

OCT. 1. 2004 3:49PM

CHOATE HALL & STEWART 6172484000

NO. 723 P. 3

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

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

Docket No.: 2003759-0058

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

1. Name of conveying party(ies):

Maxon Corporation

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation
☐ Other:

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

2. Name and address of receiving party(ies)

Name: **Massachusetts Mutual Life Insurance Company
c/o Babson Capital Management, LLC**

Street Address: 1500 Main Street

City: Springfield State: MA ZIP: 01115

- ☐ Individual(s)
☐ Association
☐ General Partnership
☐ Limited Partnership
☒ Corporation
☐ Other:

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☐ No
(Designation must be a separate document from assignment)
Additional name(s) & address(es) attached? ☒ Yes ☐ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security and Pledge Agreement
☐ Other

Execution Date:

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

A. Trademark Application No.(s) 826873; 760737; 991373; 888280; 921141; 73/236746; 954932; 871465; 859813; 852164; 943567; 864459; 863381; 879373; 792228; 976377; 732640; 872145; 123258; 78/119851; 732495; 967533; 799880; 73/375090; 814273
B. Trademark Registration No.(s): 1030677; 1061454; 2246385; 2045077; 1749349; 1308794; 1206097; 2184904; 1308826; 1177099; 1309894; 1135640; 1329441; 1282254; 1245190; 1241951; 2229318; 2765156; 1171051; 1800072; 1783368;

Additional numbers attached? ☐ Yes ☒ No

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

Name: **Peter B. Cancelmo**

Internal Address: **Choate, Hall & Stewart**

Street Address: **Exchange Place
53 State Street**

City: **Boston** State: **MA** ZIP: **02109**

6. Total number of applications and registrations involved: 46

7. Total fee (37 CFR 3.41)\$1165.00

- ☐ Enclosed
☒ Authorized to be charged to deposit account (if underpayment)

8. Deposit account number: 03-1721

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. 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.

Peter B. Cancelmo

Name of person signing

Signature

October 1, 2004

Date

Total number of pages including cover sheet, attachments, and document: 38

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

CH \$1165.00 03-1721 73236746

3751952v1 700119635

TRADEMARK
REEL: 002950 FRAME: 0292

Continuation of 2 Receiving Parties

C.M. LIFE INSURANCE COMPANY

c/o Massachusetts Mutual Life Insurance Company
c/o Babson Capital Management, LLC
1500 Main Street
Springfield, MA 01115

MASSMUTUAL CORPORATE INVESTORS

c/o Babson Capital Management, LLC
1500 Main Street
Springfield, MA 01115

MASSMUTUAL PARTICIPATION INVESTORS

c/o Babson Capital Management, LLC
1500 Main Street
Springfield, MA 01115

JOHN HANCOCK LIFE INSURANCE COMPANY

200 Clarendon Street
Boston, MA 02117

HANCOCK MEZZANINE PARTNERS III L.P.

c/o John Hancock Life Insurance Company
200 Clarendon Street
Boston, MA 02117

ALLSTATE LIFE INSURANCE COMPANY

c/o John Hancock Life Insurance Company
200 Clarendon Street
Boston, Ma. 02117

SIGNATURE 7 L.P.

c/o John Hancock Life Insurance Company
200 Clarendon Street
Boston, MA 02117

SIGNATURE 5 L.P.

c/o John Hancock Life Insurance Company
200 Clarendon Street
Boston, MA 02117

SECURITY AND PLEDGE AGREEMENT

THIS AGREEMENT, dated the 30th day of September, 2004 is made by MAXON CORPORATION, an Indiana company having its principal place of business and chief executive office at 201 East 18th Street, Muncie, Indiana 47302 (the "Debtor"), for the benefit of JOHN HANCOCK LIFE INSURANCE COMPANY, HANCOCK MEZZANINE PARTNERS III, L.P., ALLSTATE LIFE INSURANCE COMPANY, SIGNATURE 5, L.P., SIGNATURE 7 L.P., MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY C.M. LIFE INSURANCE COMPANY, MASSMUTUAL CORPORATE INVESTORS, MASSMUTUAL PARTICIPATION INVESTORS and CID MEZZANINE CAPITAL, L.P. collectively, the "Institutional Investors") and each other holder of the Secured Obligations (as hereinafter defined) (the Institutional Investors and such other holders are hereinafter referred to collectively as the "Secured Parties" and each, individually, as a "Secured Party").

W I T N E S S E T H:

WHEREAS, pursuant to those certain Securities Purchase Agreements dated September 30, 2004 (as amended, modified or supplemented from time to time, the "Securities Purchase Agreements"), the Institutional Investors have agreed to purchase, in addition to certain other securities, \$25,510,000 aggregate principal amount of the 8.75% Secured Senior Term Notes due September 30, 2012 issued by the Debtor (capitalized terms used herein without definition having the respective meanings ascribed to them in the Securities Purchase Agreements, unless the context clearly requires otherwise); and

WHEREAS, the obligation of the Institutional Investors to purchase any such securities is subject to the condition, among others, that the Debtor execute and deliver this Agreement and grant the Liens hereinafter described;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

1. Security Interest. As security for the due and punctual payment and performance of the Secured Obligations described in section 2 hereof, the Debtor hereby grants to the Secured Parties a continuing security interest in and to all of its right title and interest in the Collateral, whether now owned or existing or hereafter acquired or arising.

As used herein, "Collateral" shall mean all of the Debtor's tangible and intangible personal property and fixtures (but none of its obligations with respect thereto), including, without limitation, all of the Debtor's right, title and interest in the property described below, as each such term is used in the Uniform Commercial Code as in effect from time to time in The Commonwealth of Massachusetts:

- (i) all investment property;
- (ii) goods;
- (iii) equipment;

- (iv) inventory;
- (v) instruments (including, without limitation, promissory notes);
- (vi) accounts;
- (vii) documents;
- (viii) chattel paper (whether tangible or electronic);
- (ix) deposit accounts;
- (x) fixtures;
- (xi) letter-of-credit rights and support obligations;
- (xii) the commercial tort claims (i.e., any claims arising in tort that the Debtor may have) set forth on Exhibit 1(x) hereto;
- (xiii) general intangibles (including, without limitation, payment intangibles and Intellectual Property Collateral (as defined below)); and
- (xiv) any and all additions, accessions and attachments to and of the foregoing and any and any substitutions, replacements, proceeds (including, without limitation, insurance proceeds), products and supporting obligations of the foregoing.

