

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
STS Operating, Inc.		02/12/2014	CORPORATION: DELAWARE
Paragon Technologies Incorporated		02/12/2014	CORPORATION: MICHIGAN

RECEIVING PARTY DATA

Name:	Barclays Bank PLC, as Administrative Agent
Street Address:	745 7th Avenue
City:	New York
State/Country:	NEW YORK
Postal Code:	10019
Entity Type:	Public limited company: UNITED KINGDOM

PROPERTY NUMBERS Total: 10

Property Type	Number	Word Mark
Serial Number:	85706159	ALWAYS WORKING.
Registration Number:	4345784	PARAGON
Registration Number:	2854554	PARATRAC
Serial Number:	85706131	
Serial Number:	85706176	
Registration Number:	2965018	ACTIVATION
Registration Number:	2951506	AIR-DRECO
Registration Number:	2951505	FAUVER
Registration Number:	0967004	PABCO
Registration Number:	2966522	SUNSOURCE

CORRESPONDENCE DATA

Fax Number: 9494754754

CH \$265.00 85706159

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

Phone: 949-451-3800
Email: skann@gibsondunn.com
Correspondent Name: Stephanie S. Kann, Senior Paralegal
Address Line 1: 3161 Michelson Drive
Address Line 2: Gibson, Dunn & Crutcher LLP
Address Line 4: Irvine, CALIFORNIA 92612

ATTORNEY DOCKET NUMBER:	56745-00005
NAME OF SUBMITTER:	Stephanie S. Kann
Signature:	/stephanie s. kann/
Date:	02/12/2014

Total Attachments: 6

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EXECUTION VERSION

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of February 12, 2014 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, this “Intellectual Property Security Agreement”), is made by each of the signatories hereto (collectively, the “Grantors”) in favor of Barclays Bank PLC, as administrative agent (in such capacity and together with its successors and assigns, the “Administrative Agent”), for the Secured Parties (as defined in the Collateral Agreement referred to below).

WHEREAS, STS OPERATING, INC., a Delaware corporation (the “Borrower”), has entered into a Credit Agreement dated as of February 12, 2014 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among the Borrower, SUNSOURCE HOLDINGS, INC., a Delaware corporation (“Holdings”), the LENDERS party thereto from time to time, the Administrative Agent, the other agents named therein and JEFFERIES FINANCE LLC, as a joint lead arranger and as a joint bookrunner;

WHEREAS, it is a condition precedent to the obligations of the Lenders and to make their respective extensions of credit to the Borrower, and the Issuing Banks (as defined in the Credit Agreement) to issue their respective Letters of Credit (as defined in the Credit Agreement) under the Credit Agreement that the Grantors shall have executed and delivered that certain Guarantee and Collateral Agreement, dated as of February 12, 2014, to the Administrative Agent (as amended, supplemented, restated or otherwise modified from time to time, the “Collateral Agreement”) for the benefit of the Secured Parties (capitalized terms used and not defined herein have the meanings given such terms in the Collateral Agreement);

WHEREAS, under the terms of the Collateral Agreement, the Grantors have granted a security interest in certain property, including, without limitation, certain Intellectual Property of the Grantors to the Administrative Agent for the benefit of the Secured Parties, and have agreed as a condition thereof to execute this Intellectual Property Security Agreement for recording with the United States Patent and Trademark Office and the United States Copyright Office;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantors agree as follows:

SECTION 1. Grant of Security. Each Grantor hereby grants to the Administrative Agent for the benefit of the Secured Parties a security interest in and to all of such Grantor’s right, title and interest in and to the following (the “Intellectual Property Collateral”), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor’s Obligations:

- (a) all Trademarks (other than any Excluded Assets), including, without limitation, each registration and application identified in Schedule 1 attached hereto;
- (b) any and all proceeds of the foregoing.

SECTION 2. Recordation. Each Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this Intellectual Property Security Agreement.

SECTION 3. Execution in Counterparts. This Agreement may be executed in any number of counterparts (including by telecopy or other electronic transmission, including “.pdf” or “.tif”), each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.


SECTION 4. Governing Law. This Intellectual Property Security Agreement shall be governed by, and construed and interpreted in accordance with, the law of the State of New York without regard to conflict of laws principles thereof that would require application of laws of another state.

SECTION 5. Conflict Provision. This Intellectual Property Security Agreement has been entered into in conjunction with the provisions of the Collateral Agreement and the Credit Agreement. In the event that any provisions of this Intellectual Property Security Agreement are in conflict with the Collateral Agreement or the Credit Agreement, the provisions of the Collateral Agreement or the Credit Agreement shall govern.

[Remainder of page intentionally left blank]


IN WITNESS WHEREOF, each of undersigned has caused this Intellectual Property Security Agreement to be duly executed and delivered as of the date first above written.

