

Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings ⇌ ⇌ ⇌ ▼ ▼ ▼ ▼ ▼ ▼ ▼		RECORDATION FORM COVER SHEET TRADEMARKS ONLY		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): SN Investors, Inc. <input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State <input type="checkbox"/> Other Delaware Additional name(s) of conveying party(ies) attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			2. Name and address of receiving party(ies) Name: American Capital Financial Services, Inc. Internal Address: 5775 Sears Tower Street Address: 233 South Wacker Drive City: Chicago State: IL Zip: 60606 <input type="checkbox"/> Individual(s) citizenship <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State Delaware <input type="checkbox"/> Other If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other (executed in counterparts) Execution Date: 2/13/04			4. Application number(s) or registration number(s): A. Trademark Application No.(s) See attached Schedule A for continuation of Block 4.A B. Trademark Registration No.(s) See attached Schedule B for continuation of Block 4.B Additional number(s) attached <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
5. Name and address of party to whom correspondence concerning document should be mailed: Name: Renee M. Prescan Internal Address: Kirkland & Ellis LLP Street Address: 200 E. Randolph Drive City: Chicago State: IL Zip: 60601			6. Total number of applications and registrations involved: 32 7. Total fee (37 CFR 3.41).....\$ 815 <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: 22-0440 (and for any addtl fees or credits)		
DO NOT USE THIS SPACE					
9. Signature. Krista L. Nunemaker <i>Krista L. Nunemaker</i> 3-23-04 Name of Person Signing Signature Date Total number of pages including cover sheet, attachments, and document: 25					

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

CH \$816.00 220440 78221005

ADDITIONAL NAMES OF CONVEYING PARTIES
Continuation of Block 1

KAC Holdings, Inc.
a Delaware Corporation

SCHEDULE B**U.S. TRADEMARK REGISTRATIONS**

TRADEMARK NAME	REGISTRATION NUMBER	REGISTRATION DATE	APPLICATION NUMBER	APPLICATION FILING DATE
44	1118068	5/15/79	73/159665	2/23/78
AQUABOND	1809894	12/7/93	74/151985	3/28/91
BIO-KLEEN	1092043	5/30/78	73/146209	10/26/77
COPPER-NU	1099935	8/22/78	73/146243	10/27/77
EASY PROFILE	2343518	4/18/00	75727662	6/14/99
FLO-RITE	1307642	12/4/84	73/443528	9/12/83
FLUX-PEN	1695166	6/16/92	74/155700	4/10/91
KESTART AND DESIGN	1236897	5/10/83	73/307674	4/27/81
KESTER	502628	10/5/48	71/529270	7/23/47
KESTER	1556536	9/19/89	73/771509	12/27/88
KESTER	502470	9/28/48	71/529271	7/23/47
KESTER	1557479	9/26/89	73/771508	12/27/88
KWIK-DRAW	991986	8/27/74	72/436468	9/22/72
METAL MENDER	513006	8/2/49	71/529272	7/23/47
NICKEL-NU	1099118	8/15/78	73/146276	10/27/77
POCKET-PAK	1271511	3/27/84	73/388192	9/23/82
PROTECTO	1282879	6/26/84	73/388294	9/23/82
SCALE-OFF	1286648	7/24/84	73/388295	9/23/82
SE-CURE	2173918	7/14/98	75/239216	2/10/97
SIL-STRONG	1271510	3/27/84	73/388163	9/23/82
SOLDER-NU	1099934	8/22/78	73/146242	10/27/77
SOLDER- SAVER	1286649	7/24/84	73/388296	9/23/82
SOLDERFORMS	720235	8/22/61	72/088326	12/31/59
THE SOLDER CONNECTION	1590389	4/10/90	73/796064	4/27/89

TRADEMARK NAME	REGISTRATION NUMBER	REGISTRATION DATE	APPLICATION NUMBER	APPLICATION FILING DATE
ULTRA- SPHERES	2408453	11/28/00	75/838442	11/2/99
ULTRAPURE	1299263	10/9/84	73/393760	9/29/82
ULTRAPURE	1021955	10/7/75	73/039668	12/16/74

SCHEDULE A**U.S. TRADEMARK APPLICATIONS**

TRADEMARK NAME	APPLICATION NUMBER	APPLICATION FILING DATE
HYDROMARK	78/221005	3/3/03
LEAD FREE SOLUTIONS	78/284,602	8/7/03
PUREMARK	78/221011	3/3/03
SAFALLOY	78/238397	4/16/03
THERMAPURE	78/181667	11/5/02

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "IP Security Agreement") is dated as of February 13, 2004 by and among SN INVESTORS, INC., a Delaware corporation ("Parent"), KAC HOLDINGS, INC., a Delaware corporation ("Borrower"), and AMERICAN CAPITAL FINANCIAL SERVICES, INC., a Delaware corporation, as agent (in such capacity, the "Agent") for the benefit of itself and the Purchasers (as such term is defined in the Purchase Agreement referred to below).