2. Secured Obligations. The Liens hereby granted shall secure equally and ratably the due and punctual payment and performance of the following liabilities and obligations (collectively, the "Secured Obligations"):

(a) principal of and premium (including, without limitation, any Make Whole Amount), if any, and interest on and fees and other amounts payable with respect to the Notes (or any of them) and any guarantees thereof; and

(b) any and all other indebtedness and obligations of the Company and/or any of its Subsidiaries under the Securities Purchase Agreements and/or under any of the other Operative Documents or under any other agreement, document or instrument relating thereto, all as amended, modified or supplemented from time to time, related in any way to the Notes (or any of them), other than any such indebtedness and obligations related solely and exclusively to the Senior Subordinated Notes, Purchased Common Shares, Warrants or Warrant Shares.

3. Special Warranties and Covenants of the Debtor. The Debtor hereby represents and warrants to and covenants and agrees with the Secured Parties that:

(a) The Debtor is the owner of and has good and marketable title to the Collateral free from any Liens, other than (i) the Liens arising hereunder and under the

other Security Documents (including any restrictions on transfer of any Pledged Securities), (ii) Liens permitted under section 14.9 of the Securities Purchase Agreements, and (iii) restrictions on transfer of the Pledged Securities imposed by applicable securities laws, and the Debtor will defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein.

(b) The address shown at the beginning of this Agreement is the chief executive office and principal place of business of the Debtor and the location of all records concerning that portion of Collateral consisting of accounts receivable and other general intangibles. The Debtor's only additional places of business and the only additional locations of any Collateral (including Collateral located at warehouses and the like) are listed in Exhibit 3(b) attached hereto (which includes legal descriptions of all real property sufficient for fixture filings). Except as set forth on Exhibit 3(b) attached hereto, during the five years ended on the date hereof, neither the Debtor nor any of its predecessors-in-interest has conducted any business or sold any goods under any name (including any fictitious business or trade name) other than its legal name. Debtor's legal name and jurisdiction of organization is correctly set forth at the beginning of this Agreement. The Debtor will not change its corporate form or jurisdiction of organization, or change its chief executive office or principal place of business or any other place of business, or the location of any Collateral (other than inventory in transit) (including, without limitation, the records relating thereto), or make any change in its legal name or conduct business operations under any fictitious business or trade name (other than any names specified on Exhibit 3(b) attached hereto), (i) in contravention of Securities Purchase Agreements or (ii) without, in each such case, (A) giving at least 30 days' prior written notice thereof to the Secured Parties and (B) executing, delivering, filing and recording all necessary financing statements (or amendments thereto) or other instruments and documents in order to maintain the validity, enforceability, priority and perfection of the Liens arising hereunder and under the other Security Documents.

(c) Except as explicitly permitted by the Securities Purchase Agreements, (i) the Debtor will not sell or otherwise dispose of any of the Collateral or any interest therein (other than sales of inventory in the ordinary course of business) and (ii) the Debtor will not create, assume, incur or suffer to exist any Lien of any kind (whether senior, pari passu or subordinate) on the Collateral (including any restrictions on transfer of any Pledged Securities), other than (x) those arising hereunder and under the other Security Documents, (y) those permitted under section 14.9 of the Securities Purchase Agreements, and (z) restrictions on transfer of the Pledged Securities imposed by applicable securities laws.

(d) The Debtor will keep the Collateral, including, without limitation, all inventory and equipment, in good repair, working order and condition and adequately insured at all times in accordance with the provisions of the Securities Purchase Agreements and the other Operative Documents. Each insurance policy pertaining to any of the Collateral shall be in form and substance and shall have such limits and deductibles as shall be reasonably satisfactory to the Secured Parties and, without limiting the generality of the foregoing, shall:

(i) name the Secured Parties as loss payees (in the case of property insurance) and additional insureds (in the case of liability insurance) pursuant to a so-called standard mortgagee clause and shall contain the so-called agreed upon replacement cost endorsement and waiver of subrogation;

(ii) provide that no action of the Debtor or any of its Subsidiaries or any tenant or subtenant shall void such policy as to the Secured Parties;

(iii) provide that the Secured Parties shall be notified (and the Debtor shall notify the Secured Parties) of any expiration, cancellation or material amendment of such policy at least 30 days in advance of the effective date thereof and, if applicable, provide that the Secured Parties shall have the right to cure any deficiency resulting in the same;

(iv) provide that the Secured Parties shall receive (and the Debtor shall cause the Secured Parties to receive) annually certificates of insurance (or other appropriate documentation) demonstrating compliance by the Debtor with all provisions of the Operative Documents relating to insurance matters; and

(v) be issued by an insurance company or insurance companies licensed to do business in the jurisdiction in which the Collateral is located and having the highest or second highest rating available from A.M. Best Company or an equivalent Person.

Certified copies of all such insurance policies relating to the Collateral shall be delivered to the Secured Parties upon request. In the event of any material damage or destruction to the Collateral, the Debtor shall give prompt written notice to the Secured Parties and shall promptly commence and diligently continue to complete the repair and restoration of such Collateral so damaged or destroyed so as to reconstruct the Collateral in a good and workmanlike manner and in full compliance with all legal requirements and the provisions of this Agreement and the other Operative Documents, free and clear from all Liens, other than (x) the Liens arising hereunder and under the other Security Documents and (y) the Liens permitted under section 14.9 of the Securities Purchase Agreements. The Debtor shall not adjust, compromise or settle any claim for insurance proceeds in excess of \$100,000 without the prior written consent of the Secured Parties. Subject to the terms of the Securities Purchase Agreements and so long as no Event of Default shall have occurred and be continuing, the Debtor may apply the proceeds of any insurance to the repair and restoration of any of the Collateral which was the subject of the loss, provided that (i) the cost of repair and restoration shall not exceed \$250,000, (ii) the Debtor continues to be the sole owner of the Collateral subject to the Liens arising hereunder and under the other Security Documents and, if applicable, said Permitted Encumbrances, (iii) the contemplated repair and restoration shall reconstruct the Collateral to substantially its previous condition within 180 days from the date of the damage or destruction to the Collateral, (iv) all sums necessary to effect the repair and restoration over and above any available insurance proceeds shall be at the sole cost and expense of the Debtor, (v) the Debtor shall deposit all available proceeds together with the additional sums referred to in subsection (iv) with the Secured Parties prior to commencing any repair and restoration and (vi) at all times during any repair and restoration the Debtor shall, at its sole cost and expense, maintain workers'

