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FORM PTO-1618A
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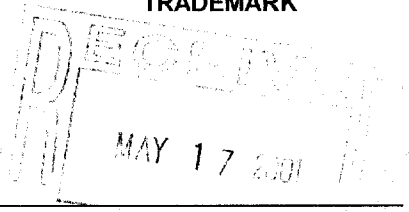
U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK



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5-17-01

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		Conveyance Type	
<input checked="" type="checkbox"/> New	<input type="checkbox"/> Resubmission (Non-Recordation) Document ID # _____	<input type="checkbox"/> Assignment	<input type="checkbox"/> License
<input type="checkbox"/> Correction of PTO Error Reel # _____ Frame # _____	<input type="checkbox"/> Corrective Document Reel # _____ Frame # _____	<input checked="" type="checkbox"/> Security Agreement	<input type="checkbox"/> Nunc Pro Tunc Assignment Effective Date Month Day Year _____
		<input type="checkbox"/> Merger	
		<input type="checkbox"/> Change of Name	
		<input type="checkbox"/> Other _____	

Conveying Party Mark if additional names of conveying parties attached

Name Engineered Machined Products, Inc. Execution Date 04 25 2001
Month Day Year

Formerly _____

Individual General Partnership Limited Partnership Corporation Association

Other _____

Citizenship/State of Incorporation/Organization Michigan

Receiving Mark if additional names of receiving parties

Name Bank One, Wisconsin

DBA/AKA/TA _____

Composed of _____

Address (line 1) 111 East Wisconsin Avenue

Address (line 2) _____

Address (line 3) Milwaukee WI 53202
City State/Country Zip Code

Individual General Partnership Limited Partnership Corporation Association

Other _____

Citizenship/State of Incorporation/Organization _____

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.)

05/16/2001 08:48:00 00000227 75033054

01 PD:481 40.00 DP

02 PD:482 25.00 DP

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Mail documents to be recorded with required cover sheet(s) information to:
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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)

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.

Thomas J. Pienkos

Name of Person Signing


Signature

5/14/01

Date Signed

GENERAL INTANGIBLES MORTGAGE
AND
SECURITY AGREEMENT

This General Intangibles Mortgage and Security Agreement is entered into as of the 25th day of April, 2001 by and between Engineered Machined Products, Inc., a Michigan corporation, having its principal place of business at 3111 North 28th Street, Escanaba, Michigan 49829 (hereinafter referred to as "Mortgagor"), and Bank One, Wisconsin, having an office at 111 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 (hereinafter referred to as "Mortgagee").

WHEREAS, pursuant to three Notes of even date, a Second Amended and Restated Loan and Security Agreement of even date, and related documentation (hereinafter collectively referred to as the "Agreement"), Mortgagee has made a loan to Mortgagor affording it financial accommodations in the aggregate principal amount of \$29,650,000; and

WHEREAS, it is a condition of the Agreement that, in order to further secure the obligations under the Agreement, Mortgagor grant to Mortgagee a lien, security interest and mortgage in all of its now existing and hereafter created or acquired patents, trademarks, trade names, service marks, copyrights, the entire goodwill of the business of Mortgagor connected with and symbolized by such trademarks, service marks, trade names and copyrights and all of the other general intangibles of Mortgagor;

NOW, THEREFORE, in order to further secure all present and future obligations (including, without limitation, the Obligations as defined in the Agreement) of Mortgagor to Mortgagee, including all interest due thereunder, and the payment and performance of all obligations of Mortgagor described herein and in the Agreement (hereinafter collectively referred to as "Obligations"), and for other good and valuable consideration, the receipt of which by Mortgagor is hereby acknowledged, Mortgagor and Mortgagee hereby agree as follows:

1. Mortgagor hereby mortgages and pledges unto and creates a security interest in for the benefit of Mortgagee, with full power of sale upon the occurrence of a default under the Agreement ("Event of Default"), all of Mortgagor's right, title and interest throughout the world in and to:

(a) The United States patents and applications for patent of Mortgagor described in Exhibit A hereto, and the patents and applications for patent of Mortgagor in other countries described in Exhibit B hereto, and all other United States and foreign patents and applications for patent of Mortgagor now existing or hereafter filed or acquired;

