

MRD 6119100

FORM PTO-1594
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)

RECO

07-18-2000

IEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office



101405946

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
Corlac, Inc.

Individual(s) Association
 General Partnership Limited Partnership
 Corporation- Canada
 Other

2. Name and address of receiving party(ies)
Name: General Electric Capital Canada Inc.
Internal Address: _____
Street Address: 200 West Madison St., Suite 2300
City: Chicago State: IL ZIP: 60606

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

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

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

Execution Date: May 10, 2000

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

A. Trademark Application No.(s)
76/016,808

B. Trademark Registration No.(s)

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: David B. Jennings
Internal Address: Armstrong Teasdale LLP
Suite 2600
Street Address: One Metropolitan Square
City: St. Louis State: MO ZIP: 63102

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41).....\$ 40
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:
01-2384
(Attach duplicate copy of this page if paying by deposit account)

07/17/2000 ASCOTT 00000102 012384 76016808 DO NOT USE THIS SPACE

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.

David B. Jennings [Signature] 6-12-00
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 10

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 002103 FRAME: 0429

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("**Agreement**") is made and entered into as of the 10th day of May, 2000, by and between Corlac Inc., a corporation of Canada with its principal place of business located at 6010 53rd Avenue, Lloydminster, Alberta T9V 2T2 ("**Debtor**"), and General Electric Capital Canada Inc. c/o 200 West Madison Street, Suite 2300, Chicago, Illinois 60606 ("**Secured Party**").

WHEREAS, Secured Party has made certain financial accommodations and either has advanced or is about to advance funds to Debtor pursuant to that certain Loan and Security Agreement among Debtor, Secured Party, Corlac Equipment Ltd. and Corlac Industries (1998) Ltd. dated as of the 10th day of May, 2000 (the "**Loan Agreement**"); and

WHEREAS, in order to induce Secured Party to enter the Loan Agreement and in order to further secure the repayment of all sums due pursuant to the Loan Agreement, Debtor has agreed to execute this Agreement granting Secured Party a security interest in the Trademark Collateral hereinafter defined;

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of Security Interest. In consideration of the premises and other valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, and in order to secure the repayment to Secured Party of all sums due pursuant to the Loan Agreement, Debtor hereby grants to Secured Party a security interest in all of Debtor's right, title and interest in and to the following, wherever located and whether now owned or hereafter existing or now owned or hereafter acquired or arising:

(a) all of Debtor's right, title and interest in and to the trademark(s), trade name(s) and servicemark(s) listed on Schedule A hereto (as the same may be amended pursuant hereto from time to time) (collectively, the "**Trademarks**"), including, without limitation, all renewals thereof, all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements and all rights corresponding thereto throughout the world (all of the foregoing are collectively called the "**Trademark Rights**"), and the goodwill of the business to which the Trademark relates (the "**Associated Goodwill**") (the Trademarks, the Trademark Rights, and the Associated Goodwill are collectively called the "**Trademark Collateral**").

2. Representations, Warranties and Covenants of Debtor. Until all obligations of Debtor under this Agreement and the Loan Agreement have been fully satisfied and discharged, and except as hereinafter expressly set forth, Debtor warrants, represents and agrees as follows:

(a) The United States applications for the Trademarks are subsisting and have not been adjudged invalid or unenforceable;

(b) The Trademarks are valid and enforceable, except to the extent that such invalidity or unenforceability could not reasonably be expected to have a material adverse effect;

(c) No current claim has been made to Debtor that the use of any United States or foreign Trademark does or may violate the rights of any third person;

(d) Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the applications and registrations for the United States and foreign Trademarks, free and clear of any liens, charges and the encumbrances, including, without limitation, pledges, assignments, licenses, registered user agreements and covenants by Debtor not to sue third persons;

(e) Debtor has the unqualified right to enter into this Agreement and to perform its terms;

(f) Debtor shall use, for the duration of this Agreement, the proper statutory notice in connection with its use of the Trademarks;

(g) Debtor shall use for the duration of this Agreement, consistent standards of quality in its manufacture and/or sale of products sold under the Trademarks;

(h) Accurate and complete copies of all books and records concerning the Trademark Collateral shall at all times be located at the address set forth above and this is Debtor's only place of business; and

(i) Debtor's name is as provided in the first paragraph hereof and it has no other names or trade names nor has it used any other names or trade names in the past five years other than those set out in Schedule B hereto.

3. Inspection Rights. Debtor hereby grants to Secured Party and its employees, agents and designees the right, upon reasonable advance written notice and during normal business hours (except following the occurrence and continuation of an event of default, in which case the above-stated restrictions shall not apply), to visit Debtor's plants and facilities which manufacture, distribute or store products sold under the Trademarks, and to inspect the products and quality control records relating thereto. Debtor shall do any and all acts reasonably required by Secured Party to ensure Debtor's compliance with paragraph 2(g) hereof.