3747829v2

compensation and public liability insurance in amounts satisfactory to the Secured Parties and in accordance with the provisions of this section 3(d). If at any time the Secured Parties determine, in good faith, that the foregoing conditions have not been or cannot be satisfied, then the Secured Parties may, subject to the provisions of the Intercreditor Agreement, apply the proceeds of insurance to the prepayment, without premium, of the Secured Obligations in accordance with section 9.5 of the Securities Purchase Agreements. Any insurance proceeds that are received at a time when an Event of Default shall have occurred and be continuing may be applied, subject to the provisions of the Intercreditor Agreement, by the Secured Parties to the repayment of the Secured Obligations in accordance with the terms of the Securities Purchase Agreements. If the Debtor fails to provide insurance as required by this Agreement or any of the other Operative Documents, the Secured Parties may, at their option, provide such insurance, and the Debtor will on demand pay to the Secured Parties the amount of any disbursement made by the Secured Parties for such purpose.

(e) To the extent required by the Securities Purchase Agreements, the Debtor will pay and discharge promptly as they become due and payable all taxes, assessments and other governmental charges or levies imposed upon it or its income or upon any of its properties, real, personal or mixed, or upon any part thereof, including, without limitation, the Collateral or any part of the Collateral, as well as all claims of any kind (including claims for labor, materials and supplies) which if unpaid might by law become a Lien or charge upon its property.

(f) The Debtor will, without the necessity of any request by the Secured Parties, promptly make, execute (as applicable), acknowledge and deliver and file and record in all proper offices and places, including, without limitation, the U.S. Patent and Trademark Office and the U.S. Copyright Office, such financing statements, continuation statements, certificates, collateral agreements and other agreements, documents or instruments as may be necessary to perfect or from time to time renew the Liens arising hereunder and under the other Security Documents, including, without limitation, those that may be necessary to perfect such Liens in any additional Collateral hereafter acquired by the Debtor or in any replacements or proceeds thereof, and the Debtor will take all such action as may be deemed necessary or advisable by the Secured Parties to carry out the intent and purposes of the Security Documents or for assuring and confirming to the Secured Parties the grant and perfection of the Liens in the Collateral, including, without limitation, the Intellectual Property Collateral (as defined below). To the extent permitted by law, the Debtor authorizes and appoints (such appointment being coupled with an interest and irrevocable) each Secured Party to execute (as applicable) and to file and record such financing statements, continuation statements, certificates, collateral agreements and other agreements, documents and instruments in its stead, with full power of substitution, as the Debtor's attorney-in-fact.

(g) The Debtor agrees that if any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any of the inventory (or any other Collateral), such receipt shall not be "negotiable" (as such term is used in the Uniform Commercial Code as in effect in any relevant jurisdiction or under other relevant law). If, notwithstanding the foregoing, any negotiable warehouse receipts or other negotiable documents are issued with respect to any of the inventory (or other Collateral), all such

instruments shall be held in trust for the Secured Parties and shall be immediately endorsed to the order of the Secured Parties and delivered to the Secured Parties to be held by the Secured Parties as Collateral hereunder. In addition, the Debtor will notify all warehousemen, bailees, agents, processors and other similar Persons of the Liens created pursuant to the Security Documents and will cause each to hold all Collateral for the account of, and subject to the instructions of, the Secured Parties.

(h) Except in the ordinary course of business or as otherwise explicitly permitted by the Securities Purchase Agreements, without the prior written consent of the Secured Parties, the Debtor shall not amend or modify, or waive any of its rights under or with respect to, any of the accounts receivable, if the effect thereof would be to reduce the amount payable to the Debtor thereunder, to extend the time of payment thereof, to waive any default by any account debtor or other obligor thereunder, or to waive or impair any remedies of the Debtor or the Secured Parties under or with respect thereto. Upon the occurrence and during the continuance of any Event of Default, the Secured Parties may notify or may require the Debtor to notify (and after any such notification the Debtor shall cause) all Persons obligated on the accounts receivable to make payment directly to (or in accordance with the instructions of) the Secured Parties. From and after the occurrence of any Event of Default, (i) all sums collected or received and all property recovered or possessed by the Debtor in connection with any of the Collateral, including, without limitation, all sums received in respect of any of the accounts receivable, shall be received and held by the Debtor in trust for the Secured Parties and shall be segregated from the assets and funds of the Debtor and shall be immediately delivered to the Secured Parties, subject to the terms of the Intercreditor Agreement, for application to the payment of the Secured Obligations in accordance with the terms hereof and (ii) the Debtor, upon the request of the Secured Parties, shall institute depositary, lockbox and other similar credit procedures providing for the direct receipt of such sums.

(i) The Debtor will specifically assign to the Secured Parties all federal government contracts and will cooperate with the Secured Parties in giving notice of such assignment pursuant to the Federal Assignment of Claims Act. The Debtor will cooperate with the Secured Parties in providing such further information with respect to contracts with any governmental authority as the Secured Parties may request and will provide such instruments of further assurance with respect to such contracts as the Secured Parties may request. As of the date hereof, no contract of the Debtor with any such governmental authority is material to the Debtor. The Debtor will notify the Secured Parties at such time as any such contract shall become material to the Debtor.

(j) The Debtor hereby constitutes and appoints each Secured Party its true and lawful attorney, irrevocably, with full power, upon the occurrence of any Event of Default, in the name of the Debtor or otherwise, at the expense of the Debtor and without notice to or demand upon the Debtor, to act, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due or to become due to the Debtor, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Secured Parties may deem to be necessary or advisable to protect the interests of the Secured Parties, which appointment as attorney is coupled with an interest and is irrevocable.

