by it) to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Collateral Agent herein or otherwise, in each case as provided in Section 8.07 of the Credit Agreement.

SECTION 15. Release and Termination. (a) Upon any sale, lease, transfer or other disposition of any item of Intellectual Property Collateral in accordance with the terms of the Loan Documents (other than sales of Inventory in the ordinary course of business), the Collateral Agent shall, at Grantor's expense, execute and deliver to Grantor such documents as Grantor shall reasonably request to evidence the release of such item of Intellectual Property Collateral from the assignment and security interest granted hereby; provided, however, that (i) at the time of such request and such release, no Default shall have occurred and be continuing, (ii) Grantor shall have delivered to the Collateral Agent, at least five Business Days prior to the date of the proposed release, a request for release describing the item of the Intellectual Property Collateral and the terms of the sale, lease, transfer or other disposition in reasonable detail (including, without limitation, the price thereof and any expenses in connection therewith), together with a form of release for execution by the Collateral Agent and a certification by Grantor to the effect that the transaction is in compliance with the Loan Documents and as to such other matters as the Collateral Agent may request and (iii) the Collateral Agent shall have approved such sale, lease, transfer or other disposition in writing.

(b) Upon the later of (i) the indefeasible and irrevocable cash payment in full of the Secured Obligations and (ii) the Final Maturity Date, the pledge, assignment and security interest granted hereby shall automatically terminate and all rights to the Intellectual Property Collateral shall revert to Grantor. Upon any such termination and reversion, the Collateral Agent shall, at Grantor's expense, execute and deliver to Grantor such documents as Grantor shall reasonably request to evidence such termination and reversion.

SECTION 16. GOVERNING LAW; TERMS. (a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY IN SUCH STATE, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR INTELLECTUAL PROPERTY COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK. UNLESS OTHERWISE DEFINED HEREIN OR IN THE CREDIT AGREEMENT, TERMS USED IN ARTICLE 9 OF THE NEW YORK UCC ARE USED HEREIN AS THEREIN DEFINED. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT, ANY OTHER DOCUMENT OR ANY BANK HEDGE AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK CITY OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. EACH SUCH PARTY HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER SUCH PARTY, AND AGREES NOT TO PLEAD OR CLAIM, IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT, ANY OTHER DOCUMENT OR ANY BANK HEDGE AGREEMENT TO WHICH IT IS A PARTY BROUGHT IN ANY OF THE AFORESAID COURTS, THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER SUCH PARTY. EACH SUCH PARTY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH PARTY AT ITS ADDRESS SET FORTH BELOW SUCH PARTY'S SIGNATURE BELOW OR IN SECTION 8.02 OF THE CREDIT AGREEMENT, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH SUCH PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER DOCUMENT OR UNDER ANY BANK HEDGE AGREEMENT THAT SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE AGENT, THE COLLATERAL AGENT, ANY SECURED PARTY OR ANY HEDGE BANK TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY PARTY IN ANY OTHER JURISDICTION.

(b) EACH PARTY TO THIS AGREEMENT HERETO HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED UNDER

APPLICABLE LAW ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, ANY OTHER DOCUMENT OR ANY BANK HEDGE AGREEMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER DOCUMENTS, ANY BANK HEDGE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, Grantor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

PRECISE INTELLECTUAL PROPERTY HOLDINGS COMPANY, INC.

By: _____
Name:
Title:

Address for Notices:
103 Springer Building
3411 Silverside Road
Wilmington, Delaware 19810
Attention: Michael M. Farrell
Fax Number: (212) 931-5252

Agreed and consented to as of the 30th day of September, 1999:

FLEET NATIONAL BANK,
as Collateral Agent

By: 
Name: **Howard J. Diamond**
Title: **Vice President**

[Signature Page to the Patent, Trademark and Copyright Pledge and Security Agreement]

IN WITNESS WHEREOF, Grantor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

PRECISE INTELLECTUAL PROPERTY HOLDINGS COMPANY, INC.

