

01-23-2001
101590547

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RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID # _____
- Correction of PTO Error
Reel # _____ Frame # _____
- Corrective Document
Reel # _____ Frame # _____

Conveyance Type

- Assignment License
 - Security Agreement Nunc Pro Tunc Assignment
 - Merger Change of Name
 - Other _____
- Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Name Execution Date
Month Day Year

- Formerly
- Individual General Partnership Limited Partnership Corporation Association
 - Other
 - Citizenship/State of Incorporation/Organization _____

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA _____

Composed of _____

Address (line 1)

Address (line 2) _____

Address (line 3)

- Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other
- Citizenship/State of Incorporation/Organization _____

01/22/2001 DBYRME 00000123 75744698

01 FC:481 40.00 OP

02 FC:482 50.00 OP

FOR OFFICE USE ONLY

TRADEMARK
REEL: 002217 FRAME: 0285

Domestic Representative Name and Address

Enter for the first Receiving Party only

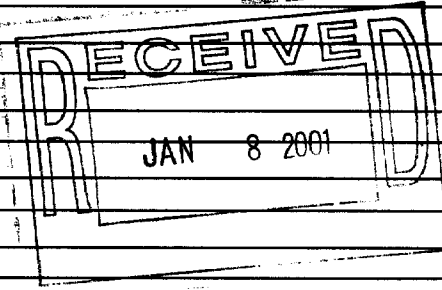
Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)



Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text" value="75/744698"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2020587"/>	<input type="text" value="2291526"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes No

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. Charges to deposit account are authorized, as indicated herein.

Gregory A. Bauer

A handwritten signature in black ink, appearing to read "Gregory A. Bauer". The signature is stylized with loops and is written over a horizontal line.

12.27.2000

Name of Person Signing

Signature

Date Signed

Dollar Bank

PATENT AND TRADEMARK SECURITY AGREEMENT

This PATENT AND TRADEMARK SECURITY AGREEMENT (this "**Agreement**"), dated as of December 12, 2000 by and between LKL INNOVATIONS, LTD., an Ohio limited liability company with its principal place of business at 3785 Lane Road, Perry, Ohio 44081 (the "Borrower") and DOLLAR BANK, FEDERAL SAVINGS BANK, with offices at 1301 East Ninth Street, Cleveland, Ohio 44114 (the "Bank").

WHEREAS, the Borrower and the Bank have entered into the Loan Agreement dated as of the date hereof (herein, as amended or modified from time to time, the "**Loan Agreement**") providing for certain Loans to the Borrower from time to time.

WHEREAS, to induce the Bank to enter into the Loan Agreement with the Borrower and to make Loans and other credit facilities available thereunder, the Borrower has agreed to execute and deliver this Agreement and to grant a security interest in the Collateral (as hereinafter defined) as security for (i) any and all obligations of the Borrower in respect of the Loans and other credit facilities made available under the Loan Agreement, the Notes, the Related Documents (including this Agreement), and any other note or notes from time to time evidencing such Loans and (ii) any and all other amounts from time to time payable by the Borrower to the Bank under the Loan Agreement, the Related Documents (including this Agreement), the Notes (the obligations described in clauses (i) and (ii) being herein collectively referred to as the "**Secured Obligations**").

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Bank to make Loans and other credit facilities available to the Borrower pursuant to the Loan Agreement, the parties hereto hereby agree as follows:

1. **Certain Definitions.** Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Loan Agreement or the Security Agreement dated as of the date hereof by and between the Borrower and the Bank (the "**Security Agreement**").

2. **Assignment and Grant of Security Interest.** As security for the prompt payment and performance of the Secured Obligations, the Borrower hereby assigns, transfers, conveys and grants to the Bank a security interest in, a general lien upon and/or a right of set-off against (whether now owned or hereafter acquired by the Borrower and whether acquired in the United States or elsewhere in the world) all right, title and interest of the Borrower in and to the following (hereafter collectively called the "**Collateral**"):

a. Trademarks

- i. all trademarks, trade names and service marks registered with the United States Patent and Trademark Office (including, without limitation, those listed on Schedule A to this Agreement);
- ii. all applications (other than intent to use applications until a verified state of use has been filed) for the registration of trademarks, trade names and service marks filed with the United States Patent and Trademark Office (including, without limitation, those listed on Schedule A to this Agreement);
- iii. all trademarks, trade names and service marks registered with any office, agency or other governmental authority of any State, the District of Columbia or any possession or territory of the United States;
- iv. all trademarks, trade names and service marks registered with any office, agency or other governmental authority of any other country or any province, department or other governmental subdivision thereof;
- v. all registrations and recordings with respect to any of the foregoing;
- vi. all reissues, extensions and renewals of any of the foregoing;
- vii. all corporate names, business names, trade styles, logos, other source or business identifiers; all information, customer lists, identification of supplier, data, plans, blueprints, specifications, designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials

standards, processing standards, performance standards, catalogs, computer and automatic machinery software and programs, and the like pertaining to operations by the Borrowers in, on or about any of its plants or warehouses; all field repair data, sales data and other information relating to sales or service of products now or hereafter manufactured on or about any of its plants; and all accounting information pertaining to operations in, on or about any of its plants and all media in which or on which all of the information or knowledge or data or records relating to its plants and warehouses may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data, and the Bank shall keep all such information, knowledge, records or data strictly confidential and limit dissemination thereof solely among its officers and their designees, auditors and regulatory authorities (on an "as necessary" basis);