Without limiting the generality of the foregoing, upon the occurrence and during the continuance of any Event of Default, the Secured Parties shall have full power: (i) to demand, collect, receive payment of, receipt for, settle, compromise or adjust, and give discharges and releases in respect of any of the Collateral, including, without limitation, any Pledged Securities and/or any accounts receivable; (ii) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect and/or to enforce any other rights in respect of any of the Collateral, including, without limitation, any Pledged Securities and/or any accounts receivable; (iii) to defend any suit, action or proceeding brought against the Debtor with respect to any of the Collateral, including, without limitation, any Pledged Securities and/or any account receivable; (iv) to settle, compromise or adjust any suit, action or proceeding described in clause (ii) or (iii) above, and, in connection therewith, to give such discharges or releases as the Secured Parties may deem appropriate; (v) to endorse checks, notes, drafts, acceptances, money orders, bills of lading, warehouse receipts or other instruments or documents, including, without limitation, those relating to any of the Pledged Securities and/or those evidencing or securing the accounts receivable or any of them; (vi) to receive, open and dispose of all mail addressed to the Debtor and to notify the post office authorities to change the address of delivery of mail addressed to the Debtor to such address, care of the Secured Parties, as the Secured Parties may designate; (vii) to act as attorney for the Debtor in obtaining, adjusting, settling and canceling any insurance and endorsing any drafts and retaining any amounts collected or received under any policies of insurance; (viii) to discharge any taxes, assessments or other governmental charges or levies or any other Liens to which any Collateral is at any time subject and (ix) generally to sell, assign, transfer, pledge, make any agreement in respect of or otherwise deal with the Collateral as fully and completely as though the Secured Parties were the absolute owners thereof for all purposes. The Debtor agrees to reimburse each Secured Party on demand for any payments made or expenses incurred by such Secured Party pursuant to the foregoing authorization and any unreimbursed amounts shall constitute Secured Obligations for all purposes hereof.

(k) The powers conferred on the Secured Parties by this Agreement and the other Security Documents are solely to protect the interests of the Secured Parties and shall not impose any duty upon the Secured Parties (or any of them) to exercise any such power, and if the Secured Parties shall exercise any such power, such exercise by the Secured Parties shall not relieve the Debtor of any Default or Event of Default, and the Secured Parties shall be accountable only for amounts actually received as a result thereof. The Secured Parties shall be under no obligation to take steps necessary to preserve the rights in or value of or to collect any sums due in respect of any Collateral against any other Person but may do so at their option. Without limiting the generality of the foregoing, the Secured Parties shall have no duty or liability with respect to any claim or claims regarding the Debtor's ownership or purported ownership, or rights or purported rights arising from, the Pledged Securities or the Intellectual Property Collateral (as defined below) (or any portion thereof) or any use, license, or sublicense thereof, whether arising out of any past, current or future event, circumstance, act or omission or otherwise. All of such duties and liabilities shall be exclusively the obligation of the Debtor. All expenses incurred in connection with the application,

protection, maintenance, renewal or preservation of any of the Collateral, including, without limitation, the Intellectual Property Collateral (as defined below), shall be borne by the Debtor.

(l) The Debtor shall defend, indemnify and hold harmless each Secured Party from any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements (including reasonable attorneys' fees) of any kind whatsoever which may be imposed on, incurred by or asserted against such Secured Party in connection with or in any way arising out of or relating to the Collateral or this Agreement, other than those which result from a breach of this Agreement by the Secured Parties or their gross negligence or willful misconduct.

(m) It is the intention of the parties hereto that none of the Collateral shall become fixtures and the Debtor shall take all reasonable action or actions as may be necessary to prevent any of the Collateral from becoming fixtures. The Debtor will, if requested by the Secured Parties, use its best efforts to obtain waivers of Lien, in form satisfactory to the Secured Parties, from each Person (including lessors) having any interest in the real property on which any of the Collateral is or is to be located.

(n) All of the Debtor's Inventory has been (and from and after the date hereof will be) produced in compliance with all applicable laws, including, without limitation, the Fair Labor Standards Act, as amended.

(o) The Debtor will promptly notify the Secured Parties of any material loss or damage to any Collateral or any request by any other Person for any material credit or adjustment with respect to any Accounts Receivable other than in the ordinary course of business.

(p) The Debtor confirms that value has been given to it by the Institutional Investors, that it has rights in the Collateral and that it has not agreed with the Secured Parties or any of the Institutional Investors to postpone the time for attachment of any of the security interest in any of the Collateral. The security interests created by this Agreement will have effect and be deemed to be effective whether or not the Secured Obligations are owing or in existence before or after or upon the date of this Agreement.

(q) The Debtor will promptly notify the Secured Parties (which notification shall be deemed to automatically amend Exhibit 1(x) hereto) of any commercial tort claim of the Debtor not specifically identified herein and grant to the Secured Parties a security interest in any such commercial tort claim and the proceeds thereto.

(r) The Debtor shall and shall cause each of its subsidiaries to deliver promptly after receipt thereof to the Secured Parties or to such other Person as the Secured Parties shall designate, to act on their behalf, all Collateral in their original form consisting of negotiable instruments or documents, certificated securities, chattel paper and instruments (in each case, accompanied by stock powers, allonges or other instruments of transfer executed in blank).

(s) The Debtor shall take all steps necessary to grant the Secured Parties or to such other Person as the Secured Parties shall designate, to act on their behalf, control of all electronic chattel paper in accordance with the UCC and all "transferable records" as defined in each of the Uniform Electronic Transactions Act and any other applicable law.

4. Special Provisions Concerning Intellectual Property Collateral. Without limiting the generality of the other provisions of this Agreement:

(a) The Debtor hereby represents and warrants to and covenants and agrees with the Secured Parties that:

(i) a true and complete list of all trademarks, patents and copyrights currently owned, held (whether pursuant to a license or otherwise) or used by the Debtor, in whole or in part, in conducting its business is set forth in Exhibit 4(a)(i) attached hereto, and such exhibit correctly sets forth the information specified therein;

(ii) each and every trademark in use is subsisting; each and every trademark, patent and copyright is valid and enforceable; and, to the best of the Debtor's knowledge, there is no infringement or unauthorized use of any of the trademarks, patents or copyrights, in whole or in part;

(iii) no claim has been made that the use of any of the trademarks or copyrights or the practice of any of the patents does or may violate the rights of any other Person, and the Debtor is not aware of any basis for any such claim to be asserted;

(iv) the Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the trademarks, patents and copyrights, free and clear of any Lien, express or implied, other than the Liens created by the Security Documents and those permitted under section 14.9 of the Securities Purchase Agreements, and no other Person has any license or other right with respect to any of the trademarks, patents, copyrights or any other Intellectual Property Collateral; and

(v) each of the Debtor and, to the Debtor's knowledge its predecessors in interest has used the proper statutory notice in connection with its use of the trademarks in all material respects, and the Debtor has marked its products with all applicable patent numbers.