(b) The inventions disclosed and/or claimed in all of the said United States and foreign patents and applications for patent, and all other proprietary inventions now owned by Mortgagor or hereafter made, created or acquired by or for Mortgagor whether or not any of said inventions are patentable;

- (c) All other applications for patent or like protection on any of said inventions that have now or may in the future be filed by Mortgagor, or by the assignors of the rights to said inventions to Mortgagor, whether in the United States or in any other country or place anywhere in the world;
- (d) All other patents or like protection that have been or may in the future be granted on any of the aforesaid inventions and/or applications to Mortgagor, or to any assignor of the rights to any such invention to Mortgagor, whether in the United States or in any other country or place anywhere in the world;
- (e) The United States copyright registrations and applications for copyright registrations of Mortgagor described in Exhibit C hereto, and the copyright registrations and applications for copyright registration of Mortgagor in other countries described in Exhibit D hereto and all other copyrights, copyright registrations and copyright applications of Mortgagor, now existing or hereafter acquired, whether or not the underlying works of authorship have been published and whether said copyrights are statutory or arise under the common law, and all works of authorship and other intellectual property rights now owned or hereafter created by or for, or acquired by Mortgagor, whether in the United States or in any other country or place anywhere in the world;
- (f) The United States and State registered trademarks, trade names and service marks and applications for registrations of trademarks, trade names and service marks of Mortgagor described in Exhibit E hereto, and the trademarks, service marks and trade names and applications for registrations of trademarks, service marks and trade names of Mortgagor in other countries described in Exhibit F hereto, and all other trademarks, service marks and trade names and applications to register the same of Mortgagor, whether registered or unregistered and wherever registered, now existing or hereafter arising, created or acquired by Mortgagor, whether in the United States or in any other country or place anywhere in the world;
- (g) All renewals, reissues, continuations, extensions or the like of any patents, trademarks, service marks, trade names and like protection, including without limitation, those obtained or permissible under past, present and future laws and statutes of the United States, any State or any other country or place anywhere in the world.
- (h) All rights of action on account of past, present, and future unauthorized use of any of said inventions, trademarks, service marks, or trade names and for infringement of said patents, trademarks, service marks or trade names and like protection.
- (i) The right to file and prosecute applications for patents, and for registration of trademarks, service marks, and trade names on any of said inventions, trademarks, service marks, trade names, or for similar intellectual property in the United States or any other country or place anywhere in the world;

(j) The entire goodwill of the business of Mortgagor connected with and symbolized by the trademarks, service marks, trade names and the other general intangibles of Mortgagor;

(k) All of Mortgagor's trade names, customer lists, trade secrets, corporate and other business records, license rights, advertising materials, operating manuals, methods, processes, know-how, sales literature, drawings, specifications, descriptions, inventions, name plates, catalogs, supplier contracts, confidential information, consulting agreements, engineering contracts, rights to use product names or labels, formulas and all other assets which uniquely reflect the goodwill of the business of Mortgagor to which said general intangibles relate; and

(l) All of the proceeds of any of the foregoing (the intangible assets enumerated in subparagraphs (a) through (k) being hereinafter collectively referred to as the "General Intangibles").

TO HAVE AND TO HOLD the same unto Mortgagee, its successors and assigns, forever in accordance with the terms and conditions set forth herein and in the Agreement; provided, however, that the mortgage, lien and security interest in the General Intangibles granted Mortgagee hereunder are upon the express condition that if Mortgagor shall pay and discharge all of its Obligations (including without limitation the indebtedness evidenced by the Agreement) in accordance with the terms thereof, and all other sums that may be secured thereby and all other sums owed by Mortgagor to Mortgagee, and Mortgagee shall have no further obligation to lend money to Mortgagor under the Agreement or any other document, then this General Intangibles Mortgage and Security Agreement and the mortgage, lien, and security interest hereby granted and made shall cease, terminate and be void, and the entire right and interest in said General Intangibles created by this General Intangibles Mortgage and Security Agreement shall be released (at Mortgagor's expense), otherwise this General Intangibles Mortgage and Security Agreement is to remain in full force and effect.