RECITALS:

A. Pursuant to that certain Revolving Loan, Note and Equity Purchase Agreement, dated as of February 13, 2004 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Purchase Agreement"; capitalized terms used herein and not defined shall have the meanings assigned to them in the Purchase Agreement), among Borrower, the Purchasers and Agent, the Purchasers have agreed to make available to or for the account of Borrowers certain financial accommodations as specified therein (collectively, the "Investments");

B. Pursuant to that certain Security Agreement, dated as of February 13, 2004 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"), between Borrower and Agent, Borrower granted to Agent for the benefit of Agent and the Purchasers a security interest in substantially all the assets of Borrowers including, without limitation, all right, title and interest of Grantor in, to and under all IP Collateral to secure the Obligations; and

C. It is a condition to the obligations of the Purchasers to make the Investments under the Purchase Agreement that the Borrower shall have executed and delivered this IP Security Agreement and that this IP Security Agreement shall be in full force and effect;

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

1. DEFINITIONS AND EFFECT.

1.1 General Terms. As used in this IP Security Agreement:

"Copyrights" has the meaning ascribed to it by Section 2(a) hereof.

"IP Security Agreement" means this Intellectual Property Security Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time.

"IP Collateral" has the meaning ascribed to it by Section 2 hereof.

"Licenses" has the meaning ascribed to it by Section 2(c) hereof.

"Obligations" means "Obligations" as defined in the Security Agreement.

"Patents" has the meaning ascribed to it by Section 2(d) hereof.

"Related Documents" means, collectively, all documents and things in each Borrower's possession related to the production and sale by such Borrower, or any Affiliate, Subsidiary, licensee or subcontractor thereof, of products or services sold by or under the authority of such Borrower in connection with the Patents, Trademarks, Copyrights or Licenses including, without limitation, all product and service specification documents and production and quality control manuals used in the manufacture of products or provision of services sold under or in connection with the Trademarks.

"Trademarks" has the meaning ascribed to it by Section 2(b) hereof.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

2. GRANT OF SECURITY INTEREST.

Each Borrower hereby grants to the Agent a security interest in all of such Borrower's right, title and interest in and to all of its now owned or existing and hereafter acquired or arising property described as follows (collectively, the "IP Collateral") to secure payment of the Obligations:

(a) all United States and foreign copyright registrations and applications and material unregistered copyrights, including, without limitation, copyright registrations and applications and material unregistered copyrights, listed on Exhibit A hereto, and applications therefor and renewals thereof and all income, royalties, damages and payments now and hereafter due and/or payable under and with respect to all United States and foreign copyright registrations and applications and material unregistered copyrights, including, without limitation, damages and payments for past and future infringements thereof (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Copyrights");

(b) all United States and foreign trademark registrations of and applications for trademarks, material unregistered trademarks, tradenames, service marks, trademark and service mark registrations and renewals, and trademark and service mark applications, including, without limitation, the trademark registrations of and applications for trademarks, material unregistered trademarks, service marks and tradenames listed on Exhibit B hereto, and registrations and renewals thereof, and all income, royalties, damages and payments now and hereafter due and/or payable under and with respect to all trademarks, tradenames and service marks including, without limitation, damages and payments for past and future infringements thereof against third parties (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Trademarks");

(c) all material license agreements in which the Borrower is or becomes licensed (or grants or permits, whether now or in the future a license) to use a material copyright, trademark, service mark, tradename, patent or the related know-how including, without limitation, the license agreements listed on Exhibit C hereto (the "Licenses");

(d) all United States and foreign patents and patent applications, whether in the United States or any foreign jurisdiction, and the inventions and improvements described and claimed therein and trade secrets and know-how related thereto, including, without limitation, the patents and patent applications listed on Exhibit D hereto, and the re-issues, divisions, renewals, extensions and continuations-in-part thereof and all income, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages and payments for past and future infringements thereof, the right to sue for past, present and future infringements thereof and all rights corresponding thereto throughout the world (all of the foregoing being sometimes hereinafter individually and/or collectively referred to as the "Patents");

(e) the goodwill of each Borrower's business connected with the use of and symbolized by the Trademarks;

(f) the Related Documents; and

(g) all products and proceeds, including, without limitation, insurance proceeds, of any of the foregoing.

3. REPRESENTATIONS AND WARRANTIES.

Each Borrower represents and warrants to the Agent that:

3.1 Authorization, Validity and Enforceability. The execution, delivery and performance by each Borrower of this IP Security Agreement have been duly authorized by proper proceedings, and this IP Security Agreement constitutes a legal, valid and binding obligation of each Borrower and creates a security interest that is enforceable against each Borrower in all now owned and hereafter acquired IP Collateral.