- viii. all licenses and other agreements relating in whole or in part to any of the foregoing, including all rights to payments in respect thereof;
- ix. all rights to sue for past, present or future infringements of any of the foregoing;
- x. all goodwill related to any of the foregoing;
- xi. to the extent not included above, all general intangibles (as such terms is defined in the Uniform Commercial Code of the State of Ohio) of the Borrowers related to the foregoing; and
- xii. all proceeds of any and all of the foregoing;

whether now existing or hereafter created or acquired, as to all items listed in paragraph 1.a.i-xii above.

b. Patents

- i. all letters patent issued by the United States Patent and Trademark Office (including, without limitation, those listed on Schedule B to this Agreement);
- ii. all applications for letters patent to be issued by the United States Patent and Trademark Office (including, without limitation, those listed on Schedule B to this Agreement);
- iii. all letters patent issued by any other country or any office, agency or other governmental authority thereof;
- iv. all applications for letters patent to be issued by any office, agency or other governmental authority referred to in clause (iii) above;
- v. all registrations and recordings with respect to any of the foregoing;
- vi. all reissues, continuations, continuations-in-part, extensions and divisions of any of the foregoing;
- vii. all licenses and other agreements relating in whole or in part to any patents, inventions, processes, production methods, proprietary information or know-how covered by any of the foregoing, including all rights to payments in respect thereof;
- viii. all rights to sue for past, present or future infringements of any of the foregoing;
- ix. all goodwill related to any of the foregoing;
- x. to the extent not included above, all general intangibles (as such terms is defined in the Uniform Commercial Code of the State of Ohio) of the Borrowers related to the foregoing; and
- xi. all proceeds of any and all of the foregoing;

whether now existing or hereafter created or acquired, as to all items listed in paragraph 1.b.i-xi above.

c. Unless an Event of Default has occurred and is continuing, the Bank hereby grants to the Borrower, without representation or warranty of any kind, express or implied, the exclusive, nontransferable right and license to use the Collateral, for the Borrower's own benefit and account. The Borrower agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to the Borrower in this paragraph, without the prior written notice to the Bank. Upon the occurrence and during the continuance of any Event of Default, the Borrower's license with respect to

the Collateral as set forth in this paragraph shall terminate automatically without any requirement of notice to the Borrower of such termination, and the Bank shall thereupon have, in addition to all other rights and remedies given it by this Agreement, those allowed by the federal laws of the United States and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which any of the Collateral may be located.

3. Continuing Liability. The Borrower hereby expressly agrees that, anything herein to the contrary notwithstanding, it shall remain liable under each license, interest and obligation assigned to the Bank hereunder to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof. The Bank shall have no obligation or liability under any such license, interest or obligation by reason of or arising out of this Agreement or the assignment thereof to the Bank or the receipt by the Bank of any payment relating to any such license, interest or obligation pursuant thereto, nor shall the Bank be required or obligated in any manner to perform or fulfill any of the obligations of the Borrower thereunder or pursuant thereto, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any such license, interest or obligation, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

4. Remedies. If an Event of Default has occurred and is continuing, the Bank may exercise, in addition to all other rights and remedies granted to it in this Agreement, the Loan Agreement and any other Related Document, all rights and remedies of a secured party under the Uniform Commercial Code or any other applicable law. Without limiting the generality of the foregoing, the Borrower expressly agrees that in any such event the Bank, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon the Borrower or any other person (all and each of which demands, advertisements and/or notices are hereby expressly waived), may forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange, broker's board or at any of the Bank's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk, and the Bank shall apply the net proceeds (after expenses) of any such sale, lease, assignment or other disposition against the Secured Obligations ratably according to the respective amounts (which in the case of Secured Obligations other than Loans shall mean the amount due on the date of distribution) of such Secured Obligations, the Borrower remaining liable for any deficiency therein. After payment in full of all of the Secured Obligations (including those not yet due and payable at the time of the application referred to above), the Bank shall remit any surplus net proceeds to the Borrower (or its successors or assigns) or otherwise as a court of competent jurisdiction may direct. The Bank shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity or redemption in the Borrower, which right or equity is hereby expressly waived and released. To the extent permitted by applicable law, the Borrower waives all claims, damages and demands against the Bank arising out of the repossession, retention or sale of the Collateral. The Borrower agrees that the Bank need not give more than 10 days' notice of the time after which a private sale may take place and that such notice is reasonable notification of such matter.