4. Further Assurances. Debtor agrees that, until all of its obligations under this Agreement and the Loan Agreement shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with Debtor's obligations under this Agreement, without Secured Party's prior written consent. Debtor further agrees that at any time and from time to time, at the expense of Debtor, Debtor will promptly execute and deliver all further instruments and documents, and take all further action, that may be reasonably necessary, or that Secured Party may reasonably request, in order to perfect and protect the security interest and collateral assignment granted or purported to be granted hereby or to enable Secured Party to exercise its rights and remedies hereunder.

5. Additional Trademarks. If, before Debtor's obligations under the Loan Agreement shall have been satisfied in full, Debtor shall obtain rights to any registrations of any new trademark(s), trade name(s) or servicemark(s) or application(s) therefor, the provisions of paragraph 1 shall automatically apply thereto and Debtor shall give Secured Party prompt written notice thereof.

6. Modification by Secured Party. Debtor authorizes Secured Party to modify this Agreement by amending Schedule A to include any future registrations of any trademark(s), trade name(s) or servicemark(s), or future application(s) therefor, covered by paragraphs 1 and 5 hereof, without the signature of Debtor to the extent permitted by applicable law, subject to any factual limitation on Debtor's representations and warranties of which Debtor notifies Secured Party in writing.

7. Grant of License to Secured Party. Subject to Secured Party's maintaining standards of quality consistent with those of Debtor in connection with the Trademark Collateral, Debtor hereby presently grants to the Secured Party a license to use the Trademarks and the Associated Goodwill in connection with the Trademark Collateral upon and after the foreclosure upon, sale or other transfer of all or any part of the Trademark Collateral by or to Secured Party pursuant to any Loan Documents including this Agreement. The license granted in this paragraph 7 may be transferred by Secured Party, without Debtor's consent, to any successor of Secured Party, any assignee of Secured Party, and/or any purchaser or other transferee of any or all of the Trademark Collateral.

8. Rights of Debtor. Unless and until there shall have occurred an event of default under this Agreement or the Loan Agreement, Debtor shall own the title to the Trademark Collateral and shall have the exclusive, nontransferable right to use the Trademark Collateral on and in connection with products sold, distributed or otherwise used by Debtor, for Debtor's own benefit and account and for none other. Without the prior written consent of the Secured Party, which consent shall not be unreasonably withheld, Debtor agrees not to sell or assign its interest in, or grant any license under the Trademarks or the other Trademark Collateral, other than to the Secured Party hereunder.

9. Default. Debtor shall be in default under this Agreement upon:

(a) Default in the payments of any sums due pursuant to this Agreement or the Loan Agreement or failure to perform or discharge any other covenant or liability contained in this Agreement or the Loan Agreement;

(b) Reasonable determination by Secured Party that any material warranty or material representation herein made was false when made;

(c) Sale, assignment, license, transfer or encumbrance of any of the Trademark Collateral other than as permitted by this Agreement, or the making of any levy, seizure or attachment thereof, except as herein expressly permitted;

(d) Any event of default under any loan agreement, guaranty or secured agreement between Debtor and any other lender, to which Debtor is now or may hereafter become obligated, whether now existing or hereafter incurred; or

(e) Dissolution, termination of existence, insolvency or business failure of Debtor, or appointment of a receiver for any part of the Trademark Collateral, or any assignment for the benefit of creditors of Debtor or the commencement of any proceeding under any bankruptcy or insolvency law by or against Debtor.

Upon any and each and every such event of default and at any time thereafter, Secured Party may declare all obligations secured hereby immediately due and payable and may proceed to enforce payment of the same and exercise any and all rights and remedies possessed by Secured Party. Expense for preparing for sale or selling or exercising any other remedies as provided herein with respect to the Trademark Collateral shall include Secured Party's reasonable attorneys fees and legal expenses. Any notification of sale or other disposition of the Trademark Collateral required to be given by Secured Party will be sufficient if given personally, or mailed by certified mail, not less than five days prior to the date on which such sale or other disposition will be made, to the address of Debtor stated above, and such notification shall be deemed reasonable notice. In the event the proceeds from the sale of the Trademark Collateral shall be insufficient to satisfy Debtor's obligations pursuant to the Loan Agreement in full, Debtor shall remain fully liable for the deficiency.

10. Term of Agreement. This Agreement shall commence as of the day and year first above written and shall continue in full force and effect until all obligations of Debtor under this Agreement and the Loan Agreement have been paid in full. At such time as all of the obligations of Debtor under the this Agreement and the Loan Agreement shall be satisfied in full, this Agreement shall terminate and Secured Party shall execute and deliver to Debtor all instruments as may be necessary or proper to re-vest in Debtor full and unencumbered title to the Patents, subject to any disposition thereof which may have been made by Secured Party pursuant hereto.

