

11-12-2002

11-12-02

Form PTO-1594 R
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)
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102278500

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

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

1. Name of conveying party(ies):

Hamilton Precision Metals of Delaware, Inc.
1780 Rohrerstown Road
Lancaster, Pennsylvania 17601

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

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

2. Name and address of receiving party(ies)

Name: Prairie Capital II, L.P.

Internal

Address: _____

Street Address: 300 South Wacker Drive, Suite

City: Chicago State: IL Zip: 60606

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership Delaware
- Corporation-State
- 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
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: 10/30/02

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

A. Trademark Application No.(s) _____

B. Trademark Registration No.(s) 2,277,917

2,307,266, 76/068,745

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Christina A. Czyz

Internal Address: 10 South Wacker Drive

Suite 4000, Chicago, Illinois 60606

Street Address: Same as above

City: _____ State: _____ Zip: _____

6. Total number of applications and registrations involved: _____

3

7. Total fee (37 CFR 3.41).....\$ 90⁰⁰-

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: _____

DO NOT USE THIS SPACE

9. Signature.

Christina A. Czyz
Name of Person Signing

Signature

11/6/02

Date

8

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

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

11/13/2002 6TON11 00000071 2277917

01 FC:8521
02 FC:8522

40.00 OP
50.00 OP

TRADEMARK
REEL: 002613 FRAME: 0583

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT, dated as of October 30, 2002 (this "Agreement"), is between HAMILTON PRECISION METALS OF DELAWARE, INC., a Delaware corporation ("Debtor"), and PRAIRIE CAPITAL II, L.P., a Delaware limited partnership ("Purchaser").

RECITALS:

A. HP HOLDING CORP., a Delaware corporation (the "Borrower"), HP ACQUISITION CORP., a Delaware corporation (the "Company") and Purchaser have entered into a Note and Warrant Purchase Agreement of even date herewith (as the same may be amended, supplemented, modified or restated from time to time, the "Purchase Agreement") pursuant to which Purchaser has agreed to purchase a 14% Senior Subordinated Note from Borrower and a Stock Purchase Warrant from the Company.

B. Debtor has guaranteed the obligations of the Borrower and the Company arising under the Purchase Agreement, the Senior Subordinated Note, the Warrant and all other Note and Warrant Purchase Documents pursuant to that certain Guaranty of even date herewith (as the same may be amended, modified, supplemented, or restated from time to time, the "Guaranty") made by the Debtor in favor of Purchaser.

C. One of the conditions precedent to the obligations of Purchaser under the Purchase Agreement is the execution and delivery by Debtor of this Agreement to secure the payment and performance of the Guarantor's Obligations (as defined in the Guaranty).

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. All capitalized terms used herein without definitions shall have the respective meanings provided therefor in the Purchase Agreement. The term "State," as used herein, means the State of Illinois. All terms defined in the Uniform Commercial Code of the State and used herein shall have the same definitions herein as specified therein. However, if a term is defined in Article 9 of the Uniform Commercial Code of the State differently than in another Article of the Uniform Commercial Code of the State, the term has the meaning specified in Article 9.

2. Grant of Security Interest. In order to secure the Guarantor's Obligations, the Debtor hereby grants to Purchaser a security interest in and pledges and assigns to Purchaser the following property (collectively, the "Trademarks") whether now or hereafter owned, acquired or existing:

(i) all the trademarks, names, domain names, words, symbols, signs and devices referred to in Item A of **Attachment 1** hereto and all printed or electronic matter on which the same have appeared or appear, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any foreign country;

(ii) each Trademark license referred to in Item B of **Attachment 1** hereto;

(iii) all divisions or renewals of any of the items described in clauses (i) and (ii);

(iv) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (i) and (ii); and

(v) all proceeds of, and rights associated with, the foregoing, including any claim by Debtor against third parties for past, present or future infringement or dilution of the Trademarks or any Trademark registration or Trademark license, including the Trademarks or any Trademark registration or Trademark license referred to in **Attachment 1** hereto, or for any injury to the goodwill associated with the use of the Trademarks or for breach or enforcement of any Trademark license.