3.2 Conflicting Laws and Contracts. Neither the execution and delivery by any Borrower of this IP Security Agreement, the creation and perfection of the security interest in the IP Collateral granted hereunder, nor compliance with the terms and provisions hereof, will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on any Borrower or any Borrower's articles or certificate of incorporation or certificate of formation, as applicable, or by-laws or operating agreement as applicable, the provisions of any indenture, instrument or agreement to which any Borrower is a party or is subject, or by which it, or its property, is bound, or conflict therewith or constitute a default thereunder, or result in the creation or imposition of any Lien pursuant to the terms of any such indenture, instrument or agreement.

3.3 No Financing Statements. Upon the making of the filings and recordings specified in clauses (a) and (b) of Section 3.4 below, the Agent will have a first priority perfected security interest in the IP Collateral, except for Permitted Liens. No financing statement or similar document describing all or any portion of the IP Collateral that has not lapsed or been terminated naming any Borrower as debtor or assignor has been filed in any jurisdiction or office, including, without limitation, the United States Patent and Trademark Office or the United States Copyright Office.

3.4 Security Interest. This IP Security Agreement creates a valid security interest in the IP Collateral, enforceable against each Borrower and all third parties, securing payment of the Obligations, which security interest will be perfected, with respect to rights in the United States, upon (a) the recording of this IP Security Agreement in the Office of the Commissioner of Patents and Trademarks and the United States Copyright Office, and (b) the filing of Uniform Commercial Code financing statements with the Secretary of State of the State of Delaware.

3.5 Litigation. There has been no litigation, arbitration, governmental investigation, proceeding or inquiry pending or threatened against or affecting any Borrower or its Subsidiaries challenging such Borrower's right, title and interest in the IP Collateral or alleging that such Borrower's use of any IP Collateral violates the rights of any Person. Each Borrower's use of the IP Collateral does not infringe upon the rights of any third party.

3.6 Complete Listing. The Copyrights, Trademarks, Licenses and Patents set forth on the Schedules hereto constitute, as of the date hereof, all material Copyrights, Trademarks, Licenses and Patents of the Borrowers and the Borrowers have good and marketable title to, or the right to use, all such property, free and clear of all Liens other than those in favor of the Agent and Permitted Liens.

4. COVENANTS.

From the date of this IP Security Agreement, and thereafter until this IP Security Agreement is terminated:

4.1 Inspection. The Borrowers will permit the Agent, by representatives and agents, to examine and make copies of the records of the Borrowers relating to the IP Collateral, and to discuss the IP Collateral and the records of the Borrowers with respect thereto with, and to be advised as to the same by, the Borrowers' officers and employees at such reasonable times and intervals as the Agent may designate.

4.2 Taxes. Each Borrower will pay when due all material taxes, assessments and governmental charges and levies upon the IP Collateral.

4.3 Records and Reports. Each Borrower will maintain complete and accurate books and records with respect to the IP Collateral, and furnish to the Agent such reports relating to the IP Collateral as the Agent shall from time to time reasonably request.

4.4 Financing Statements and Other Actions. Each Borrower hereby authorizes the Agent to effect any filing or recording in order to effect the purpose of this IP Security Agreement, including, without limitation, the filing or recording of any financing or continuation statements with respect hereto. Each Borrower will execute and deliver to the Agent all other documents from time to time requested by the Agent in order to maintain and/or perfect a first perfected security interest in the IP Collateral, except for Permitted Liens.

4.5 Disposition of Collateral; Liens. Except for non-exclusive licensing agreements or as permitted under the Purchase Agreement, no Borrower will sell, lease or otherwise dispose of the IP Collateral. No Borrower will create, incur or suffer to exist any Lien upon the IP

Collateral except the security interest created by this IP Security Agreement and as otherwise permitted by the Purchase Agreement.

4.6 Preservation of Value. Each Borrower agrees to protect and preserve the value and integrity of all material Trademarks, Patents, Copyrights and Licenses and, to that end, shall maintain the quality of any and all of its products or services bearing the trademarks or service marks included in such Trademarks, Patents, Copyrights or Licenses consistent with the quality of such products and services of such marks as of the date of this IP Security Agreement.

4.7 Collateral Royalties; Term. Each Borrower hereby agrees that during the occurrence and continuance of an Event of Default, any use by the Agent of any Patents, Copyrights, Trademarks and Licenses as described above shall be worldwide, to the extent possessed by the Borrower, and subject to the limitations of applicable law, and without any liability for royalties or other related charges from the Agent to the Borrower. The term of the grants of security interests granted herein shall extend until the expiration of each of the respective Copyrights, Trademarks, Patents and Licenses pledged hereunder, or until the Obligations have been indefeasibly paid in full, no commitment by the Agent exists that could give rise to any Obligations and this IP Security Agreement have been terminated, whichever first occurs.