11. Preservation of Trademark Rights. Debtor shall have the duty, through counsel reasonably acceptable to the Secured Party, to do any and all acts which are reasonably necessary or desirable to preserve and maintain all rights in the Trademark Collateral. Any expenses incurred in connection with the foregoing shall be borne by Debtor. Debtor shall not abandon any Trademark without the prior written consent of the Secured Party, which consent shall not be unreasonably withheld. Debtor shall have the right, upon advance written notice to the Secured Party, to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Trademarks, in which event the Secured Party may, if necessary, be joined as a nominal party to such suit so long as the Secured Party is satisfied, in its sole determination, that such joinder will not subject it to any risk of liability. Debtor shall promptly, upon demand, reimburse and indemnify the Secured Party or all Lenders for all damages, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by the Secured Party or any Lender in the fulfillment of any provision of this paragraph 11.

12. Secured Party Appointed Attorney-In-Fact. Debtor hereby authorizes and empowers Secured Party, upon and during the continuation of an event of default, to make, constitute and appoint any officer or agent of Secured Party as the Secured Party may select, in its exclusive discretion, as Debtor's true and lawful attorney-in-fact, with the power to endorse Debtor's name on all applications, documents, papers and instruments necessary for the Secured Party to use the Trademarks or the other Trademark Collateral, or to grant or issue any exclusive or non-exclusive license under the Trademark Collateral to the Secured Party or anyone else, or necessary for the Secured Party to assign, pledge, convey or otherwise transfer title in or dispose of the Trademark Collateral to anyone else. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.

13. Secured Party May Act. If Debtor fails to comply with any of its obligations hereunder, the Secured Party may do so in Debtor's name or in Secured Party's name to the extent permitted by applicable law, but at Debtor's expense, and Debtor hereby agrees to reimburse the Secured Party in full for all reasonable expenses, including, without limitation, reasonable attorneys fees, incurred by the Secured Party in protecting, defending or maintaining the Trademark Collateral or any part thereof.

14. No Waiver. No course of dealing between Debtor and the Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of the Secured Party, any right, power or privilege hereunder, under the Loan Agreement or under applicable law shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

15. Rights Cumulative. All of the Secured Party's rights and remedies with respect to the Trademark Collateral, whether established hereby or by the Loan Agreement, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

16. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

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

18. Inurement. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties; provided however, that the foregoing provision shall not invalidate or otherwise modify the restrictions imposed on Debtor hereunder with respect to transferring any part of or interest in the Trademark Collateral.

19. Governing Law and Venue. This Assignment has been negotiated, executed and delivered in various jurisdictions. In order to provide for a uniform and well established body of


commercial and other law to define and govern the rights and duties of the parties, the parties agree that this Agreement shall be governed by and construed in accordance with the internal substantive laws of the State of New York without giving effect to any choice of law rules thereof. DEBTOR HEREBY CONSENTS TO THE JURISDICTION OF THE STATE COURTS AND FEDERAL COURTS LOCATED WITHIN THE STATE OF NEW YORK, AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO DEBTOR AT ITS ADDRESS SET FORTH HEREIN AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT THEREOF. DEBTOR WAIVES ANY OBJECTION TO JURISDICTION AND VENUE OF ANY ACTION INSTITUTED AGAINST IT AS PROVIDED HEREIN AND AGREES NOT TO ASSERT ANY DEFENSE BASED ON LACK OF JURISDICTION OR VENUE.

20. DEBTOR HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY (WHICH SECURED PARTY ALSO WAIVES) IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATING TO THIS AGREEMENT.

[signature page follows]

IN WITNESS WHEREOF, the parties have caused this Security Agreement to be executed as of the day and year first above written.

CORLAC INC.
"Debtor"

By: 
Name: Dan Echino
Title: President

GENERAL ELECTRIC CAPITAL CANADA INC.
"Secured Party"

By: 
Name:
Title:

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SCHEDULE A

Trademark	Application/Serial No.	Date Filed	Intl. Class
SKUD	76/016,808	April 4, 2000	7

SCHEDULE B

Name used by the Debtor in the past five years*:

Corlac Consulting & Equipment Ltd.

Corlac Industries Ltd.

Tristar Fabricators Limited

Corlac Equipment (Med Hat) Ltd.

The Corlac Group Ltd.

**These five companies amalgamated on January 1, 1998 to form The Corlac Group Ltd. and then on February 26, 1998 The Corlac Group Ltd. changed its name to Corlac Inc.*

David B. Jennings
(314) 552-6658
djennings@armstrongteasdale.com

*One Metropolitan Square, Suite 2600
St. Louis, Missouri 63102-2740
Phone: (314) 621-5070
Fax: (314) 621-5065
www.armstrongteasdale.com*

June 12, 2000

Commissioner of Patents and Trademarks
Box: Assignments
Washington, DC 20231

Re: Trademark Security Agreement

Dear Sir or Madame:

Enclosed is a Trademark Security Agreement and Cover Sheet with respect to the following trademark application:

<u>Ser. No.</u>	<u>Mark</u>
76/016,808	SKUD

Please charge the \$40 filing fee to deposit account 01-2384.

Please direct all correspondence to my attention at the address set out above. In addition, please feel free to call me at the above number if you have any questions with respect to the enclosed application.

Please acknowledge receipt of the enclosures by stamping and returning the enclosed postcard.

Very truly yours,



David B. Jennings

DBJ
Enclosures