

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Rider to Security Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
ENVIRONMENTAL TECTONICS CORPORATION		09/28/2012	CORPORATION: PENNSYLVANIA

RECEIVING PARTY DATA

Name:	PNC BANK, NATIONAL ASSOCIATION
Street Address:	1000 Westlakes Drive, Suite 200
City:	Berwyn
State/Country:	PENNSYLVANIA
Postal Code:	19312
Entity Type:	Bank: UNITED STATES

PROPERTY NUMBERS Total: 9

Property Type	Number	Word Mark
Registration Number:	1267016	BARA-MED
Registration Number:	1298508	ETC
Registration Number:	2602364	GAT-II
Registration Number:	1540289	G-LAB
Registration Number:	3424619	G-POINTING
Registration Number:	1454987	GYROLAB
Registration Number:	3370892	NASTAR CENTER
Registration Number:	3731423	NASTAR CENTER
Registration Number:	2618917	THE RIDE WORKS

CORRESPONDENCE DATA

Fax Number: 2158648999
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.
 Phone: 215.864.8407

CH \$240.00 1267016

Email: wintners@ballardspahr.com
Correspondent Name: Sandra Wintner
Address Line 1: Ballard Spahr LLP
Address Line 2: 1735 Market Street, 51st Floor
Address Line 4: Philadelphia, PENNSYLVANIA 19103-7599

ATTORNEY DOCKET NUMBER:	00894783
NAME OF SUBMITTER:	Sandra Wintner
Signature:	/Sandra Wintner/
Date:	09/28/2012

Total Attachments: 15
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Rider to Security Agreement – Trademarks



THIS RIDER TO SECURITY AGREEMENT (“Rider”) executed as of September 26 and 27, 2012 but effective as of September 28, 2012, by and between **ENVIRONMENTAL TECTONICS CORPORATION (“ETC”** and together with each person joined to the Security Agreement in such capacity, individually a **“Grantor”** and, collectively, the **“Grantors”**), a Pennsylvania corporation with an address at 125 James Way, Southampton, PA 18966, and **PNC BANK, NATIONAL ASSOCIATION (the “Bank”)**, with an address at 1000 Westlakes Drive, Suite 200, Berwyn, PA 19312. This Rider is incorporated into and made part of that certain Security Agreement (**“Security Agreement”**) between the Grantors and the Bank dated as of the effective date hereof, and also into certain other financing documents and security agreements executed by and between one or more of the Grantors and the Bank (all such documents including this Rider being collectively referred to as **“Loan Documents”**). All capitalized terms not otherwise defined in this Rider shall have the same meanings ascribed to such terms in the other Loan Documents.

The Grantors have adopted, used and are using (or have filed applications, other than intent-to-use applications, for the registration of) the trademarks, service marks and trade names listed on Schedule “A” attached hereto and made part hereof (all such marks or names hereinafter referred to as the **“Trademarks”**).

The Bank desires to acquire a lien and security interest on the Trademarks and the registration thereof, together with all the goodwill of the Grantors associated therewith and represented thereby, as security for all of the Obligations (as defined in the Security Agreement) to the Bank, and the Bank desires to have its security interest in such Trademarks confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office.

NOW, THEREFORE, with the foregoing background deemed incorporated by reference and made part hereof, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. Grant of Security Interest. In consideration of and pursuant to the terms of the Loan Documents, and for other good, valuable and sufficient consideration, the receipt and sufficiency of which is hereby acknowledged, and to secure payment and performance of the Obligations, each Grantor grants a lien and security interest to the Bank in all its present and future right, title and interest in and to the Trademarks, together with all the goodwill and other tangible assets of such Grantor associated with and represented by the Trademarks, and the non-intent-to-use applications for and registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. Representations and Warranties. Each Grantor represents, warrants and covenants that: (a) the registered Trademarks are subsisting and have not been abandoned, suspended, voluntarily terminated or canceled by any Grantor, have not been adjudged invalid or unenforceable, and to the best of each Grantor’s knowledge, there is no reason why the Trademarks should be adjudged invalid or unenforceable; (b) the Grantors are the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, and each of the Trademarks is free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses and covenants by any Grantor not to sue third persons; (c) the Grantors have the unqualified right to enter into this Rider and perform its terms; (d) the Grantors have used, and will continue to use for the duration of this Rider, proper notice, as required by 15 U.S.C. §§ 1051-1127 in connection with its use of the

Trademarks; (e) the Grantors have used, and will continue to use for the duration of this Rider, consistent standards of quality in products leased or sold under the Trademarks; and (f) the Grantors will not (and will not permit any licensee thereof to) do any act or knowingly omit to do any act whereby any of the Trademarks may become invalidated, abandoned, unenforceable, avoided, avoidable or otherwise diminished in value, and shall notify the Bank immediately if any of the Grantors knows of any reason or has any reason to know of any grounds under which any of the foregoing may occur.

