

06-08-2001



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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 Munc Pro Tunc Assignment
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

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)
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)

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

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"/>	<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" value="2269638"/>	<input type="text" value="2074826"/>	<input type="text"/>
<input type="text" value="2248793"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="2197893"/>	<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:

#

Yes

No

Authorization to charge additional fees:

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.

Ronald C. Reeve, Jr., President

R. Reeve

3-1-01

Name of Person Signing

Signature

Date Signed

of Perry Reeve Limited

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (“**Security Agreement**”), dated as of January 1, 2001 is made by and between PERRY REEVE LIMITED, an Indiana corporation (the “**Debtor**”) in favor of PERRY INVESTMENTS, INC., an Indiana corporation (the “**Secured Party**”).

WITNESSETH:

WHEREAS, pursuant to a certain Security Agreement between Debtor and Secured Party of even date herewith (as the same may hereafter be modified from time to time, the “**Agreement**”), Secured Party has agreed to make a certain loan to Debtor which loan is secured by a security interest granted by Debtor to Secured Party in all of Debtor’s assets including the Trademark Collateral, as described below; and

NOW, THEREFORE, for good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Debtor agrees as follows:

Section 1. **Definitions.** Terms used herein, and not specifically herein defined, shall have the meanings ascribed to them in the Agreement.

Section 2. **Purpose.** This Security Agreement has been executed and delivered by Debtor to Secured Party for the purpose of (i) granting a security interest in certain intellectual property of Debtor and (ii) registering the grant of security interest herein with the United States Patent and Trademark Office or with such other Governmental Authorities as may have jurisdiction over the “Trademarks”, as that term is defined herein, within or without the United States of America.

Section 3. **Incorporation by Reference.** The security interest herein has been granted as a supplement to, and not in limitation of, the security interest granted to Secured Party under the Agreement. The Agreement and all rights and remedies of Secured Party thereunder shall remain in full force and effect in accordance with its terms. This Security Agreement is made subject to all the terms, covenants, conditions, obligations, stipulations and agreements contained in the Agreement to the same extent and effect as if fully set forth herein, and the Agreement is subject to all the terms, covenants, conditions, obligations, stipulations and agreements contained in this Security Agreement to the same extent and effect as if fully set forth therein. In the event of any irreconcilable inconsistency between the terms of the Agreement and this Security Agreement, the Agreement shall control.

Section 4. **Security Interest in Trademarks.** To secure the complete and timely payment, performance and satisfaction of all of the Liabilities of Debtor, Debtor hereby grants to Secured Party a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests (other than Permitted Encumbrances), with power of sale to the extent permitted by applicable law, all of the Debtor’s now owned or existing and hereafter acquired or arising:

- A. Trademarks, registered trademarks, trademark applications, service mark, registered service marks, and service mark applications listed on *Schedule 1* attached hereto and made a part hereof, and
 - (i) all renewals thereof,

- (ii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments received for past or future infringements or dilutions thereof,
- (iii) the right to sue for past, present and future infringements and dilutions thereof,
- (iv) the goodwill of Debtor's business symbolized by the foregoing and connected therewith, and
- (v) all of Debtor's rights corresponding thereto throughout the world (all of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications, together with the items described in clauses (i)-(v) in this Section 4, are sometimes referred to herein, individually and/or collectively, as the "Trademarks"). In the event of foreclosure on the Trademarks by Secured Party, Debtor acknowledges that the goodwill symbolized thereby will simultaneously transfer to Secured Party and Secured Party shall become the successor to the business of Debtor to which the Trademarks pertain.

