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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):
IKS Corporation

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

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

2. Name and address of receiving party(ies)
Name: LaSalle Business Credit, Inc.
Internal
Address: Suite 425
Street Address: 135 South LaSalle Street
City: Chicago State: IL Zip: 60603

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State Delaware
 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

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
 Execution Date: January 22, 2002

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s) _____
 76/339,111

 Additional number(s) attached Yes No

B. Trademark Registration No.(s) _____

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Diana Y. Tsai
 Internal Address: Schwartz, Cooper,
 Greenberger & Krauss, Chtd.

 Street Address: 180 North LaSalle Street,
 Suite 2700
 City: Chicago State: IL Zip: 60601

6. Total number of applications and registrations involved: 11

7. Total fee (37 CFR 3.41).....\$ 290.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: _____

DO NOT USE THIS SPACE

9. Signature.
 Diana Y. Tsai *Diana Y. Tsai* 2/12/02
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 12

02/13/2002 GT0N11 00000088 76339111
 01 FC:481 40.00 DP
 02 FC:482 250.00 DP

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

TRADEMARK
 REEL: 002442 FRAME: 0297

SCHEDULE A-2

TRADEMARK REGISTRATIONS, APPLICATIONS, AND COMMON
LAW RIGHTS

OF IKS CORPORATION

TRADEMARK REGISTRATIONS

<u>Trademark</u>	<u>Country</u>	<u>Registration No.</u>	<u>Date Registered</u>
ACM & Design	United States	876,956	9-16-69
ECONOKUT	United States	2,029,861	1-14-97
HYPERHONE	United States	2,249,993	6-1-99
HYPERHONE (Stylized)	United States	2,215,050	12-29-98
IKS & Design	United States	1,612,667	9-11-90
KODIAK	United States	1,887,747	4/4/95
PERPETUAL EDGE	United States	2,307,554	1-11-00
QCP	United States	2,087,635	8-12-97
QCP QUALITY CUT KNIFE MAINTENANCE PROGRAM	United States	2,111,977	11-11-97
SUREKUT	United States	1,613,553	9-18-90
HYPERHONE	Canada	TMA486,215	11-2-97
HYPERHONE (Stylized)	Canada	TMA502,171	10-13-98
QCP	Canada	TMA498,722	8-17-98
IKS & Design	Germany	1182916	12-17-91
IKS & Design	Peru	53611	3-30-99

TRADEMARK APPLICATIONS

<u>Trademark</u>	<u>Country</u>	<u>Application Serial No.</u>	<u>Date Filed</u>
ACT	United States	76/339,111	11-16-01
IKS	Argentina	2361175	12-6-01
IKS & Globe Design	Argentina	2359719	11-21-01
IKS	Brazil	N/A	N/A
IKS & Globe Design	Brazil	N/A	N/A

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "Security Agreement") made as of this 22nd day of January, 2002, by International Knife & Saw, Inc., a Delaware corporation ("**Borrower**") and IKS Corporation, a Delaware corporation ("**Guarantor**"), in favor of LaSalle Business Credit, Inc., with an office at 135 South LaSalle Street, Suite 425, Chicago, Illinois 60603 ("**Lender**"):

W I T N E S S E T H

WHEREAS, Borrower and Lender are parties to a certain Loan and Security Agreement of even date herewith (as amended, amended and restated or otherwise modified from time to time, the "**Loan Agreement**") and other related loan documents of even date herewith (collectively, with the Loan Agreement, and as each may be amended or otherwise modified from time to time, the "**Financing Agreements**"), which Financing Agreements provide (i) for Lender to, from time to time, extend credit to or for the account of Borrower and (ii) for the grant by Borrower to Lender of a security interest in certain of Borrower's assets, including, without limitation, its trademarks and trademark applications;

WHEREAS, Guarantor has agreed to guaranty the obligations of Borrower under the Loan Agreement and Financing Agreements and has agreed to secure its Guaranty with its trademarks and trademark applications;

WHEREAS, subsequent to the execution of the Loan Agreement by the Borrower and Lender, Guarantor intends to transfer its trademarks and trademark applications to Borrower, subject to the terms of this Security Agreement;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

1. Incorporation of Financing Agreements. The Financing Agreements and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Liabilities, Borrower and Guarantor each hereby grants to Lender, and hereby reaffirms its prior grant pursuant to the Financing Agreements of, a continuing security interest in its respective entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all

applications (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) in connection therewith, including, without limitation, the trademarks and applications listed on Schedule A-1 (with respect to Borrower) and Schedule A-2 (with respect to Guarantor) and attached hereto and made a part hereof and the trademarks, and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**"); and all rights corresponding to any of the foregoing throughout the world and the goodwill of the Borrower's business connected with the use of and symbolized by the Trademarks.