4.8 Annual Report. Each Borrower shall provide the Agent upon request, and in any event prior to April 15 of each year, with a list of all new applications for United States and foreign copyrights, patents and trademarks, which new applications shall be subject to the terms and conditions of this IP Security Agreement. Each Borrower hereby authorizes the Agent to modify this IP Security Agreement by amending the Exhibits hereto to include any such new Trademarks, Patents, Copyrights or Licenses and to re-record this IP Security Agreement from time to time as the Agent sees fit.

4.9 Delivery of Certificates. Upon the request of the Agent, each Borrower shall deliver to the Agent copies of all existing and future official Certificates of Registration for the Patents, Trademarks and Copyrights.

4.10 Notice of Proceedings. Each Borrower shall promptly notify the Agent of the institution of, and any adverse determination in, any proceeding in the United States Patent and Trademark Office or any agency of any state or any court regarding the Borrower's right, title and interest in any material Patent, Trademark or Copyright or the Borrower's right to register any material Patent, Trademark or Copyright.

5. DEFAULT.

5.1 Borrower's Obligations Upon Default. Upon the request of the Agent after an Event of Default occurs and is continuing, each Borrower will:

5.1.1 Assembly of Collateral. Assemble and make available to the Agent the IP Collateral and all records relating thereto at the main office of such Borrower or at such other place or places reasonably specified by the Agent.

5.1.2 Secured Party Access. Permit the Agent, by the Agent's representatives and agents, to enter and remain on any premises where all or any part of the books and records relating thereto, or both, are located, to take possession of all or any part of the IP Collateral or such books and records and to remove all or any part of the IP Collateral or such books and records.

6. WAIVERS, AMENDMENTS AND REMEDIES.

6.1 Remedies. In the event that any Event of Default has occurred and is continuing, subject to the limitations of applicable law, the Agent, 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 any 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 IP Collateral, or any part thereof, and/or may forthwith sell, assign, give option or options to purchase, contract to sell or otherwise dispose of and deliver said IP Collateral, or any part thereof, in one or more portions at public or private sale or sales or dispositions, at any exchange, broker's board or at any of the Agent's offices or elsewhere upon such terms and conditions as the Agent may deem advisable and at such prices as the Agent may deem best, for any combination of cash or on credit or for future delivery without assumption of any credit risk, with the right to the Agent upon any such sale or sales or dispositions, public or private, to purchase the whole or any part of said IP Collateral so sold, free of any right or equity of redemption in any Borrower, which right or equity is hereby expressly waived and released to the fullest extent permitted by applicable law.

6.2 Waivers and Amendments. No delay or omission of the Agent to exercise any right or remedy granted under this IP Security Agreement shall impair such right or remedy or be construed to be a waiver of any Event of Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude other or further exercise thereof or the exercise of any other right or remedy, and no waiver, amendment or other variation of the terms, conditions or provisions of this IP Security Agreement whatsoever shall be valid unless in writing signed by the Agent, and then only to the extent specifically set forth in such writing. All rights and remedies contained in this IP Security Agreement or by law afforded shall be cumulative and all shall be available to the Agent until the Obligations have been indefeasibly paid in full.

7. PROCEEDS.

7.1 Application of Proceeds. The proceeds of the IP Collateral shall be applied by the Agent to payment of the Obligations in the manner set forth in Section 4.5 of the Security Agreement.

8. GENERAL PROVISIONS.

8.1 Notice of Disposition of Collateral. Each Borrower hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the IP Collateral may be made, subject to the limitations of applicable law. To the extent such notice may not be waived under applicable law, any notice made shall be deemed

reasonable if sent to the Borrowers, addressed as set forth in Section 8.12 hereof, at least ten days prior to any such public sale or the time after which any such private sale or other disposition may be made.

8.2 Agent Performance of Borrower Obligations. Without having any obligation to do so, upon either (a) notice to the Borrowers or (b) the occurrence of a Default or an Event of Default, the Agent may perform or pay any obligation that the Borrowers have agreed to perform or pay in this IP Security Agreement and such Borrower shall reimburse the Agent for any amounts paid by the Agent pursuant to this Section 8.2. Such Borrower's obligation to reimburse the Agent pursuant to the preceding sentence shall be an Obligation.