STS OPERATING, INC.

By:  _____

Name: Keith Krutwig
Title: Vice President, Corporate
Controller and Assistant
Secretary

PARAGON TECHNOLOGIES
INCORPORATED

By:  _____


Name: Keith Krutwig
Title: Controller and Treasurer

[STS Operating, Inc. – IP Security Agreement Signature Page]




TRADEMARK
REEL: 005215 FRAME: 0244



BARCLAYS BANK PLC, as Administra-
tive Agent

By: _____


Name: Craig J. Malloy
Title: Director

UNITED STATES TRADEMARKS:

Mark	Serial/ Registra- tion Num- ber	Filing/ Registra- tion Date	Goods/ Services	Owner	Status	Next Action/ Comments
U.S. Federal						
ALWAYS WORKING	Serial No. 85/706,159 Reg. No. 4,433,640	Filing Date 8/17/2012 Reg. Date 11/12/2013	Int'l Cl. 37 – repair services, namely the repair of electronic industrial controls, etc.	Paragon Technolo- gies Incorporated	Registered	Declaration of Use due 11/12/2019
PARAGON	Serial No. 85/706,121 Reg. No. 4,345,784	Filing Date 8/17/2012 Reg. Date 6/4/2013	Int'l Cl. 37 – repair services, namely the repair of electronic industrial controls, etc.	Paragon Technolo- gies Incorporated	Registered	Declaration of Use due 6/4/2019
	Serial No. 76/417,155 Reg. No. 2,854,554	Filing Date 6/6/2002 Reg. Date 6/15/2004	Int'l Cl. 9 – computer software for use in tracking maintenance, repair, warranty and usage for certain equipment, etc.	Paragon Technolo- gies Incorporated	Registered	Renewal due 6/15/2014
	Serial No. 85/706,131 Reg. No. 4,394,978	Filing Date 8/17/2012 Reg. Date 9/3/2013	Int'l Cl. 37 – repair services, namely the repair of electronic industrial controls, etc.	Paragon Technolo- gies Incorporated	Registered	Declaration of Use due 9/3/2019
	Serial No. 85/706,176	Filing Date 8/17/2012	Int'l Cl. 37 – repair services, namely the repair of electronic industrial controls, etc.	Paragon Technolo- gies Incorporated	Pending	Office Action issued 9/20/2013; response to office action due 3/20/2014
ACTIVATION	Serial No. 78/325,529 Reg. No. 2,965,018	Filing Date 11/10/2003 Reg. Date 7/5/2005	Int'l Cl. 35 – distributorships featuring fluid power products, etc. Int'l Cl. 42 – engineering and designing fluid power products, etc.	STS Operating, Inc.	Registered	Renewal due 7/5/2015 Security Interest in place with General Electric Capital Corporation*

Mark	Serial/ Registration Number	Filing/ Registration Date	Goods/ Services	Owner	Status	Next Action/ Comments
AIR-DRECO	Serial No. 78/325,526 Reg. No. 2,951,506	Filing Date 11/10/2003 Reg. Date 5/17/2005	Int'l Cl. 35 – distributorships featuring fluid power products, etc. Int'l Cl. 42 – engineering and designing fluid power products, etc.	STS Operating, Inc.	Registered	Renewal due 5/17/2015 Security Interest in place with General Electric Capital Corporation*
FAUVER	Serial No. 78/325,521 Reg. No. 2,951,505	Filing Date 11/10/2003 Reg. Date 5/17/2005	Int'l Cl. 35 - distributorships featuring fluid power products, etc. Int'l Cl. 42 – engineering and designing fluid power products, etc.	STS Operating, Inc.	Registered	Renewal due 5/17/2015 Security Interest in place with General Electric Capital Corporation*
	Serial No. 72/382,198 Reg. No. 967,004	Filing Date 1/28/1971 Reg. Date 8/28/1973	Int'l Cl. 7 – hydraulic power units to supply hydraulic power for driving machinery, etc. Int'l Cl. 37 – installation, maintenance, service and repair of hydraulic power systems and components	STS Operating, Inc.	Registered	Renewal due 8/28/2023 Security Interest in place with General Electric Capital Corporation*
	Serial No. 78/326,621 Reg. No. 2,966,522	Filing Date 11/12/2003 Reg. Date 7/12/2005	Int'l Cl. 35 - distributorships featuring fluid power products, etc. Int'l Cl. 42 – engineering and designing fluid power products, etc.	STS Operating, Inc.	Registered	Renewal due 7/12/2015 Security Interest in place with General Electric Capital Corporation*
U.S. State						
J.N. FAUVER Co. (WI trade name)		Reg. Date 5/11/1988	Int'l Cl. 42 – industrial distributor	STS Operating, Inc.	Registered	Status unclear