3. Warranties and Representations. Each of Borrower and Guarantor warrants and represents to Lender with respect to the Trademarks respectively pledged that:

(i) no Trademark has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Trademark been cancelled, in whole or in part and each such Trademark is presently subsisting;

(ii) it is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Trademark, free and clear of any liens, charges and encumbrances, including without limitation, shop rights and covenants by it not to sue third persons;

(iii) it has no notice of any suits or actions commenced or threatened with reference to any Trademark; and

(iv) it has the unqualified right to execute and deliver this Security Agreement and perform its terms.

4. Restrictions on Future Agreements. Each of Borrower and Guarantor agrees that until Borrower's Liabilities shall have been satisfied in full and the Financing Agreements shall have been terminated, Borrower or Guarantor, as the case may be, shall not, without the prior written consent of Lender, sell or assign its interest in any Trademark or enter into any other agreement with respect to any Trademark which would affect the validity or enforcement of the rights transferred to Lender under this Security Agreement; provided, however, that Guarantor may assign all of its interests in its Trademarks to Borrower and Borrower may thereafter grant a license of any Trademark to Guarantor, IKS Newco, Inc. and any other Subsidiary

5. New Trademarks. Each of Borrower and Guarantor represents and warrants that, based on a diligent investigation by Borrower or Guarantor, as the case may be, the Trademarks listed on Schedule A-1 constitute all of the federally registered Trademarks,

and federal applications for registration of Trademarks (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) now owned by Borrower and the Trademarks listed on Schedule A-2 constitute all of the federally registered Trademarks, and federal applications for registration of Trademarks (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) now owned by Guarantor. If, before Borrower's Liabilities shall have been satisfied in full or before the Financing Agreements have been terminated, Borrower or Guarantor, as the case may be, shall (i) become aware of any existing Trademarks of which Borrower or Guarantor, as the case may be, has not previously informed Lender, or (ii) become entitled to the benefit of any Trademarks, which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and Borrower or Guarantor, as the case may be, shall give to Lender prompt written notice thereof. Borrower and Guarantor hereby authorize Lender to modify this Security Agreement by amending Schedule A-1 and Schedule A-2, as the case may be, to include any such Trademarks.

6. Term. The term of this Security Agreement shall extend until the payment in full of Borrower's Liabilities and the termination of the Financing Agreements. Each of Borrower and Guarantor agrees that upon the occurrence of an Event of Default, the use by Lender of all Trademarks shall be without any liability for royalties or other related charges from Lender to Borrower or Guarantor.

7. Product Quality. Each of Borrower and Guarantor agrees to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable business practices. Upon the occurrence of an Event of Default, Each of Borrower and Guarantor agrees that Lender, or a conservator appointed by Lender, shall have the right to establish such additional product quality controls as Lender, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower or Guarantor, as the case may be, under the Trademarks.

8. Release of Security Agreement. This Security Agreement is made for collateral purposes only. Upon payment in full of Borrower's Liabilities and termination of the Financing Agreements, Lender shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Financing Agreements.

9. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Borrower. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Trademarks or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks shall be borne by and paid by Borrower and until paid shall constitute Liabilities.

10. Duties of Borrower and Guarantor. Each of Borrower and Guarantor shall have the duty with respect to Trademarks that are used or useful in the operation of Guarantor's or Borrower's business (i) to file and prosecute diligently any trademark applications pending as of the date hereof or hereafter until Borrower's Liabilities shall have been paid in full and the Financing Agreements have been terminated, (ii) to preserve and maintain all rights in such Trademarks, as commercially reasonable and (iii) to take reasonable steps to ensure that such Trademarks are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with Borrower's Liabilities under this Section 10 shall be borne by Borrower.