8.3 Authorization for Agent to Take Certain Action. Each Borrower irrevocably authorizes the Agent at any time and from time to time, in the sole reasonable discretion of the Agent, upon either (a) notice to the Borrowers or (b) the occurrence of a Default or an Event of Default: (i) to execute on behalf of any Borrower as debtor and to file financing statements and other documents with the United States Patent and Trademark Office or Copyright Office or otherwise that are necessary or desirable in the Agent's sole discretion to perfect and to maintain the perfection and priority of the Agent's security interest in the IP Collateral; (ii) to endorse and collect any cash proceeds of the IP Collateral; or (iii) to file a carbon, photographic or other reproduction of this IP Security Agreement or any financing statement with respect to the IP Collateral as a financing statement in such offices as the Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Agent's security interest in the IP Collateral.

8.4 Benefit of Agreement. The terms and provisions of this IP Security Agreement shall be binding upon and inure to the benefit of the Borrowers, the Agent and its respective successors and assigns, except that the Borrowers shall not have the right to assign their rights or obligations under this IP Security Agreement or any interest herein, without the prior written consent of the Agent.

8.5 Survival of Representations. All representations and warranties of the Borrower contained in this IP Security Agreement shall survive the execution and delivery of this IP Security Agreement.

8.6 Taxes and Expenses. Any taxes (including, without limitation, any sales, gross receipts, general corporation, personal property, privilege or license taxes, but not including any federal or other taxes imposed upon the Agent, with respect to its gross or net income or profits arising out of this IP Security Agreement) payable or ruled payable by any Federal or State authority in respect of this IP Security Agreement shall be paid by the Borrowers, together with interest and penalties, if any. The Borrowers shall reimburse (a) the Agent for any and all reasonable out-of-pocket expenses and internal charges (including reasonable attorneys', auditors' and accountants' fees and reasonable time charges of attorneys, paralegals, auditors and accountants who may be employees of the Agent) paid or incurred by the Agent in connection with the preparation, execution, delivery, administration, collection and enforcement of this IP Security Agreement and in the audit, analysis, administration, collection, preservation or sale of the IP Collateral (including the expenses and charges associated with any periodic or special audit of the IP Collateral), and (b) the Agent for any and all reasonable out-of-pocket expenses

and internal charges (including reasonable attorneys', auditors' and accountants' fees and reasonable time charges of attorneys, paralegals, auditors and accountants who may be employees of the Agent) paid or incurred by the Agent in connection with the collection and enforcement of this IP Security Agreement.

8.7 Termination. This IP Security Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no Obligations or commitments therefor outstanding) until the payment in full of the Obligations, at which time the security interests granted hereby shall terminate and any and all rights to the IP Collateral shall revert to the Borrowers. Upon such termination, the Agent shall promptly return to each Borrower, at such Borrower's expense, such of the IP Collateral held by the Agent as shall not have been sold or otherwise applied pursuant to the terms hereof. The Agent will promptly execute and deliver to each Borrower such other documents as such Borrower shall reasonably request to evidence such termination.

8.8 Entire Agreement. This IP Security Agreement, the Purchase Agreement and the other Purchase Documents embody the entire agreement and understanding between the Borrowers and the Agent relating to the IP Collateral and supersede all prior agreements and understandings between the Borrowers and the Agent relating to the IP Collateral.

8.9 Waivers. Except to the extent expressly otherwise provided herein or in any other Purchase Document, each Borrower waives, to the extent permitted by applicable law, (a) any right to require the Agent to proceed against any other person, to exhaust its rights in any other collateral, or to pursue any other right which the Agent may have, and (b) with respect to the Obligations, presentment and demand for payment, protest, notice of protest and non-payment, and notice of the intention to accelerate.

8.10 Counterparts. This IP Security Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this IP Security Agreement by signing any such counterpart.

8.11 CHOICE OF LAW. THIS IP SECURITY AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF MARYLAND WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

8.12 Sending Notices. Any notice required or permitted to be given under this IP Security Agreement shall be given in accordance with Section 13.6 of the Purchase Agreement.

[Signature Pages Follows]

IN WITNESS WHEREOF, the undersigned have caused this IP Security Agreement to be executed by their duly authorized representatives as of the date first set forth above.

BORROWERS:

SN INVESTORS, INC.

By: Rgn Savage
Name: ROGER SAVAGE
Title: President and CEO

KAC HOLDINGS, INC.

By: Rgn Savage
Name: ROGER SAVAGE
Title: President and CEO

AGENT:

AMERICAN CAPITAL FINANCIAL SERVICES, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the undersigned have caused this IP Security Agreement to be executed by their duly authorized representatives as of the date first set forth above.


BORROWERS:**SN INVESTORS, INC.**

By: _____
Name: _____
Title: _____

KAC HOLDINGS, INC.