2. Mortgagor agrees in addition to the rights and remedies given to Mortgagee under the Agreement, upon the occurrence of any Event of Default, Mortgagee shall have the rights and remedies of a secured party under the Uniform Commercial Code, including the power to sell, assign and convey the General Intangibles, in whole or in part, for cash or on credit, at public sale or private sale and in whatever way the Mortgagee shall, in its reasonable discretion, deem appropriate. For such purposes and in the event of Mortgagor's default hereunder or the occurrence of any Event of Default, Mortgagor hereby authorizes and empowers Mortgagee to make, constitute and appoint any officer or agent of Mortgagee as Mortgagee may select, in its exclusive discretion, as Mortgagor's true and lawful attorney-in-fact, with the power to endorse the Mortgagor's name on all applications, documents, papers and instruments as may be necessary for Mortgagee to have the full benefit of this General Intangibles Mortgage and Security Agreement, including, but not limited to, the full right to the use of the General Intangibles described herein or to grant or issue any exclusive or non-exclusive license under such General Intangibles to anyone else, or as may be necessary for Mortgagee to assign, pledge, convey or otherwise transfer title in and to or otherwise dispose of the General Intangibles. Except for acts of gross negligence, Mortgagor hereby ratifies all that such attorney shall

lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the latest to occur of the following: (a) the expiration of this General Intangibles Mortgage and Security Agreement, (b) the expiration of the Agreement, and (c) the satisfaction in full of all Mortgagor's liabilities to Mortgagee including without limitation all of the Obligations.

3. Mortgagee shall have no obligation or responsibility to protect or defend the General Intangibles or the right to use thereof, and Mortgagor shall, at its own expense, take such actions as may be necessary to protect, defend and maintain the same to the extent advisable for its business. Mortgagor shall forthwith advise Mortgagee in writing of material infringements detected by the Mortgagor in the ordinary course of its business. Upon the occurrence and continuation of an Event of Default, or if Mortgagor fails to comply with the foregoing, Mortgagee may but shall not be required to do so in the Mortgagor's name to the extent permitted by law, and Mortgagor hereby agrees to reimburse Mortgagee in full for all reasonable expenses, including reasonable attorneys' fees, incurred by Mortgagee in protecting, defending and maintaining the General Intangibles.

4. If, before the Obligations are satisfied in full, Mortgagor shall obtain rights to any new patentable inventions, or become entitled to the benefit of any patent application or patent or any improvement on any patent, the provisions of this General Intangibles Mortgage and Security Agreement shall automatically apply thereto. Mortgagor shall notify Mortgagee in writing semi-annually of any such rights or benefits obtained by Mortgagor, or to which Mortgagor became entitled, within the preceding six (6) month period. Mortgagor authorizes Mortgagee to modify this General Intangibles Mortgage and Security Agreement by amending Exhibits A and B to include any future patents and patent applications.

5. Mortgagor further agrees and covenants that it, its successors and assigns, will, at its own expense, execute all papers and perform such other acts as may be reasonably necessary to give Mortgagee, its successors and assigns, the full benefit of this General Intangibles Mortgage and Security Agreement.

6. Mortgagor hereby represents, warrants, covenants and agrees that:

(a) The patents, trademarks, copyrights and applications for patents, trademarks or copyrights set forth in the Exhibits hereto constitute all of the patents, trademarks, copyrights and applications for patents, trademarks or copyrights owned by Mortgagor.

(b) Except for the security interest granted Mortgagee hereby and such security interests specifically permitted under the Agreement, Mortgagor is and will continue to be the owner of all of its General Intangibles free from any adverse claim, security interest or encumbrance of any person other than Mortgagee. Mortgagee acknowledges, however, that those General Intangibles owned by Mortgagor but consisting of rights licensed from third parties are subject to the right, title and interest of such third parties in and to such licensed rights.

(c) Mortgagor has the full right and power to grant the security interests in its General Intangibles made hereby.