(b) If the Debtor shall create or obtain rights to any trademarks, patents or copyrights (or any other Intellectual Property Collateral) in addition to those set forth on Exhibit 4(a)(i) attached hereto, the provisions of this Agreement shall automatically apply thereto and the Debtor shall take such action as the Secured Parties may request to more fully evidence the same. The Debtor shall promptly notify the Secured Parties in writing of any new patent application or grant or trademark or copyright application or registration in which the Debtor has an ownership interest.

(c) The Debtor (i) authorizes the Secured Parties, without any further action by the Debtor, to amend Exhibit 4(a)(i) to reference any trademark, patent or copyright (or any other Intellectual Property Collateral (as defined below)) acquired by the Debtor after the date hereof or to delete any reference to any right, title or interest in any trademark or patent or copyright (or any other Intellectual Property Collateral (as defined below)) in which the Debtor no longer has or claims any right, title or interest; (ii) will promptly (but in any event within five Business Days after becoming aware thereof) notify the Secured Parties of the institution of, or any materially adverse determination in, any proceeding in the U.S. Patent and Trademark Office, U.S. Copyright Office or in any federal, state or foreign court or agency regarding the Debtor's claim of ownership, or the enforceability or validity of any of the Intellectual Property Collateral, or of any other event that does or could reasonably be expected to materially adversely affect the value of any of the Intellectual Property Collateral (as defined below), the ability of the Debtor or the Secured Parties to dispose of any of the same or the rights and remedies of the Secured Parties in relation thereto; (iii) will promptly notify the Secured Parties of any suspected infringement of any of the Intellectual Property Collateral (as defined below) by any third party or any claim by any third party that the Debtor is infringing upon the intellectual property rights of such third party that does or could reasonably be expected to materially adversely affect the value of any of the Intellectual Property Collateral (as defined below); (iv) concurrently with the filing of any patent application or application for registration of any trademark or copyright, will execute, deliver and record in all appropriate registers and offices, an appropriate form of a collateral security agreement evidencing the Secured Parties' security interest therein; and (v) will diligently keep accurate and complete records respecting the Intellectual Property Collateral (as defined below).

(d) The Debtor shall, as appropriate and commercially reasonable, (i) make and diligently prosecute federal application on any existing or future registrable but unregistered trademarks or copyrights or unpatented but patentable inventions, (ii) preserve, maintain and renew all of the Intellectual Property Collateral (as defined below) and rights and interests related thereto, including, without limitation, by payment of all taxes, annuities, issue and maintenance fees and by the use of all proper statutory notices, designations and patent numbers and (iii) initiate and diligently prosecute in its own name, for its own benefit and at its own expense, such suits, proceedings or other actions for infringement, or other damage or opposition, cancellation, concurrent use or interference proceedings as are necessary to protect any of the trademarks, patents or copyrights or other Intellectual Property Collateral (as defined below) which Debtor reasonably determines is material to its business; provided that no such suit, proceeding or other action shall be settled or voluntarily dismissed, nor shall any party be released or excused from any claims or liability for infringement, unless, in the reasonable judgment of the Debtor, to do so is in the best interests of the Debtor and is not disadvantageous in any material respect to the Secured Parties.

(e) Without limiting the generality of the other provisions of this Agreement and the other Operative Documents and in addition to all other rights and remedies of the Secured Parties hereunder and thereunder and referred to herein and therein, the Debtor hereby assigns to the Secured Parties (such assignment to be conditioned and effective

upon the occurrence and during the continuance of any Event of Default) all of its right, title and interest in and to all and any of the Intellectual Property Collateral (as defined below), including, without limitation, each patent, trademark and copyright, now owned or hereafter acquired by the Debtor, and all of the goodwill of the business of the Debtor symbolized by the same and all interest of the Debtor in and to any cause of action related thereto, and the Debtor hereby grants to the Secured Parties an absolute power of attorney (which grant is coupled with an interest and is irrevocable) to sign, upon the occurrence and during the continuance of any Event of Default, any document which may be necessary or required by the U.S. Patent and Trademark Office, the U.S. Copyright Office or by any other office or authority in order to further evidence (and to effect and to record) the foregoing assignment. The Debtor further agrees that, upon the occurrence and during the continuance of any Event of Default, the Secured Parties may take any or all of the following actions: (i) declare the entire right, title and interest of the Debtor in and to the Intellectual Property Collateral (as defined below) vested in the Secured Parties, in which event such right, title and interest shall immediately vest in the Secured Parties; (ii) take and use and/or sell the Intellectual Property Collateral (as defined below) (or any portion thereof) and carry on the business and use the assets of the Debtor in connection with which the Intellectual Property Collateral (or any portion thereof) has been used; (iii) bring suit to enforce the Trademarks, Patents and/or Copyrights or any of the other Intellectual Property Collateral (as defined below) and/or any licenses thereunder or other rights with respect thereto; (iv) direct the Debtor to refrain, in which event the Debtor shall refrain, from using the Intellectual Property Collateral (as defined below) (or any portion thereof) in any manner whatsoever, directly or indirectly and (v) direct the Debtor to execute, in which event the Debtor shall execute, such other and further documents that the Secured Parties may request to further confirm the provisions hereof and to further evidence the foregoing assignment. Upon request of the Secured Parties, the Debtor also shall make available to the Secured Parties, to the extent within the Debtor's power and authority, such individuals then in the Debtor's employ to assist in the production, advertisement and sale of the products and services sold under the Trademarks, Copyrights and Patents or any of the other Intellectual Property Collateral (as defined below), such individuals to be available to perform their prior functions on the Secured Parties' behalf and to be compensated at the expense of the Debtor.