5. Grant of License to Use Intangibles. For the purpose of enabling the Bank to exercise rights and remedies under Section 4 hereof at such time as the Bank, without regard to this Section 5, shall be lawfully entitled to exercise such rights and remedies and for no other purpose, the Borrower hereby grants to the Bank an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Borrower) to use, assign or sublicense any of the Collateral, now owned or hereafter acquired by the Borrower, and wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

6. Covenants Regarding Trademark Collateral.

(a) The Borrower shall notify the Bank immediately if it knows or has reason to know that any application or registration relating to any Trademark may become abandoned or dedicated, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court) regarding the Borrower's ownership of any Trademark which is material to the conduct of the Borrower's business, its right to register the same, or to keep and maintain the same.

(b) In no event shall the Borrower, either by itself or through any agent, employee, licensee or designee, file an application for the registration of any Trademark with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, unless it promptly informs the Bank, and, upon request of the Bank, executes and delivers any and all agreements, instruments, documents, and papers as the Bank may request to evidence the Bank's security interest in such application and Trademark and the

Intangible Assets, including, without limitation, the goodwill of the Borrower, relating thereto or represented thereby.

(c) The Borrower shall take all necessary actions, including, without limitation, in any proceeding before the United States Patent and Trademark Office, to maintain and pursue each material application (and to obtain the relevant registration) and to maintain each material registration of the Trademarks, including, without limitation, filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings.

(d) In the event that any of the material Trademark Collateral is infringed, misappropriated or diluted by a third party, the Borrower shall notify the Bank promptly after it learns thereof and shall, unless the Borrower shall reasonably determine that such Trademark Collateral is not material to the conduct of its business or that the nature of the infringement is not such as to warrant any action against the third party, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as the Borrower shall reasonably deem appropriate under the circumstances to protect such Trademark Collateral.

7. Covenants Regarding Patent Collateral.

(a) The Borrower shall notify the Bank immediately if it knows or has reason to know that any application for a Patent (or issued Patent) may become abandoned, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court) regarding the Borrower's ownership of any Patent or its right to keep and maintain the same.

(b) In no event shall the Borrower, either by itself or through any agent, employee, licensee or designee, file an application for any Patent with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, unless it promptly informs the Bank, and, upon request of the Bank, executes and delivers any and all agreements, instruments, documents, and papers as the Bank may request to evidence the Bank's security interest in such application and Patent and the Intangible Assets, including, without limitation, the goodwill of the Borrower, relating thereto or represented thereby.

(c) The Borrower will take all necessary actions, including, without limitation, in any proceeding before the United States Patent and Trademark Office, to maintain and pursue each material application (and to obtain the relevant issuance of a Patent) and to maintain those material Patents which are material to the conduct of the Borrower's business, including, without limitation, filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings.

(d) In the event that any of the material Patent Collateral is infringed by a third party, the Borrower shall notify the Bank promptly after it learns thereof and shall, unless the Borrower shall reasonably determine that such Patent Collateral is not material to the conduct of the its business or that the nature of the infringement is not such as to warrant any action against the third party, promptly sue for infringement and to recover any and all damages for such infringement, and take such other actions as the Borrower shall reasonably deem appropriate under the circumstances to protect such Patent Collateral.

8. Use and Protection of Patent, Copyright and Trademark Collateral. Notwithstanding anything to the contrary contained herein, unless an Event of Default has occurred and is continuing, the Bank shall from time to time execute and deliver, upon the written request of the Borrower, any and all instruments, certificates or other documents, in the form so requested, necessary or appropriate in the judgment of the Borrower to permit the Borrower to continue to exploit, license, use, enjoy and protect the Patents, Copyrights and Trademarks.

9. Further Identification of Collateral. The Borrower will furnish to the Bank from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Bank may reasonably request, all in reasonable detail.

10. Representations and Warranties, etc. The Borrower agrees that it will, at its expense, forever warrant and, at the Bank's request, defend the Bank's and the Borrower's respective interests in the Collateral from any and all claims and demands of any other person that it will not grant, create or permit to exist any Lien upon or security interest in the Collateral in favor of any other person except as expressly permitted under the Loan Agreement. The Borrower represents and warrants to the Bank that:

(a) the Borrower has full power, authority and legal right and capacity to incur and perform its obligations hereunder.