By: *Michael M. Farrell*
Name: *Michael M. Farrell*
Title: *Executive Vice President*

Address for Notices:
103 Springer Building
3411 Silverside Road
Wilmington, Delaware 19810
Attention: Michael M. Farrell
Fax Number: (212) 931-5252

Agreed and consented to as of the ___ day of September, 1999:

FLEET NATIONAL BANK,
as Collateral Agent

By: _____
Name:
Title:

[Signature Page to the Patent, Trademark and Copyright Pledge and Security Agreement]

STATE OF ~~NEW YORK~~) *Pennsylvania*
) ss.:
COUNTY OF ~~NEW YORK~~) *Allegheny*

On the 29 day of September, 1999, before me personally came
Michael M. Farrell to me known, who, being by me duly
sworn, did depose and say he resides at 501 Mosside Blvd, North Versailles, PA
and that he is the
Executive Vice President of Precise Intellectual Property Holdings Company, Inc., the
corporation described in and which executed the above instrument; that he has been
authorized to execute said instrument on behalf of said corporation; and that he signed said
instrument on behalf of said corporation pursuant to said authority.

Darlene B. Deffenbaugh
Notary Public

[Notarial Seal]

Notarial Seal
Darlene B. Deffenbaugh, Notary Public
North Versailles Twp., Allegheny County
My Commission Expires Sept. 25, 2000
Member, Pennsylvania Association of Notaries

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the ___ day of September, 1999, before me personally came
_____ to me known, who, being by me duly
sworn, did depose and say he resides at _____
and that he is the
_____ of Fleet National Bank, the banking corporation described in and
which executed the above instrument; that he has been authorized to execute said instrument
on behalf of said corporation; and that he signed said instrument on behalf of said corporation
pursuant to said authority.

Notary Public

[Notarial Seal]

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the ___ day of September, 1999, before me personally came _____ to me known, who, being by me duly sworn, did depose and say he resides at _____

_____ and that he is the _____ of Precise Intellectual Property Holdings Company, Inc., the corporation described in and which executed the above instrument; that he has been authorized to execute said instrument on behalf of said corporation; and that he signed said instrument on behalf of said corporation pursuant to said authority.

Notary Public

[Notarial Seal]

Massachusetts
STATE OF ~~NEW YORK~~)
) ss.:
Suffolk
COUNTY OF ~~NEW YORK~~)

On the *30th* day of September, 1999, before me personally came *Howard J. Diamond* to me known, who, being by me duly sworn, did depose and say he resides at *100 South Main St., Sharon, Massachusetts*

_____ and that he is the *Vice President* of Fleet National Bank, the banking corporation described in and which executed the above instrument; that he has been authorized to execute said instrument on behalf of said corporation; and that he signed said instrument on behalf of said corporation pursuant to said authority.

Camea Allright

Notary Public

[Notarial Seal]

SCHEDULE I**PATENTS AND PATENT APPLICATIONS****PATENTS**

<u>NAME OF ORIGINAL APPLICANT</u>	<u>PATENT</u>	<u>JURISDICTION</u>	<u>REGISTRATION NUMBER</u>	<u>DATE OF REGISTRATION</u>	<u>ISSUE DATE</u>
Precise TMP, Inc.	Tablet Dispenser	U. S. Patent & Trademark Office	5,275,291	1/4/91	1/4/2011
Precise Technology, Inc.	Hand-held Cap Opener for Child Resistant Containers	U. S. Patent & Trademark Office	4,770,069	9/13/88	9/13/2005

PATENT APPLICATIONS

KL2:336598.8

SCHEDULE II**TRADEMARKS AND SERVICE MARKS REGISTRATIONS AND APPLICATIONS**

	<u>Jurisdictions</u>	<u>Registration Number</u>	<u>Date of Registration</u>	<u>Expiration Date</u>
<u>Trademark Registrations:</u>				
<u>Precise TMP, Inc.</u> For aerosol and spray pump actuators and valves, all being parts and fittings for containers.	U.S. Patent & Trademark Office	1,123,729	8/7/79	8/7/99

Service Mark Registrations:

NONE

Trademark Applications:

NONE

Service Mark Applications:

NONE

SCHEDULE III
COPYRIGHT REGISTRATIONS AND APPLICATIONS

Copyright Registrations:

NONE

Copyright Applications:

NONE

KL2.336598.B

SCHEDULE IV

LICENSES

Royalty and License Agreement, dated as of September 30 1999, by and between Precise Intellectual Property Holdings Company, Inc. and Precise Technology, Inc.

KL2:336598.8

SCHEDULE V

PENDING LITIGATIONS/UNAUTHORIZED USES

NONE

KL2.336598.8