(f) For the purposes of this Agreement, "Intellectual Property Collateral" means:

(i) all trademarks, trademark applications and registrations and trade names, together with the goodwill appurtenant thereto, owned, held (whether pursuant to a license or otherwise), used or to be used, in whole or in part, in conducting the Debtor's business, (the "Trademarks");

(ii) all patents and patent applications of the Debtor, including, without limitation, the inventions and improvements described and claimed therein (the "Patents");

(iii) all copyrights and applications for registration of copyrights of the Debtor and all rights in literary property (the "Copyrights");

(iv) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of any Trademarks, Patents and/or Copyrights; all income, royalties, damages and payments now or hereafter due and/or payable with respect to any Trademarks, Patents and/or Copyrights, including, without limitation, damages and payments for past or future infringements thereof; all rights (but no obligation) to sue for past, present and future infringements of any Trademarks, Patents and/or Copyrights or bring interference proceedings with respect thereto; and all rights corresponding to any Trademarks, Patents and/or Copyrights throughout the world;

(v) all rights and interests of the Debtor pertaining to common law and statutory trademark, service marks, trade names, slogans, labels, trade secrets, patents, copyrights, corporate names, company names, business names, fictitious business names, trademark or service mark registrations, designs, logos, trade styles, applications for trademark registration and any other indicia of origin; and

(vi) all operating methods, formulas, processes, know-how and the like of the Debtor (the foregoing items in clauses (i) through (vi), inclusive, being sometimes herein referred to collectively as the "Intellectual Property Collateral").

5. Special Provisions Concerning the Pledged Securities. Without limiting the generality of the other provisions of this Agreement, the Debtor hereby represents and warrants to and covenants and agrees with the Secured Parties as follows:

(a) All Pledged Securities existing on the date hereof have been, and all Pledged Securities existing after the date hereof shall be, delivered to the Secured Parties. As used herein, "Pledged Securities" shall mean all of the Debtor's now owned or hereafter acquired (i) promissory notes and other instruments evidencing Indebtedness owing to the Debtor, (ii) all certificates (and stock powers) currently evidencing the Debtor's ownership of investment property (as defined from time to time in the Uniform Commercial Code) and (iii) 66-2/3% of the stock of Maxon Holding BV, a Foreign Subsidiary of the Debtor.

(b) The Pledged Securities are duly authorized, validly issued, fully paid and non-assessable and are and shall be at all times duly and validly pledged to the Secured Parties in accordance with law. The Pledged Securities referenced in clause (iii) of the definition thereof constitute 66-2/3% of the presently issued and outstanding capital stock of Maxon Holding BV, and none of the Pledged Securities are subject to any option to purchase or similar right of any other Person. There are no other outstanding securities of any existing Subsidiary of the Debtor which are required to be pledged pursuant hereto. If any shares of capital stock, promissory notes or other securities of any Subsidiary of the Debtor are acquired by the Debtor after the date hereof, and if any shares of capital stock, promissory notes or other securities issued by any Subsidiary of the Debtor or issued by any other Person are acquired by the Debtor after the date hereof, the same shall without further action constitute Pledged Securities and shall be deposited and pledged to the Secured Parties simultaneously with such acquisition. The Secured

Parties may at any time after and during the continuance of an Event of Default transfer into their names (or the name or names of their nominees), as pledgee, any of the Pledged Securities. Any of the Pledged Securities which are not evidenced by a certificate will be registered within five days of the issuance thereof in the names of the Secured Parties, as pledgees, on the records of the issuer thereof, all in form and substance satisfactory to the Secured Parties. All Pledged Securities owed by any Subsidiary or other Affiliate of the Debtor is (and from and after the date hereof shall be) on open account and is not (and from and after the date hereof shall not be) evidenced by any note or other instrument, unless the Secured Parties shall request otherwise, in which event a note or other instrument evidencing such Pledged Securities shall be deposited and pledged to the Secured Parties (together with bond powers executed in blank) within five days of such request.

(c) Unless an Event of Default shall have occurred and be continuing, (i) the Debtor shall be entitled, to the extent permitted by the Securities Purchase Agreements and the other Operative Documents, to receive all payments, dividends and distributions on or with respect to the Pledged Securities (except for any such payment, dividend or distribution that constitutes additional Pledged Securities, in which case the same shall be deposited and pledged to the Secured Parties (together with all necessary endorsements) at the time such payment, dividend or distribution is made) and (ii) the Debtor shall be entitled to vote or consent with respect to the Pledged Securities in any manner not inconsistent with the terms of the Securities Purchase Agreements and the other Operative Documents.

(d) Upon the occurrence and during the continuance of an Event of Default, (i) all payments, dividends and distributions on or with respect to the Pledged Securities shall be deposited and pledged to (or in accordance with the instructions of) the Secured Parties (together with all necessary endorsements) at the time such payment, dividend or distribution is made and (ii) the Secured Parties shall be entitled to vote or consent or take any other action with respect to the Pledged Securities and to exercise any and all other incidents of ownership thereof, including, without limitation, all rights of payment, conversion, exchange, subscription or any other rights, privileges or options pertaining to any of the Pledged Securities, as if the Secured Parties were the absolute owners thereof, all without liability except to account for amounts actually received; provided that the Secured Parties shall have no duty to exercise any of the aforesaid rights, privileges or options and shall not be responsible for any failure to do so or delay in so doing.

6. Events of Default. The Debtor shall be in default under this Agreement if any one or more of the following events (each an "Event of Default") shall occur and continue (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), that is to say:

(a) if default shall be made in the performance or observance of any covenant, agreement or condition contained in sections 3(a), 3(b), 3(c), 3(d) or 3(r) of this Agreement;

(b) if default shall be made in the performance or observance of any other of the covenants, agreements or conditions contained in this Agreement and such default shall have continued for a period of 30 days after the earlier of (i) the Debtor's obtaining actual knowledge of such default or (ii) the Debtor's receipt of written notice of such default;

(c) if any representation or warranty made by or on behalf of the Debtor in this Agreement or in any agreement, document or instrument delivered under or pursuant to any provision hereof shall prove to have been materially false or incorrect on the date as of which made; or

(d) if any other Event of Default as defined in the Securities Purchase Agreements shall occur.