(b) this Agreement constitutes the legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms,

(c) the making and performance by the Borrower of this Agreement and the grant of the security interest hereunder have been duly authorized by all necessary limited liability company action, and do not and will not violate the provisions of any applicable law or applicable regulation, the Borrower's operating agreement and other organizational documents and do not and will not result in a breach of, or constitute a default under, or require any consent or create any lien, charge or encumbrance under, any agreement, instrument or document or the provisions of any order, writ, judgment, injunction, decree, determination or award of any court, government or governmental agency or instrumentality, applicable to the Borrower or to any of its assets to which the Borrower is a party or by which the Borrower or any of its assets may be bound or affected,

(d) so long as the Secured Obligations remain outstanding, the Borrower at all times will be the sole direct or indirect beneficial owner of the Collateral hereunder, and

(e) this Agreement grants to the Bank a first priority lien upon and in the Collateral subject to no lien or security interest except as expressly permitted by the Loan Agreement.

11. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses determined under the Loan Agreement.

12. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13. No Waiver; Cumulative Remedies. The Bank shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by the Bank, and then only to the extent therein set forth. A waiver by the Bank or any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Bank would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising on the part of the Bank any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law.

14. Waivers; Amendments. None of the terms and provisions of this Agreement may be waived, altered, modified or amended except by an instrument in writing executed by the parties hereto.

15. Limitations by Law. All rights, remedies and powers provided by Sections 3 and 4 hereof may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law, and all the provisions of Sections 4 and 5 hereof are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement invalid, unenforceable in whole or in part, or not entitled to be recorded, registered or filed under the provision of any applicable law.

16. Successors and Assigns. This Agreement shall be binding upon the Borrower and the Bank and their respective successors and assigns and shall inure to the benefit of the Borrower and the Bank and their respective successors and assigns, and nothing herein or in the Loan Agreement or any other Related Document is intended or shall be construed to give any other person any right, remedy or claim under, to or in respect of this Agreement, the Loan Agreement or any other Related Document.

17. Termination and Reassignment. The Bank agrees that upon the termination or expiration of the Loan Agreement and the Related Documents and the payment in full of all the Secured Obligations, the Bank will upon the request and at the expense of the Borrower execute all such documents as may be reasonably requested by the Borrower to release the security interests created hereby and to reassign (without representation or warranty) to the Borrower the Borrower's trademark and other rights assigned hereby.

18. Reference to Separate Security Agreement. This Agreement has been entered into by the Borrower and the Bank primarily for recording purposes as contemplated by the Security Agreement. In the event of any inconsistency between any of the terms or provisions hereof and the terms and provisions of such Security Agreement, the terms and provisions of such Security Agreement shall govern.

19. Applicable Law. This Agreement shall be governed by, and be construed and interpreted in accordance with, the laws of the State of Ohio (without regard to its conflicts of laws principles).

20. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which collectively shall be one and the same agreement.

21. Jury Trial Waiver. THE BORROWER AND THE BANK EACH WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, BETWEEN THE BANK AND THE BORROWER ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.

[The balance of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first set forth above.

LKL INNOVATIONS, LTD.

By: Felix Plate
Name: FELIX PLATE
Title: CEO

DOLLAR BANK, FEDERAL SAVINGS BANK

By: Laurence Allen
Name: Laurence Allen
Title: Assistant Vice President

**Schedule A
to
Patent and Trademark Security Agreement**

**I. TRADEMARKS, TRADE NAMES, SERVICE MARKS, ETC.
REGISTERED WITH THE UNITED STATES PATENT AND
TRADEMARK OFFICE:**

Case	Mark	TM#	Country	Date of Filing	Date of Issue
75/008,408	SWISS-TECH	US 2,020,587	USA	10/23/1995	12/03/1996
830,703	SWISS-TECH	CA 484,927	USA	12/04/1996	10/29/1997
75/429,471	UTILI-KEY	US 2,291,526	USA	02/05/1998	11/09/1999

**II. APPLICATIONS FOR TRADEMARKS, TRADE NAMES, SERVICE MARKS, ETC.
FILED WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE:**

Case	Mark	Country	Date Filed
75/744,698	SCREWBALL	USA	07/07/1999

Schedule B
to
Patent and Trademark Security Agreement

I. UNITED STATES PATENTS ISSUED

CASE	DESCRIPTION	PATENT #	COUNTRY	ISSUE DATE	EXPIRATION DATE
09/268,261	FOLDABLE MULTIPLE FUNCTION TOOL	US 5,491,856	USA	02/20/1996	
09/207,545	HEXAGONAL TOOL BIT SET	US 6,109,147	USA	08/29/2000	
08/873,643	KEYRING TOOL	US 6,112,352	USA	09/05/2000	
29/075,715	KEERING TOOL	US DES 405,953	USA	02/23/1999	

II. UNITED STATES PATENTS PENDING

NAME	FILED	ALLOWED
HAND TOOL	60/191,526 FILED 3/23/2000	
SCREW BALL 