11. Lender's Right to Sue. After an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Lender shall commence any such suit, Borrower or Guarantor, as the case may be, shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and Borrower shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 11.

12. Waivers. No course of dealing between Borrower, Guarantor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Financing Agreements 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.

13. Severability. 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 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 Security Agreement in any jurisdiction.

14. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Each of Borrower and Guarantor hereby authorizes Lender upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as Borrower's or Guarantor's, as the case may be, true and lawful attorney-in-fact, with power to (i) endorse Borrower's or Guarantor's, as the case may be, name on all

applications, documents, papers and instruments necessary or desirable for Lender in the use of the Trademarks or (ii) take any other actions with respect to the Trademarks as Lender deems to be in the best interest of Lender, or (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Each of Borrower and Guarantor 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 Borrower's Liabilities shall have been paid in full and the Financing Agreements have been terminated. Each of Borrower and Guarantor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Illinois.

16. Binding Effect; Benefits. This Security Agreement shall be binding upon Borrower, Guarantor and its respective successors and assigns, and shall inure to the benefit of Lender, its successors, nominees and assigns.

17. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and applicable federal law.

18. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

19. Further Assurances. Each of Borrower and Guarantor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Lender shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein.

20. Survival of Representations. All representations and warranties of Borrower and Guarantor contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Financing Agreements.

21. Conflict. In the event of a conflict between the terms of this Security Agreement and the Loan Agreement, the terms of the Loan Agreement shall govern.

IN WITNESS WHEREOF, Borrower has duly executed this Security Agreement as of the date first written above.

INTERNATIONAL KNIFE & SAW, INC.

By *Fredrick F. Schander*
Its President + CEO

IKS CORPORATION

By *Fredrick F. Schander*
Its President + CEO

Agreed and Accepted
As of the Date First Written Above

LASALLE BUSINESS CREDIT, INC.

By *[Signature]*
Its ISF UPL COORD

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new 12/3/97
rev 9/30/99, 4-18-2000

SCHEDULE A-1

TRADEMARK REGISTRATIONS, APPLICATIONS, AND COMMON
LAW RIGHTS

OF INTERNATIONAL KNIFE & SAW, INC.

TRADEMARK REGISTRATIONS

<u>Trademark</u>	<u>Country</u>	<u>Registration No.</u>	<u>Date Registered</u>
IKIS	United States	2,510,241	11-20-01
IKIS & Design	United States	2,510,242	11-20-01
ULTRAKUT	United States	2,514,300	12-4-01
ECONOKUT	Canada	475586	4-30-97
IKS & Design	Canada	TMA411,652	4-30-93
SUREKUT	Canada	TMA392,606	1-10-92
IKS & Design	Chile	416,868	11-18-93
IKS & Design	Mexico	434659	5-26-93
SUREKUT	Mexico	395481	5-23-91

TRADEMARK APPLICATIONS

<u>Trademark</u>	<u>Country</u>	<u>Application Serial No.</u>	<u>Date Filed</u>
LTC	United States	76/289,341	7-19-01

COMMON LAW TRADEMARKS

Borrower also uses the following trademarks and trade names, in which it may own common law rights in those countries where the marks are used and where common law trademark rights are recognized:

AMERICAN CUSTOMER METALS
BAN-CARB
CANADIAN KNIFE & SAW
CASCADE SOUTHERN
CHROMAVAN
CHROMALIT
COMPAFLEX
COMPALLOY
DIALUX
DIAMOND CUT
DUAPID
DURAKUT
DURITAN
DYNABLOC
DYNAPREN
DYNATHERM
ECONOKUT HANNACO
IKS DE MEXICO
KLIRIT
KSFMICROPLAN
NOVACROM
NOVADOR
ROLF MEYER
SAVE
SPS
STOP
SYSTI-MATIC
TECALLOY
TECNOLIT
TUFF-TIP
TUNGSTEN CARBIDE QUATTRO
ULTRID
WORKALIT

IKS	Colombia	01 098576	11-16-01
IKS & Globe Design	Colombia	01 098577	11-16-01
IKS	Venezuela	21.827-01	12-4-01
IKS & Globe Design	Venezuela	20.667-01	11-15-01