B. Rights under or interests in any trademark license agreements or service mark license agreements with any other party, whether the Debtor is a licensee or licensor under any such license agreement, including, without limitation, any trademark license agreements and service mark license agreements listed on any **Schedule B** that is hereafter attached hereto in accordance with the provisions of Section 6 hereof and made a part hereof, together with any goodwill connected with and symbolized by any such trademark license agreements or service mark license agreements, and the right to prepare for sale and sell any and all Inventory now or hereafter owned by the Debtor and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Licenses"). Notwithstanding the foregoing provisions of this Section 4(B), the Licenses shall not include any license agreement in effect as of the date hereof which by its terms prohibits the grant of the security contemplated by this Agreement; provided, however, that upon the termination of such prohibitions for any reason whatsoever, the provision of this Section 4 shall be deemed to apply thereto automatically.

Section 5. Restrictions on Future Agreements. The Debtor will not, without the Secured Party's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and the Debtor further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any respect affect the validity or enforcement of the rights transferred to the Secured Party under this Agreement or the rights associated with the Trademarks or Licenses.

Section 6. New Trademarks and Licenses. The Debtor represents and warrants that, from and after the date hereof, (i) the Trademarks listed on **Schedule A** include all of the

trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications now owned or held by the Debtor, (ii) the Debtor is not a licensee or licensor under any trademark license agreements and service mark license agreements, other than those, if any, entered into after the date hereof which shall be described in a *Schedule B* hereto and (iii) no liens, claims or encumbrances in such Trademarks have been granted by the Debtor to any Person or asserted by any Person against the Debtor other than the Secured Party. If, prior to the termination of this Agreement, the Debtor shall (a) obtain rights to any new trademarks, registered trademarks, trademark applications, service marks, registered service marks or service mark applications, (b) become entitled to the benefit of any trademarks, registered trademarks, trademark applications, trademark licenses, trademark license renewals, service marks, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor, or (c) enter into any new trademark license agreement or service mark license agreement, the provisions of Section 4 above shall automatically apply thereto. The Debtor shall give to the Secured Party written notice of events described in clauses (a), (b) and (c) of the preceding sentence promptly after the occurrence thereof, but in any event not less frequently than on a quarterly basis. The Debtor hereby authorizes the Secured Party to modify this Agreement unilaterally (x) by amending *Schedule A* to include any future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications and by adding a *Schedule B* to include any future trademark license agreements and service mark license agreements, which are Trademarks or Licenses under Section 4 above or under this Section 6, and (y) by filing, in addition to and not in substitution for this Agreement, a duplicate original of this Agreement containing on *Schedule A* or *Schedule B* thereto, as the case may be, such future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, and trademark license agreements and service mark license agreements.

Section 7. Royalties. The Debtor hereby agrees that the use by the Secured Party of the Trademarks and Licenses as authorized hereunder in connection with Lender's exercise of its right's and remedies under Section 15 or pursuant to the Agreement shall be coextensive with the Debtor's rights thereunder and with respect thereto and without any liability to the Debtor for royalties or other related charges from the Secured Party.

Section 8. Right to Inspect; Further Assignments and Security Interests. The Secured Party may at all reasonable times (and at any time when a Default exists) have access to, examine, audit, make copies (at the Debtor's expense) and extracts from and inspect the Debtor's premises and examine the Debtor's books, records and operations relating to the Trademarks and Licenses. From and after the occurrence of a Default, the Debtor agrees that the Secured Party, or a conservator appointed by the Secured Party, shall have the right to establish such reasonable additional product quality controls as the Secured Party or such conservator, in its sole and absolute judgment, may deem necessary to assure maintenance of the quality of products sold by the Debtor under the Trademarks and Licenses or in connection with which such Trademarks and Licenses are used. The Debtor agrees not to sell or assign its respective interests in, or grant any license under, the Trademarks or the Licenses without the prior written consent of the Secured Party.

Section 9. Nature and Continuation of the Secured Party's Security Interests; Termination of the Secured Party's Security Interest. This Agreement is made for collateral

security purposes only. This Agreement shall create a continuing security interest in the Trademarks and Licenses and shall terminate only when the Liabilities have been indefeasibly paid in full in cash and the Note has been cancelled. When this Security Agreement has terminated, the Secured Party shall promptly execute and deliver to the Debtor, at the Debtor's expense, all termination statements and other instruments as may be necessary or proper to terminate the Secured Party's security interest in the Trademarks and the Licenses, subject to any disposition thereof which may have been made by the Secured Party pursuant to this Security Agreement or the Agreement.