7. Rights and Remedies; Required Secured Parties.

(a) Upon the occurrence and during the continuance of any Event of Default, the Secured Parties shall have the following rights and remedies:

(i) all rights and remedies provided by law or in equity, including, without limitation, those provided by the Uniform Commercial Code;

(ii) all rights and remedies provided in this Agreement; and

(iii) all rights and remedies provided in the Securities Purchase Agreements, the other Operative Documents or in any other agreement, document or instrument pertaining to any of the Secured Obligations.

(b) Notwithstanding anything to the contrary set forth herein, the Required Holders of the Notes at the time outstanding (exclusive of any Notes then owned by the Debtor or any of its Affiliates) (the Required Holders of the Notes being herein referred to as the "Required Secured Parties") shall have the right to exercise (whether before or after the occurrence of any Event of Default) on behalf of and for the benefit of all of the Secured Parties, all of the rights and remedies of the Secured Parties relating to the Collateral which arise under or are referred to in this Agreement (including the exercise of any power of attorney granted herein and the right to enforce this Agreement, by judicial proceedings or otherwise, to foreclose the Liens created hereby, to take possession of and to sell the Collateral (or any part thereof), and/or to direct the time, method and place of conducting any proceeding for any such remedy or exercising any such right) and all such rights and remedies may only be exercised by the Required Secured Parties or by a duly authorized representative (or representatives) appointed by the Required Secured Parties.

8. Right to Dispose of Collateral, etc.

(a) Without limiting the scope of section 7 hereof, upon the occurrence and during the continuance of any Event of Default, the Secured Parties shall have the right and power, subject to the terms of the Intercreditor Agreement, to take possession of all

or any part of the Collateral and, in addition thereto, the right to enter upon any premises on which all or any part of the Collateral may be situated and remove the same therefrom and the Secured Parties may, subject to the terms of the Intercreditor Agreement, sell, resell, assign and deliver, or otherwise dispose of any or all of the Collateral, for cash and/or credit, in one or more parcels, at any exchange or broker's board, or at public or private sale and upon such terms and at such place or places and at such time or times and to such Persons (including, without limitation, the Secured Parties (or any of them)), to the extent permitted by law, as the Secured Parties deem expedient, all without demand for performance by the Debtor or any notice or advertisement whatsoever except as may be required by this Agreement or by law. The Secured Parties may require the Debtor to make all or any part of the Collateral (to the extent the same is moveable) available to the Secured Parties at a place to be designated by the Secured Parties which is reasonably convenient to the Secured Parties and the Debtor. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Secured Parties will give the Debtor at least ten (10) days' prior written notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. Any such notice shall be deemed to meet any requirement hereunder or under any applicable law (including the Uniform Commercial Code) that reasonable notification be given of the time and place of such sale or other disposition. After deducting all costs and expenses of collection, storage, custody, sale or other disposition and delivery (including legal costs and reasonable attorneys' fees) and all other charges against the Collateral, the residue of the proceeds of any such sale or disposition shall be applied, subject to the terms of the Intercreditor Agreement, to the payment of the Secured Obligations in such order of priority as the Secured Parties shall determine and, unless otherwise provided by law or by a court of competent jurisdiction, any surplus shall be returned to the Debtor or to any Person lawfully entitled thereto (including, if applicable, any subordinated creditors of the Debtor). In the event the proceeds of any sale, lease or other disposition of the Collateral hereunder are insufficient to pay all of the Secured Obligations in full, the Debtor will be liable for the deficiency, including interest thereon at a rate per annum equal to 2.00% above the highest rate borne by any of the Secured Obligations until paid, and the cost and expenses of collection of such deficiency, including, without limitation, reasonable attorneys' fees, expenses and disbursements. Without limiting the generality of the foregoing or the scope of section 7 hereof, upon the occurrence of any Event of Default, any amount owing by the Secured Parties to the Debtor may, without regard to the value of the Collateral, be offset and applied toward the payment of the Secured Obligations as aforesaid, whether or not the Secured Obligations, or any part thereof, shall be then due.

(b) The Debtor recognizes that the Secured Parties may be unable to effect a public sale of all or a part of the Pledged Securities by reason of certain prohibitions contained in the Securities Act, as amended, or any other applicable securities law, but may be compelled to resort to one or more private sales to a restricted group of purchasers, each of whom will be obligated to agree, among other things, to acquire such Pledged Securities for its own account, for investment and not with a view to the distribution or resale thereof. The Debtor acknowledges that private sales so made may be at prices and upon other terms less favorable to the seller than if such Pledged

Securities were sold at public sales, and that the Secured Parties have no obligation to delay sale of any such Pledged Securities for the period of time necessary to permit such Pledged Securities to be registered for public sale under the Securities Act, as amended.

(c) The Debtor acknowledges that portions of the Collateral could be difficult to preserve and dispose of and be further subject to complex maintenance and management. Accordingly, the Secured Parties, in exercising their respective rights hereunder, or otherwise, shall have the widest possible latitude to preserve and protect the Collateral and such Secured Party's Lien therein. Moreover, the Debtor acknowledges and agrees that Secured Parties shall have no obligation to, and the Debtor hereby waives to the fullest extent permitted by law any right that it may have to require Secured Parties to, (i) clean up or otherwise prepare any of the Collateral for sale, (ii) pursue any Person to collect any of the Obligations, or (iii) exercise collection remedies against any Persons obligated on the Collateral. The Secured Parties' compliance with applicable local, state or federal law requirements, in addition to those imposed by the Uniform Commercial Code, in connection with a disposition of any or all of the Collateral will not be considered to adversely affect the commercial reasonableness of any disposition of any or all of the Collateral under the Uniform Commercial Code.