3. **Verification of Quality Control.** Each Grantor hereby grants to the Bank and its employees and agents the right to visit such Grantor's locations which lease, sell, or store products under any of the Trademarks and to inspect the products and quality control records relating thereto at reasonable times during regular business hours to ensure the Grantors' compliance with paragraph 2(f).

4. **Covenants.** Each Grantor further covenants to the Bank that until all of the Obligations have been satisfied in full: (a) the Grantors shall maintain the Trademarks in full force and effect; (b) the Grantors will not enter into any agreements which are inconsistent with the Grantors' obligations under this Rider or which restrict or impair the Bank's rights hereunder; and (c) if any Grantor acquires rights to any new non-intent-to-use trademarks, service marks or trade names, the provisions of this Rider shall automatically apply thereto and the Grantors shall give the Bank prompt written notice thereof along with an amended Schedule A; provided, however, that notwithstanding anything to the contrary contained in this Agreement, the Grantors shall have the right to enter into agreements in the ordinary course of business with respect to the Trademarks.

5. **Exclusive Use of Trademarks.** So long as this Rider is in effect and so long as no Grantor has received notice from the Bank that an Event of Default has occurred under the Loan Documents and that the Bank has elected to exercise its rights to assignment hereunder, the Grantors shall continue to have the exclusive right to use the Trademarks including the right to grant licenses thereof, and the Bank shall have no right to use the Trademarks or to grant any exclusive or non-exclusive license with respect thereto, or to assign, pledge or otherwise transfer title in the Trademarks to any other person.

6. **Negative Pledge.** Until all of the Obligations have been satisfied in full, each Grantor (a) agrees not to sell, assign (by operation of law or otherwise) or further encumber its rights and interest in the Trademarks without prior written consent of the Bank and (b) shall defend the Trademarks against and shall take such other action as is necessary to remove any lien, security interest, claim, right or other encumbrance of any nature whatsoever in or to the Trademarks, and will defend the right, title and interest of the Bank in and to any of the Grantors' rights under the Trademarks against the claims or demands of all persons whatsoever.

7. **No Additional Trademarks.** As of the date hereof, no Grantor owns any Trademarks, or has any Trademarks registered in or the subject of pending applications in the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, other than those grants, registrations or applications for registrations listed on Schedule A annexed hereto and made a part hereof.

8. **Pledge of Additional Trademarks.** In the event any Grantor, either itself or through any agent, employee, licensee or designee shall:

- (a) file or record an application for the registration of any trademark, service mark or trade name with the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof; or

(b) file or record any assignment of any trademark, service mark or trade name which the Grantor may acquire, own or license from a third party, with the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof;

the Grantors shall promptly, but in no event more than fifteen (15) days subsequent to such filing, notify the Bank thereof, and, upon request of the Bank shall promptly, but in no event more than twenty (20) days subsequent to such notice, execute and deliver any and all assignments, agreements, instruments, documents and papers as the Bank may reasonably request to evidence the Bank's interest in such trademarks, service marks and trade names and the goodwill of the Grantors associated therewith or represented thereby. Each Grantor hereby grants the Bank a power of attorney, irrevocable until the Obligations are fully paid and satisfied, to modify this Rider by amending Schedule A, as applicable, to include any future trademarks, service marks and trade names or licenses, including, without limitation, registrations or applications appurtenant thereto, covered by this Rider.

9. Remedies Upon Default. (a) Anything herein contained to the contrary notwithstanding, if and while any Grantor shall be in default hereunder or an Event of Default exists under the Loan Documents, each Grantor hereby covenants and agrees that the Bank, as the holder of a security interest under the Uniform Commercial Code, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Trademarks covered hereby.

(b) For such purposes, and in the event of any Grantor's default hereunder or an Event of Default under the Loan Documents and while such default or Event of Default exists, each Grantor hereby authorizes and empowers the Bank to make, constitute and appoint any officer or agent of the Bank as the Bank may select, in its exclusive discretion, as such Grantor's true and lawful attorney-in-fact, with the power to endorse such Grantor's name on all applications, documents, papers and instruments necessary for the Bank to use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or necessary for the Bank to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else. Each Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Rider and the Loan Documents, and until all the Obligations are satisfied in full.