Section 10. Duties of the Debtor. The Debtor shall have the duty, to the extent desirable in the normal conduct of the Debtor's business, to: (i) prosecute diligently and in good faith any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or hereafter until the termination of this Security Agreement, and (ii) make application for trademarks or service marks. The Debtor further agrees to use its best efforts to maintain in full force and effect the Trademarks and the Licenses that are or shall be necessary or economically desirable in the operation of the Debtor's business. Any expenses incurred in connection with the foregoing shall be borne by the Debtor. The Secured Party shall not have any duty with respect to the Trademarks and Licenses. Without limiting the generality of the foregoing, the Secured Party shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks or Licenses against any other parties, but may do so at its option from and after the occurrence of a Default, and all expenses incurred in connection therewith shall be for the sole account of the Debtor and shall be added to the Liabilities secured hereby.

Section 11. The Secured Party's Right to Sue. From and after the occurrence of a Default, the Secured Party shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks and the Licenses and, if the Secured Party shall commence any such suit, the Debtor shall, at the request of the Secured Party, do any and all lawful acts and execute any and all proper documents required by the Secured Party in aid of such enforcement. The Secured Party shall, upon demand, promptly reimburse the Secured Party for all costs and expenses incurred by the Secured Party in the exercise of its rights under this Section 11 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for the Secured Party).

Section 12. Waivers. The Secured Party's failure, at any time or times hereafter, to require strict performance by the Debtor of any provision of this Agreement shall not waive, affect or diminish any right of the Secured Party thereafter to demand strict compliance and performance therewith nor shall any course of dealing between the Debtor and the Secured Party have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of the Secured Party contained in this Security Agreement shall be deemed to have been suspended or waived by the Secured Party unless such suspension or waiver is in writing signed by an officer of the Secured Party and directed to the Debtor specifying such suspension or waiver.

Section 13. Severability. Whenever possible, each provision of this Security Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Security 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 hereof, 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 Security Agreement in any jurisdiction.

Section 14. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Sections 4 and 6 hereof or by a writing signed by the parties hereto.

Section 15. Cumulative Remedies; Power of Attorney. The Debtor hereby irrevocably designates, constitutes and appoints the Secured Party (and all Persons designated by the Secured Party in its sole and absolute discretion), effective upon the occurrence of a Default and as long as such Default shall continue, as the Secured Party's true and lawful attorney-in-fact, and authorizes the Secured Party and any of the Secured Party's designees, in the Debtor's or the Secured Party's name, to take any action and execute any instrument to the extent necessary to accomplish the purposes of this Security Agreement, including, without limitation, from and after the occurrence of a Default and the giving by the Secured Party of notice to the Debtor of the Secured Party's intention to enforce its rights and claims against the Debtor, to (i) endorse the Debtor's name on all applications, documents, papers and instruments necessary or desirable for the Secured Party in the use of the Trademarks or the Licenses, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks or the Licenses to anyone, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks or, to the extent permitted, under the Licenses, to anyone, and (iv) take any other actions with respect to the Trademarks or the Licenses as the Secured Party deems in its best interest. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the Liabilities shall have been indefeasibly paid in full in cash and the Note shall have been cancelled. The Debtor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Secured Party under the Agreement or any other Collateral Document, but rather is intended to facilitate the exercise of such rights and remedies.