3. Security Agreement. This Agreement has been executed and delivered by Debtor for the purpose of registering the security interest of Purchaser in the Trademarks with the United States Patent and Trademark Office and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to Purchaser under the Purchase Agreement and the other Acquisition Documents. The Purchase Agreement (and all rights and remedies of Purchaser thereunder) shall remain in full force and effect in accordance with its terms.

4. Release of Security Interest. Upon payment and performance in full of all of Guarantor's Obligations then owing, Purchaser shall, at Guarantor's expense, execute and deliver to Guarantor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Trademarks which has been granted hereunder.

5. Acknowledgment. Debtor does hereby further acknowledge and affirm that the rights and remedies of Purchaser with respect to the security interest in the Trademarks granted hereby are more fully set forth in the Purchase Agreement and the Security Interest executed by the Debtor, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

8. Subordination Provision. The obligations of the Debtor, the rights of Purchaser, and the security interests granted to Purchaser hereunder, are subordinate in the manner and to

the extent set forth in that certain Subordination Agreement of even date herewith (the "Subordination Agreement" among Debtor, purchaser and LaSalle Business Credit, Inc. and its successors and assigns ("Senior Lender")).

[remainder of page intentionally left blank]

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

Address:

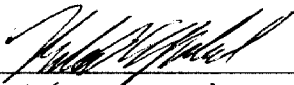
1780 N. Rohrerstown Road
Lancaster, PA 17601-2334

**HAMILTON PRECISION METALS OF
DELAWARE, INC.,** a Delaware corporation

By: _____

Name: _____

Title: _____



Mr. H. G. ...

President

Address:

300 S. Wacker Drive, Suite 2400
Chicago, Illinois 60606

PRAIRIE CAPITAL II, L.P., a Delaware limited partnership

By: Daniels & King Capital II, LLC, its general partner

By: _____

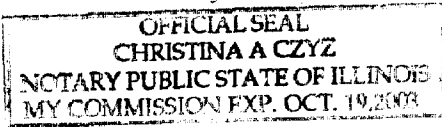
Christopher T. Killackey
Managing Director



STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this ____ day of October, 2002, before me, a Notary Public in and for the State of Illinois, in the County aforesaid, personally appeared Christopher T. Killackey, to me known to be the Managing Director of Prairie Capital II, L.P., a Delaware limited partnership, that executed the foregoing instrument, and upon oath did depose that he is the Managing Director of such limited partnership, that the signature to said instrument was made by the Managing Director of said limited partnership as indicated after said signature, and that the corporation executed the said instrument freely and voluntarily for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



Christina A. Czyz

NOTARY PUBLIC in and for said State and County

My commission expires: *October 19, 2003*

ITEM A. TRADEMARKS

Registered Trademarks

| <u>Country</u> | <u>Trademark</u> | <u>Registration No.</u> | <u>Date</u> |
|----------------|------------------|-------------------------|-------------------|
| USA | HAVAR | 2,277,917 | July 7, 1998 |
| USA | HPM | 2,307,266 | September 9, 1998 |
| USA | HPM & Design | 76/068,745 | |

Pending Trademark Applications

| <u>Country</u> | <u>Trademark</u> | <u>Serial No.</u> | <u>Filing Date</u> |
|----------------|------------------|-------------------|--------------------|
|----------------|------------------|-------------------|--------------------|

(NONE)

Trademark Applications in Preparation

| <u>Country</u> | <u>Trademark</u> | <u>Docket No.</u> | <u>Expected Filing Date</u> | <u>Products/ Services</u> |
|----------------|------------------|-------------------|-----------------------------|---------------------------|
|----------------|------------------|-------------------|-----------------------------|---------------------------|

(NONE)

ITEM B. TRADEMARK LICENSES

(NONE)