By: _____
Name: _____
Title: _____

AGENT:**AMERICAN CAPITAL FINANCIAL
SERVICES, INC., a Delaware corporation**

By:  _____
Name: Tom Corbin
Title: Senior Vice President

STATE OF Illinois)
COUNTY OF Cook) SS

The foregoing Intellectual Property Security Agreement was executed and acknowledged before me this 12th day of February, 2004 by Roger Savage, personally known to me to be the president of Sn Investors, Inc., a Delaware corporation, on behalf of such corporation.



(SEAL)

NOTARY PUBLIC

Linda A. Robinson

My Commission Expires:

06/16/04

STATE OF Illinois)
COUNTY OF Cook) SS

The foregoing Intellectual Property Security Agreement was executed and acknowledged before me this 12th day of February, 2004 by Roger Savage, personally known to me to be the president of KAC Holdings, Inc., a Delaware corporation, on behalf of such corporation.



(SEAL)

NOTARY PUBLIC

Linda A. Robinson

My Commission Expires:

06/16/04

EXHIBIT A
COPYRIGHTS

Title	Reg. No.	Registered	Deposit/Limitation
Quality workmanship manual for mechanical hook-up and soldering electronic equipment	A561029	1974	Workmanship standards Vol. 2

EXHIBIT B
TRADEMARKS

TRADEMARK NAME	COUNTRY	REGISTRATION NUMBER	REGISTRATION DATE	APPLICATION NUMBER	APPLICATION FILING DATE
Kester "44" Resin Core Solder	Hong Kong	1265/82	1/24/79	175/79	1/24/79
44	Taiwan	120092	9/1/79	68/06556	No date
44	U.S.	1118068	5/15/79	73/159665	2/23/78
AQUABOND	U.S.	1809894	12/7/93	74/151985	3/28/91
BIO-KLEEN	U.S.	1092043	5/30/78	73/146209	10/26/77
COPPER-NU	U.S.	1099935	8/22/78	73/146243	10/27/77
EASY PROFILE	U.S.	2343518	4/18/00	75727662	6/14/99
FLO-RITE	U.S.	1307642	12/4/84	73/443528	9/12/83
FLUX-PEN	U.S.	1695166	6/16/92	74/155700	4/10/91
HYDROMARK	U.S.	Pending		78/221005	3/3/03
KESTART AND DESIGN	U.S.	1236897	5/10/83	73/307674	4/27/81
KESTER	Argentina	1752144	8/2/89	2225857	10/20/86
KESTER	Argentina	1761167	7/5/89	2226776	10/22/86
KESTER	Austria	88813	8/18/78	AM88178	4/11/78
KESTER	Benelux	350909	2/13/78	623125	2/13/78
KESTER	Brazil	816742561	1/11/94	816742561	6/15/92
KESTER	Brazil	816742553	2/6/96	816742553	6/15/92
KESTER	Chile	435664	12/13/94	291745	2/28/79
KESTER	China	355947	7/30/89	355947	No date
KESTER (In Chinese Ch)	China	355949	7/30/89	355949	No date
KESTER	China	350815	6/10/89	350815	No date
KESTER (In Chinese Ch)	China	350816	6/10/89	350816	No date
KESTER	Costa Rica	5555523165	5/9/79	NONE (CL.6)	No date
KESTER	Costa Rica	5556/23755	5/9/79	NONE (CL.1)	No date
KESTER	Denmark	VR 1981 01716	5/8/81	2745/80	No date
KESTER	El Salvador	208 Book 81	2/18/80	NONE	No date
KESTER	Finland	82754	9/6/82	3466/80	6/24/80