The Secured Party shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Indiana Uniform Commercial Code. Upon the occurrence of a Default and the election by the Secured Party to exercise any of its remedies under Section 9-504 or Section 9-505 of the Indiana Uniform Commercial Code with respect to the Trademarks and Licenses, the Debtor agrees to assign, convey and otherwise transfer title in and to the Trademarks and the Licenses to the Secured Party or any transferee of the Secured Party and to execute and deliver to the Secured Party or any such transferee all such agreements, documents and instruments as may be necessary, in the Secured Party's sole discretion, to effect such assignment, conveyance and transfer. All of the Secured Party's rights and remedies with respect to the Trademarks and the Licenses, whether established hereby, by the Agreement, by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence of a Default, the Secured Party may exercise any of the rights and remedies provided in this Security Agreement, the Agreement and any of the other Collateral Documents.

Section 16. Successors and Assigns. This Agreement shall be binding upon the Debtor and its successors and assigns, and shall inure to the benefit of the Secured Party and its

nominees, successors and assigns. The Debtor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for the Debtor; provided, however, that the Debtor shall not voluntarily assign or transfer its rights or obligations hereunder without the Secured Party's prior written consent.

Section 17. Governing Law. The Debtor and the Secured Party hereby accept this Agreement at Indianapolis, Indiana by signing and delivering it there. Any dispute between the Secured Party and the Debtor arising out of, connected with, related to, or incidental to the relationship between them in connection with this Agreement, and whether arising in contract, tort, equity, or otherwise, shall be resolved in accordance with the internal laws (as opposed to conflict of laws provisions) of the State of Indiana.

Section 18. Notices. All notices or other communications hereunder shall be given in the manner set forth in the Asset Purchase Agreement dated as of this date by and between the Debtor and the Secured Party at the addresses set forth below:

If to Seller: PERRY INVESTMENT, INC.
2 New Albany Farm Roads
New Albany, Ohio 43054
Attn.: Thad R. Perry, President

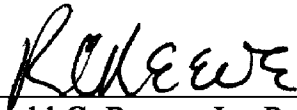
If to Purchaser: PERRY REEVE LIMITED
6801 Hillsdale Court
Indianapolis, Indiana 46250
Attn.: Ronald C. Reeve, Jr., President

Section 19. Section Titles. The section and paragraph titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

Section 20. Counterparts. This Security Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same document.

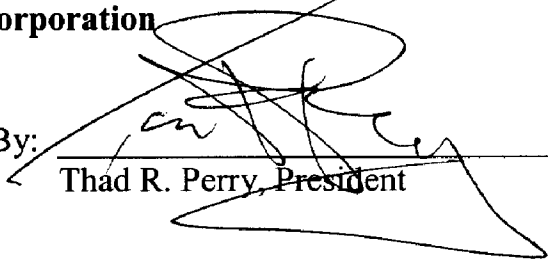
IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed and delivered by their respective officers duly authorized as of the day and year first above written.

PERRY REEVE LIMITED, an Indiana corporation

By: 
Ronald C. Reeve, Jr., President

ACCEPTED:

PERRY INVESTMENTS, INC., an Indiana corporation

By: 
Thad R. Perry, President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Ronald C. Reeve, Jr., known to me to be the President of Perry Reeve Limited, and acknowledged the execution of the foregoing for and on behalf of said Corporation.

Witness my hand and Notarial Seal, this _____ day of January, 2001.

Notary Public -Signature

Notary Public -Printed

My Commission Expires:

My County of Residence:

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Thad R. Perry, known to me to be the President of Perry Investments, Inc., and acknowledged the execution of the foregoing for and on behalf of said corporation.

Witness my hand and Notarial Seal, this _____ day of January, 2001.

Notary Public -Signature

Notary Public -Printed

My Commission Expires:

My County of Residence:

SCHEDULE 1

TRADEMARKS AND APPLICATIONS/REGISTRATIONS

Registration No.	Trademark	Country	Registration Date
2,269,638	Weld Buddy	USA	8.10.99
2,248,793	Quick Eye	USA	6.1.99
2,197,893	Torch Pro	USA	10.20.98
2,074,826	Weld Pro	USA	7.1.97

SCHEDULE 2
LICENSE AGREEMENTS