(c) Each Grantor expressly acknowledges that this Rider shall be recorded with the Patent and Trademark Office in Washington, D.C. Contemporaneously herewith, each Grantor shall also execute and deliver to the Bank such documents as the Bank shall reasonably request to permanently assign all rights in the Trademarks to the Bank, which documents shall be held by the Bank, until the occurrence of an Event of Default hereunder or under the Loan Documents. After such occurrence, the Bank may, at its sole option, record such documents with the Patent and Trademark Office.

10. Subject to Security Agreement. This Rider shall be subject to the terms, provisions, and conditions set forth in the Security Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

11. Inconsistent with Security Agreement. All rights and remedies herein granted to the Bank shall be in addition to any rights and remedies granted to the Bank under the Loan Documents. In the event of an inconsistency between this Rider and the Security Agreement, the language of the Security Agreement shall control. The terms and conditions of the Security Agreement are hereby incorporated herein by reference.

12. **Termination of Agreement.** Upon payment and performance of all Obligations under the Loan Documents, the Bank shall execute and deliver to the Grantors all documents necessary to re-vest all rights in and to the Trademarks in the Grantors and/or terminate any interest of the Bank therein.

13. **Prosecution of Trademark Applications.** (a) Subject to the terms of the Loan Documents, the Grantors shall have the duty to prosecute diligently any trademark application with respect to the Trademarks pending as of the date of this Rider or thereafter, until the Obligations shall have been satisfied in full, to preserve and maintain all rights in the registration and grant of the Trademarks, to halt any infringement of the Trademarks, and upon reasonable request of the Bank, each Grantor shall make federal application on registrable but unregistered trademarks belonging to such Grantor. Any reasonable expenses incurred in connection with such applications or defense of said Trademarks shall be borne by the Grantors. No Grantor shall abandon any Trademark without the written consent of the Bank.

(b) Each Grantor shall have the right to bring suit in its own name to enforce the Trademarks, in which event the Bank may, if such Grantor deems it necessary or after an Event of Default under the Loan Documents, be joined as a nominal party to such suit if the Bank shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. The Grantors shall promptly, upon demand, reimburse and indemnify the Bank for all damages, reasonable costs and reasonable expenses, including attorneys' fees, incurred by the Bank in the fulfillment of the provisions of this paragraph.

14. **Responsibility and Liability.** Each Grantor assumes all responsibility and liability arising from the use of the Trademarks, and hereby indemnifies and holds the Bank and each director, officer, employee, affiliate and agent thereof, harmless from and against any claim, suit, loss, damage or expense (including attorneys' fees and expenses) arising out of any alleged defect in any product manufactured, promoted or sold by any Grantor in connection with any of the Trademarks or otherwise arising out of any Grantor's operation of its business from the use of the Trademarks. In any suit, proceeding or action brought by the Bank under any license for any sum owing thereunder, or to enforce any provisions of such license, the Grantors will indemnify and keep the Bank harmless from and against all expense, loss or damage suffered by reason of any defense, set off, recoupment, claim, counterclaim, reduction or liability whatsoever of the obligee thereunder or arising out of a breach of any Grantor of any obligation thereunder or arising out of any agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from any Grantor, and all such Obligations of the Grantors shall be and remain enforceable against and only against the Grantors and shall not be enforceable against the Bank.

15. **Bank's Rights.** The Bank may, in its sole discretion, pay any amount or do any act required of any Grantor hereunder or requested by the Bank to preserve, defend, protect, maintain, record or enforce any Grantor's obligations contained herein, the Obligations of any Grantor to the Bank, the Trademarks, or the right, title and interest granted the Bank herein, and which any Grantor fails to do or pay, and any such payment shall be deemed an advance by the Bank to the Grantors and shall be payable on demand together with interest thereon at the default rate specified in the Loan Documents.

16. **Protection of the Trademarks.** Each Grantor agrees that if it learns of any use by any person or any term or design likely to cause confusion with any Trademark, or of any claim of any lien, security interest, claim, right or other encumbrance of any nature whatsoever in or to the Trademarks, such Grantor shall promptly notify the Bank of such use, lien, security interest, claim, right or other encumbrance and, if requested by the Bank, shall join with the Bank, at such Grantor's expense, in such action as the Bank, in its reasonable discretion, may deem advisable for the protection of the Bank's interest in and to the Trademarks, it being understood that the foregoing shall not preclude any Grantor

from bringing an action against a person for the protection of such Grantor's interest in and to such Trademarks.