TRADEMARK NAME	COUNTRY	REGISTRATION NUMBER	REGISTRATION DATE	APPLICATION NUMBER	APPLICATION FILING DATE
KESTER	France	1603894	7/24/90	227672	7/24/90
KESTER	Germany	979231	11/29/78	L 22116	12/22/77
KESTER	Greece	60689	9/17/79	60689	3/2/78
KESTER	Guatemala	37382	7/19/89	7124	1/4/79
KESTER	Guatemala	39335/445/93	6/19/80	7123	1/4/79
KESTER	Hong Kong	2205/1981	6/26/78	9440471	6/28/78
KESTER	Hong Kong	2206/1981	6/26/78	9440520	6/28/78
KESTER	Hong Kong	12211/2800	4/20/99	9904947	4/20/99
KESTER in Circle Design	Hong Kong	13188/2000	9/29/00	9904946	4/20/99
KESTER in Circle Design	Hong Kong	13187/2000	9/29/00	9904945	4/20/99
KESTER	Hong Kong	12210/2000	9/8/00	9904944	4/20/99
KESTER	India	Pending		484074	1/11/88
KESTER	India	Pending		484071	1/11/88
KESTER	Indonesia	418155	11/8/88	241679	12/7/87
KESTER	Indonesia	418156	11/8/88	241679	12/7/87
KESTER	Ireland	104672	3/4/81	588/81	No date
KESTER	Ireland	104671	3/4/81	587/81	No date
KESTER	Israel	46651	10/7/81	46651	9/29/78
KESTER	Israel	46650	10/1/81	46650	9/29/78
KESTER	Italy	826232	3/7/85	33266C78	9/3/78
KESTER	Japan	2415681	5/29/92	118895/1989	1/30/81
KESTER	Japan	1993176	10/27/87	96082/1979	4/28/87
KESTER	Japan	1061466	9/27/84	224594/1083	10/5/83
KESTER	Korea (Rep. of)	57717	9/21/78	4189/77	No date
KESTER	Korea (Rep. of)	60376	2/10/79	4447/77	No date
KESTER	Malaya	M/87662	9/2/87	87762	No date
KESTER	Malaya	M/87663	9/2/87	87763	No date
KESTER	Malaysia	88/3042	6/22/95	3043/88	No date
KESTER	Malaysia	88/3043	6/22/95	3043/88	No date
KESTER	Mexico	279743	5/6/82	199932	No date
KESTER	Mexico	278927	5/6/82	199931	No date
KESTER	New	241949	10/13/94	241949	10/13/94

TRADEMARK NAME	COUNTRY	REGISTRATION NUMBER	REGISTRATION DATE	APPLICATION NUMBER	APPLICATION DATED
	Zealand				
KESTER	New Zealand	241950	10/13/94	241950	10/13/94
KESTER	Norway	105123	2/22/80	780668	No date
KESTER	Philippines	60805	6/20/95	87629	8/4/93
KESTER	Portugal	198394	11/14/85	198394	4/10/78
KESTER	Portugal	198395	11/14/85	198395	4/10/78
KESTER	Singapore	Pending		T99/03532I	4/12/99
KESTER	Singapore	T99/12226D	10/27/99	T99/12226D	10/26/99
KESTER	Singapore	T99/03531J	4/12/99	T99/03531J	4/12/99
KESTER	Spain	22167621	5/23/80	2216762	3/20/78
KESTER	Spain	874237	1/20/79	2216761	3/20/78
KESTER	Sweden	164097	7/7/78	1978/1210	No date
KESTER	Switzerland	307220	6/25/80	3405	6/25/80
KESTER	Thailand	332357/KOR57882	5/7/97	96625	4/15/77
KESTER	Thailand	332356/KOR57881	5/7/97	96624	4/15/77
KESTER	United Kingdom	2021566	5/25/95	2021566	No date
KESTER	U.S.	502628	10/5/48	71/529270	7/23/47
KESTER	U.S.	1556536	9/19/89	73/771509	12/27/88
KESTER	U.S.	502470	9/28/48	71/529271	7/23/47
KESTER	U.S.	1557479	9/26/89	73/771508	12/27/88
KESTER	Venezuela	169919F	10/7/94	664	4/3/92
KESTER (LOGO)	Singapore	Pending		T99/03530B	4/12/99
KESTER IN CIRCLE DEVICE	Australia	B296225	5/17/74	296225	No date
KESTER IN CIRCLE DEVICE	Australia	B278504	5/17/74	278504	No date
KESTER IN CIRCLE DEVICE	Singapore	Pending		T99/03529I	4/12/99
KESTER IN CIRCLE DEVICE	Singapore	T99/03530B	4/12/99	T99/03530B	4/12/99
KESTER IN CIRCLE DEVICE	Taiwan	518262	4/1/91	79/33784	

TRADEMARK NAME	COUNTRY	REGISTRATION NUMBER	REGISTRATION DATE	APPLICATION NUMBER	APPLICATION FILING DATE
KESTER IN CIRCLE DEVICE	Taiwan	511477	10/01/92	79/33783	2/16/91
KESTER SOLDER DEVICE	Singapore	T78/76388J	6/29/78	76388	6/29/78
KWIK-DRAW	U.S.	991986	8/27/74	72/436468	9/22/72
LEAD FREE SOLUTIONS	U.S.	Pending		78/284,602	8/7/03
METAL MENDER	U.S.	513006	8/2/49	71/529272	7/23/47
NICKEL-NU	U.S.	1099118	8/15/78	73/146276	10/27/77
POCKET-PAK	U.S.	1271511	3/27/84	73/388192	9/23/82
PROTECTO	U.S.	1282879	6/26/84	73/388294	9/23/82
PUREMARK	U.S.	Pending		78/221011	3/3/03
SAFALLOY	U.S.	Pending		78/238397	4/16/03
SCALE-OFF	U.S.	1286648	7/24/84	73/388295	9/23/82
SE-CURE	U.S.	2173918	7/14/98	75/239216	2/10/97
SIL-STRONG	U.S.	1271510	3/27/84	73/388163	9/23/82
SOLDER-NU	U.S.	1099934	8/22/78	73/146242	10/27/77
SOLDER-SAVER	U.S.	1286649	7/24/84	73/388296	9/23/82
SOLDERFORMS	U.S.	720235	8/22/61	72/088326	12/31/59
THERMAPURE	U.S.	Pending		78/181667	11/5/02
THE SOLDER CONNECTION	U.S.	1590389	4/10/90	73/796064	4/27/89
ULTRA-SPHERES	U.S.	2408453	11/28/00	75/838442	11/2/99
ULTRAPURE	U.S.	1299263	10/9/84	73/393760	9/29/82
ULTRAPURE	U.S.	1021955	10/7/75	73/039668	12/16/74