(d) Except as set forth on the attached Exhibits, Mortgagor has made no currently effective assignment, transfer or agreement in conflict herewith or constituting a present or future assignment or transfer of or encumbrance on any of its General Intangibles.

(e) Except financing statements filed or to be filed in respect to the security interest under this General Intangibles Mortgage and Security Agreement, other financing statements in favor of Mortgagee and such other financing statements and/or liens specifically permitted by the Agreement, there is no financing statement or other document or instrument now signed or on file in any public office covering any part of the General Intangibles, and so long as any of the Obligations remain outstanding, Mortgagor will not execute, and there will not be on file in any public office, any such financing statement or other document or instruments.

(f) Subject to any limitation stated therein or in connection therewith, all information furnished to Mortgagee concerning the General Intangibles and proceeds thereof, or otherwise for the purpose of obtaining credit or an extension of credit, is or will be at the time the same is furnished, accurate and correct in all material respects.

(g) To the best of Mortgagor's knowledge and belief, no material infringement or unauthorized use presently is being made of any General Intangible.

7. Throughout the term of this General Intangibles Mortgage and Security Agreement, Mortgagor shall diligently prosecute all applications for patent, trademark registration, service mark registration, trade names, and copyright as are in Mortgagor's best interest and shall file and prosecute any continuations, continuations-in-part, applications for reissue, applications for certificate of correction, affidavits of use, proofs of use, renewals and like matters, as are in Mortgagor's best interest, and Mortgagor shall bear the entire cost of all such filings and proceedings. Mortgagor agrees to retain a licensed patent attorney or an experienced copyright and trademark attorney, as appropriate, for the filing and prosecution of all such applications and other proceedings.

8. Mortgagor agrees to pay when due all fees, including license fees, taxes and other expenses which shall be incurred or which shall accrue with respect to any of the patents or patent applications, trademark registrations, or trademark applications, service mark registrations and service mark applications, trade names, copyright registrations, copyright applications and know-how within the General Intangibles.

9. Mortgagor shall not allow any patent, trademark, trade name, service mark, copyright or any application for patent, trademark, service mark, trade name, copyright or like protection included within the General Intangibles to become abandoned, nor any patent, copyright, trademark, service mark, trade name or like protection to be forfeited or dedicated to the public, without (a) first notifying Mortgagee in writing and (b) thereafter obtaining the

express written approval of Mortgagee, which approval shall not be unreasonably withheld; provided, however, that Mortgagor shall not be required to obtain Mortgagee's approval of any such abandonment, forfeiture or dedication if, in the reasonable business judgment of Mortgagor, the general intangible to be abandoned, forfeited or dedicated is no longer necessary to Mortgagor's business operations or to the goodwill of the business of Mortgagor to which such general intangible relates. If any pending or hereafter filed patent, trademark, service mark or copyright, including renewal applications, has been finally rejected by the United States Patent and Trademark Office or any foreign patent or trademark office, Mortgagor may abandon the same after sixty (60) days prior written notice to Mortgagee, who may thereafter at its own expense pursue administrative or judicial appeals. Mortgagor shall cooperate in any such appeal.

10. Mortgagee may, at its option, after the occurrence of an Event of Default, but without obligation to do so, discharge taxes, liens, or security interests or other encumbrances at any time levied or placed upon the General Intangibles, or pay for maintenance or preservation of the General Intangibles, or pay any other fee, attorneys' fee or other expenses necessary to preserve and protect the rights conveyed, mortgaged and secured by the security interests hereby granted.

11. Mortgagor hereby grants to Mortgagee an irrevocable license, effective upon the occurrence of an Event of Default, to use or grant licenses relating to the General Intangibles, in Mortgagee's sole discretion, for any of the following purposes: operating Mortgagor's business, completing any work in progress of Mortgagor, using or processing any inventory of Mortgagor, repairing any goods manufactured by Mortgagor, selling or marketing any goods of Mortgagor or any goods manufactured from inventory or work in progress of Mortgagor, and any other purpose related to any real or personal property of Mortgagor. As used in this paragraph 11, the phrase "of Mortgagor" shall refer to all property or interests in property owned or previously owned by Mortgagor in which Mortgagee has or has had any lien, security interest, mortgage or other interest. The irrevocable license granted by this paragraph shall be effective from the date hereof until all of the Obligations have been paid in full, provided that Mortgagee shall exercise rights under the irrevocable license only during such time or times that Mortgagor is in default under the Agreement.