17. **Additional Remedies.** Upon the occurrence of an Event of Default under the Loan Documents, the Bank may, without any obligation to do so, complete any obligation of any Grantor hereunder, in any Grantor's name or in the Bank's name, but at the Grantors' expense, and each Grantor hereby agrees to reimburse the Bank in full for all reasonable expenses, including reasonable attorney's fees, incurred by the Bank in protecting, defending and maintaining the Trademarks.

18. **Joint and Several.** If this Rider is executed by more than one party as Grantor, the obligations of such persons or entities will be joint and several.

19. **Governing Law.** This Rider will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the Commonwealth of Pennsylvania, excluding its conflict of laws rules, except that the federal laws of the United States of America shall govern to the extent applicable.

20. **Counterparts.** This Rider may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

[signature page follows]

WITNESS the due execution hereof as a document under seal, as of the date first written above.

ATTEST:

Ann M. Green ANN M. GREEN
Name: _____
Title: VP Admin

ENVIRONMENTAL TECTONICS
CORPORATION

By: Robert L. Lawrence
Name: ROBERT L. LAWRENCE (SEAL)
Title: C.F.O.

PNC BANK, NATIONAL ASSOCIATION

By: _____
(SEAL)
Print Name: _____
Title: _____

WITNESS the due execution hereof as a document under seal, as of the date first written above.

ATTEST:

ENVIRONMENTAL TECTONICS
CORPORATION

Name:
Title: _____

By: _____
Name: (SEAL)
Title:

PNC BANK, NATIONAL ASSOCIATION

By: *J. M. Dinapoli*
(SEAL)
Print Name: JOHN M DINAPOLI
Title: SENIOR VICE PRESIDENT

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF Bucks)

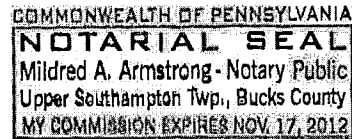
SS:

On this, the 27TH day of September, 2012, before me, a Notary Public, the undersigned officer, personally appeared ROBERT L. LAURENT, JR., who acknowledged himself/herself to be the CFO of Environmental Tectonics Corporation, a Pennsylvania corporation, and that he/she, in such capacity, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Mildred A. Armstrong
Notary Public

My commission expires: 11/17/2012



COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF Chester)

SS:

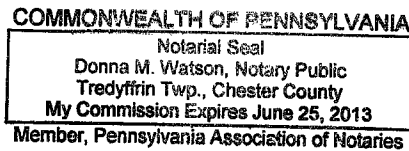
On this, the 26th day of September, 2012 before me, a Notary Public, the undersigned officer, personally appeared John M. DiNapoli, who acknowledged himself/herself to be the Senior Vice President of PNC BANK, NATIONAL ASSOCIATION and that he/she, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said bank as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My commission expires:

Donna M. Watson



SCHEDULE A TO RIDER TO SECURITY AGREEMENT – TRADEMARKS

<u>TRADEMARK</u>	<u>REGISTRATION OR COUNTRY</u>	<u>APPLICATION OR REGISTRATION NO.</u>	<u>FILING DATE</u>
BARA-MED®	U.S.A.	Reg. No. 1,267,016	August 26, 1982
ETC®	U.S.A.	Reg. No. 1,298,508	March 31, 1983
GAT-II®	U.S.A.	Reg. No. 2,602,364	September 20, 2000
G-LAB®	U.S.A.	Reg. No. 1,540,289	October 11, 1988
G-POINTING®	U.S.A.	Reg. No. 3,424,619	June 6, 2006
GYROLAB®	U.S.A.	Reg. No. 1,454,987	July 14, 1986
NASTAR®	U.S.A.	Reg. No. 3,370,892	August 22, 2006
CENTER			
NASTAR®	U.S.A.	Reg. No. 3,731,423	June 29, 2009
CENTER			
THE RIDE	U.S.A.	Reg. No. 2,618,917	March 27, 2001
WORKS®			
ADMS™	Unregistered (common law mark)		
ATST™	Unregistered (common law mark)		
ATFS™	Unregistered (common law mark)		
ATFS-400 (stylized)	Unregistered (common law mark)		
Authentic Tactical Fighting System™	Unregistered (common law mark)		
BARA-LAB™	Unregistered (common law mark)		
BARA-PRESS™	Unregistered (common law mark)		
CAS™	Unregistered (common law mark)		
Cockpit Module™	Unregistered (common law mark)		
DMI™	Unregistered (common law mark)		
EPC™	Unregistered (common law mark)		
ETC™ (Stylized "ETC" with caduceus.)	Unregistered (common law mark)		
ETC™ (Stylized "ETC" and name in color.)	Unregistered (common law mark)		
FALCON™	Unregistered (common law mark)		