Mark	Country	Serial No. / Filing Date	Reg. No. / Reg. Date	Comments
KESTER PROTECTIVE RESIDUE	Germany	39848139.3 8/24/98	39848139 12/14/98	
PROTECTIVE RESIDUE	Germany	39806934.4 2/10/98	N/A	

MARK	Country	Serial No. File No.	Reg No. Registered	Comments
KESTER PROTECTIVE RESIDUE	International		708803 2/1/99	Based on German reg. no. 39848139.3 Designated states: Austria, Bulgaria, Switzerland, Denmark, Spain, Finland, France, UK, Hungary, Italy, Poland, Portugal, Sweden, Croatia, Slovenia, Czech Republic, Slovak Republic, Benelux Protection refused in Bulgaria 10/26/00

EXHIBIT C
LICENSES

EXHIBIT D**PATENTS**

INVENTION	Country	Patent No. Issue Date	Applicant Filing Date
Encapsulant with fluxing properties and method of use in flip-chip surface mount reflow soldering	U.S.		361,671 2/10/03
Encapsulant with fluxing properties and method of use in flip-chip surface mount reflow soldering	U.S.		361,390 2/10/03
Encapsulant with fluxing properties and method of use in flip-chip surface mount reflow soldering	U.S.		08/644,912 5/28/96
Encapsulant with fluxing properties and method of use in flip-chip surface mount reflow soldering	U.S.		US96/12759 8/9/96
Method of Controlling Solder Deposition Utilizing Two Fluxes and Preform	U.S.		10/271,883 10/16/02
Surface Reactive Preservative for use with Solder Preforms	U.S.		10/682,699 10/09/03
Encapsulant with fluxing properties and method of use in flip-chip surface mount reflow soldering	SG	51448 7/18/00	8/9/96
Encapsulant with fluxing properties and method of use in flip-chip surface mount reflow soldering	Malaysia		PI9603282 8/9/96
Encapsulant with fluxing properties and method of use [To be recorded in foreign jurisdiction.]	PCT		PCT/US96/12759 8/9/96
	EPO		96929659.9 8/9/96
	Japan		97/509333 8/9/96
	Korea		98/701022 2/11/98
Method of manufacturing an electrical connection using solder flux compatible with flip chip underfill material	U.S.	6,615,484 9/9/03	051,661 1/18/02

	Country	Patent No. Issue Date	Applic. No. Filing Date
Solder flux compatible with flip-chip underfill material	U.S.	6,367,150 4/9/02	148,506 9/4/98
No-clean, low-residue, volatile organic compound free soldering flux and method of use	U.S.	5,334,260 8/2/94	014,201 2/5/93
	PCT		PCT/US94/00942 2/4/94
	Canada	2154782 8/19/03	2154782 2/4/94
	EPO	0,686,073 4/22/98	94909498.1 2/4/94
	Belgium	0686073 4/22/98	94909498.1 2/4/94
	France	0686073 4/22/98	94909498.1 2/4/94
	Germany	6940979.5 4/22/98	94909498.1 2/4/94
	Italy	69094BE98 4/22/98	94909498.1 2/4/94
	Netherlands	0686073 4/22/98	94909498.1 2/4/94
	Sweden	06863073 4/22/98	94909498.1 2/4/94
	UK	0686073 4/22/98	94909498.1 2/4/94
	Mexico	194316 11/29/99	94/00876 2/3/94
	Japan	3368502 11/15/02	94/518097 2/4/94
	Korea	324084 1/29/02	95/703256 8/5/95
No-clean, low-residue, volatile organic compound free soldering flux and method of use	Taiwan	080476 2/24/96	2/3/94
No-clean, low-residue, volatile organic compound free soldering flux and method of use	U.S.	5,281,281 1/25/94	014,203 2/5/93
Package for spooled products	U.S.	5,064,066 11/12/91	674,180 3/25/91