12. Mortgagee shall permit Mortgagor to control and manage the General Intangibles in the operation of its business including rights of manufacture, use and sale granted by said General Intangibles, to enforce rights under the General Intangibles, and to receive and use the income, revenue and profits arising from said General Intangibles and the proceeds thereof in the same manner and with the same effect as if this General Intangibles Mortgage and Security Agreement had not been made so long as Mortgagor shall pay when due the Obligations secured by this General Intangibles Mortgage and Security Agreement and shall not otherwise be in default under the Agreement, this General Intangibles Mortgage and Security Agreement, or any other agreement between Mortgagee and Mortgagor. The present grant to Mortgagee of a lien, security interest and mortgage notwithstanding, the parties acknowledge that Mortgagor is and shall remain the owner of the General Intangibles with full power to grant licenses, subject to the terms and conditions hereof.

13. Any provisions hereof found to be invalid under the laws of the United States of America, the State of Wisconsin, or any other applicable law, shall be invalid only with respect to the offending provision and only with respect to the application of such law, and this General Intangibles Mortgage and Security Agreement shall otherwise remain in full force and effect. All words used herein shall be construed to be of such gender or number as the circumstances require. This General Intangibles Mortgage and Security Agreement shall be binding upon the successors and assigns of the parties hereto, but shall inure to the benefit of the successors or assigns of the Mortgagee only. All of Mortgagor's rights and remedies with respect to the General Intangibles, whether established hereby or by the Agreement, or by any other agreements between Mortgagor and Mortgagee, or by law shall be cumulative and may be exercised singularly or concurrently. No course of dealing between Mortgagor and Mortgagee, nor any failure to exercise, nor any delay in exercising, on the part of Mortgagee, any right, power or privilege hereunder or under the Agreement shall operate as a waiver thereof. This General Intangibles Mortgage and Security Agreement may be amended only by a writing signed by the parties. The law of the State of Wisconsin shall apply to this General Intangibles Mortgage and Security Agreement and its construction and interpretation.

IN WITNESS WHEREOF, Mortgagor and Mortgagee have caused this General Intangibles Mortgage and Security Agreement to be duly executed as of the day and year first above written.

Engineered Machined Products, Inc., Mortgagor

By: 
Brian K. Larche, President

Bank One, Wisconsin, Mortgagee

By: 
Monica Stariha, First Vice President

EXHIBIT A

(U.S. Patents and Applications)

1. U.S. Patent No. 6,056,518 "Fluid Pump"
2. U.S. Patent Application Serial No. 09/777,391 "Electronic Fluid Pump"
3. U.S. Patent No. 6,135,098 "Flow Through Controllable Air Charger"
4. U.S. Patent No. 6,053,706 "Oil Pump with Integrated Oil Metering Device"
5. U.S. Patent Application Serial No. 09/567,190 "Device which Measures Oil Level and Dielectric Strength with a Capacitive Based Sensor Using a Ratiometric Algorithm"

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EXHIBIT B

(Foreign Patents and Applications)

1. Mexico Patent Application Serial No. PA/9/2001/001523 Fluid Pump
2. Japan Patent Application Serial No. 2000-563299 Fluid Pump
3. Germany Patent Application Serial No. 19983460.1 Fluid Pump
4. Canada Patent Application Serial No. (not assigned to date) Fluid Pump
5. United Kingdom Patent Application Serial No. (not assigned to date) Fluid Pump

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EXHIBIT C

(U.S. Copyrights and Applications)

NONE

EXHIBIT D

(Foreign Copyrights and Applications)

NONE

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EXHIBIT E

(U.S. Trademarks, et al. and Applications)

1. U.S. Service Mark Registration No. 2,285,431 "Powering the Future"
2. U.S. Service Mark Application Serial No. 76/033,054 "e-Initiative"

EXHIBIT F

(Foreign Trademarks, et al. and Applications)

NONE