Falcon™ (Stylized Mark)	Unregistered (common law mark)
Flight Training Without The Physiological Stresses Is Not Flight Training™	Unregistered (common law mark)
GL-1500™	Unregistered (common law mark)
GL-4000™	Unregistered (common law mark)
GL-6000™	Unregistered (common law mark)
Gryphon™	Unregistered (common law mark)
Gryphon™ (Stylized Mark)	Unregistered (common law mark)
GYRO-1™	Unregistered (common law mark)
GyroFlight™	Unregistered (common law mark)
MAC™	Unregistered (common law mark)
MRC Monster Roll Cage™	Unregistered (common law mark)
O.S.C.A.R.™	Unregistered (common law mark)
Phoenix™	Unregistered (common law mark)
PRO-GENESIS™	Unregistered (common law mark)
SHAREX™	Unregistered (common law mark)
SIGNATURE TECHNOLOGY™	Unregistered (common law mark)
SMOOTH RIDE™	Unregistered (common law mark)
TACModule™	Unregistered (common law mark)
Thrills Without Ills™	Unregistered (common law mark)

LICENSE:

K'NEX Limited Partnership Group

Trademark License Agreement allowing K'NEX Limited Partnership Group use, through February 7, 2019, of the NASTAR CENTER mark (U.S. Registration No. 3370892) and logo in connection with the development and promotion of a K'NEX Education/NASTAR Center set for use in upper elementary and middle school classrooms. Term of License: Through Feb. 7, 2019..

TRADEMARK ASSIGNMENT

WHEREAS, ENVIRONMENTAL TECTONICS CORPORATION (Grantor) is the owner of the entire right, title and interest in and to the United States trademarks, trade names and registrations listed on Schedule A attached hereto and made a part hereof (collectively, the **"Trademarks"**), which are registered in the United States Patent and Trademark Office or which are subject of pending applications in the United States Patent and Trademark Office; and

WHEREAS, PNC BANK, NATIONAL ASSOCIATION, having a place of business at 1000 Westlakes Drive, Suite 200, Berwyn, PA 19312, identified as the **"Bank"** under that certain Rider to Security Agreement - Trademarks (the **"Rider"**) executed as of September 26 and 27, but effective as of September 28, 2012 herewith (the **"Grantee"**) is desirous of acquiring said Trademarks;

WHEREAS, the Grantee has a security interest in the assets of the Grantor adequate to carry on the business of the Grantor; and

WHEREAS, the Rider provides that this Assignment shall become effective upon the occurrence of an Event of Default as defined in the Security Agreement executed as of September 26 and 27, but effective as of September 28, 2012 by and between the Grantor and the Grantee.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Grantor, for itself and its successors and assigns, does hereby collaterally transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of the Grantor's present and future right, title and interest in and to the Trademarks, the goodwill of the business associated with such Trademarks and all proceeds thereof and all rights and proceeds associated therewith.

IN WITNESS WHEREOF, each of the undersigned has caused this Trademark Assignment to be executed by its duly authorized officer on September 27, 2012, but effective as of September 28, 2012.

[signature page follows]

WITNESS the due execution hereof as a document under seal, as of the date first written above.

ATTEST:

ENVIRONMENTAL TECTONICS
CORPORATION

Ann M. Allen ANN M ALLEN
Name:
Title: V P Admstr.

By: Robert J. Guntz
Name: ROBERT J. GUNTZ (SEAL)
Title: C.F.O.

Trademark Rider
DMEAST #13396132

TRADEMARK
REEL: 004868 FRAME: 0992

COMMONWEALTH OF PENNSYLVANIA)

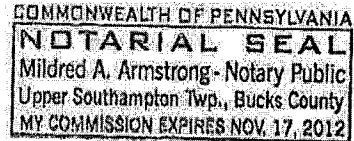
COUNTY OF BUCKS)

SS:

On this, the 27TH day of September, 2012, before me, a Notary Public, the undersigned officer, personally appeared ROBERT L. LAURENT, JR., who acknowledged himself/herself to be the CFO of Environmental Tectonics Corporation, a Pennsylvania corporation, and that he/she, in such capacity, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Mildred A. Armstrong
Notary Public



Trademark Rider
DMEAST #13396132