9. Right to Use the Collateral, etc. Without limiting the scope of section 7 hereof, upon the occurrence and during the continuance of any Event of Default, but subject to the provisions of the Uniform Commercial Code or other mandatory provisions of applicable law, and subject to the terms of the Intercreditor Agreement, the Secured Parties shall have the right and power to take possession of all or any part of the Collateral, and to exclude the Debtor and all Persons claiming under the Debtor wholly or partly therefrom, and thereafter to hold, store, and/or use, operate, manage and control the same. Upon any such taking of possession, the Secured Parties, from time to time, at the Debtor's expense, may (but shall not be obligated to) make all such repairs, replacements, alterations and improvements to any of the Collateral and may manage and control the Collateral and carry on the business and exercise all rights and powers of the Debtor in respect thereto as the Secured Parties shall deem best, including, without limitation, the right to enter into any and all such agreements with respect to the use of the Collateral or any part thereof as the Secured Parties may see fit (including, without limitation, licensing agreements related to the Intellectual Property Collateral); and the Secured Parties shall be entitled and, subject to the terms of the Intercreditor Agreement, to collect and receive all rents, issues, profits, fees, revenues and other income of the same and every part thereof. Such rents, issues, profits, fees, revenues and other income shall be applied to pay the expenses of so holding, storing, using, operating, managing and controlling the Collateral, and of conducting any business related thereto, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Secured Parties may be required or may elect to make, if any, for taxes, assessments, insurance and other charges upon the Collateral or any part thereof, and all other payments which the Secured Parties may be required or authorized to make under any provision of this Agreement or any of the other Operative Documents (including legal costs and reasonable attorneys' fees). The remainder of such rents, issues, profits, fees, revenues and other income shall be applied, subject to the terms of the Intercreditor Agreement, to the payment of the Secured Obligations in such order of priority as the Secured Parties shall determine and, unless otherwise provided by law or by a court of competent jurisdiction, any surplus shall be returned to the Debtor or to any Person lawfully entitled thereto

3747829v2

(including, if applicable, any subordinated creditors of the Debtor). Without limiting the generality of the foregoing, the Secured Parties shall have the right to have a trustee, liquidator, receiver or similar official appointed to enforce their rights and remedies hereunder or under any of the other Operative Documents, including, without limitation, (a) to take possession of and to manage, protect and preserve the Collateral and all other properties of the Debtor, (b) to continue the operation of the business of the Debtor, (c) to sell, transfer, assign or otherwise dispose of the Collateral (or any portion thereof) and (d) to collect all rents, issues, profits, fees, revenues and other income and proceeds thereof and apply the same to the payment of all expenses and other charges of such receivership, including the compensation of such official, and to the payment of the Secured Obligations as aforesaid, and the Debtor hereby consents to such appointment without regard to the presence or absence of any misfeasance or malfeasance or any other fact or circumstance which otherwise would provide a defense to such appointment. If the Secured Parties shall request, or shall apply or petition for, the appointment of or taking possession by any such trustee, liquidator, receiver or other similar official, the Debtor will promptly evidence its consent thereto and will fully cooperate with such official.

10. Waivers, Remedies Cumulative, etc.

(a) The Debtor hereby waives presentment, demand, notice, protest and, except as is otherwise explicitly provided herein, all other demands and notices in connection with this Agreement or the enforcement of any of the rights and remedies of the Secured Parties hereunder or in connection with any Secured Obligations or any Collateral; consents to and waives notice of the granting of renewals, extensions of time for payment or other indulgences to the Debtor or any other Person, or substitution, release or surrender of any Collateral, the addition or release of Persons primarily or secondarily liable on any Secured Obligation, the acceptance of partial payments on any Secured Obligation and/or the settlement or compromise thereof. To the extent permitted by law, the Debtor also hereby waives any rights and/or defenses the Debtor may have under any anti-deficiency laws or other laws limiting, qualifying or discharging the Secured Obligations and/or any of the remedies of the Secured Parties against the Debtor. The Debtor further waives, to the extent permitted by law: (i) any right it may have under any applicable law (including the constitution of any jurisdiction in which any of the Collateral may be located and the Constitution of the United States of America) to notice (other than any requirement of notice explicitly provided herein) or to a judicial hearing prior to the exercise of any right or remedy provided by this Agreement or any of the other Operative Documents and any right to set aside or invalidate any sale duly consummated in accordance with the foregoing provisions hereof on the grounds (if such be the case) that the sale was consummated without a prior judicial hearing; (ii) any right to damages occasioned by any lawful exercise by the Secured Parties of any right or remedy hereunder or referred to herein, including any damages arising as a result of any taking of possession of the Collateral; (iii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Secured Parties' rights hereunder; and (iv) all rights of redemption, appraisement, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. The Secured Parties shall not be required to marshal any Collateral (or any part thereof) in any particular order. To the extent permitted by law, the Debtor hereby agrees it will not invoke any right it may have under any law to require the marshalling of Collateral or any

3747829v2

other right under any law which might cause delay in or impede the enforcement of the rights of the Secured Parties under any of the Security Documents or any other Operative Documents, and the Debtor hereby irrevocably waives the benefits of all such laws. Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the Debtor therein and thereto, and shall be a perpetual bar both at law and in equity against the Debtor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under the Debtor.

(b) Except as disclosed in and contemplated by the Securities Purchase Agreements, the Debtor hereby represents and warrants to the Secured Parties that there is no restriction imposed by the charter or by-laws of any issuer of any of the Pledged Securities or by any other agreement, document or instrument which will in any way affect or impair the pledge of the Pledged Securities hereunder or the exercise by the Secured Parties of any right granted hereunder, including, without limitation, the right of the Secured Parties to dispose of the Pledged Securities in accordance with the terms hereof. The Debtor further covenants and agrees that it will, and will cause each issuer of any Pledged Securities to, take all necessary action to prevent any such restriction from arising at any time in the future. The Debtor hereby agrees that it will take any further action which the Secured Parties may reasonably request in order that the Secured Parties may obtain and enjoy the full rights and benefits granted to the Secured Parties by this Agreement free of any such restrictions.

(c) To the extent permitted by law, the obligations of the Debtor under this Agreement shall remain in full force and effect without regard to, and shall not be impaired by (i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of the Debtor, or of any other Person; (ii) any exercise or nonexercise, or any waiver, by the Secured Parties, of any right, remedy, power or privilege under or in respect of any of the Secured Obligations or any of the Collateral or any other security therefor; (iii) any amendment to or modification of this Agreement or any of the other Operative Documents; or (iv) the taking of additional security for or any guarantee of any of the Secured Obligations or the release or discharge or termination of any security or guarantee for any of the Secured Obligations; and whether or not the Debtor shall have notice or knowledge of any of the foregoing.

(d) No remedy conferred herein or in any of the other Operative Documents upon the Secured Parties is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any of the other Operative Documents or now or hereafter existing at law or in equity or by statute or otherwise. No course of dealing between the Debtor or any Affiliate of the Debtor and the Secured Parties and no delay in exercising any rights hereunder or under any of the other Operative Documents shall operate as a waiver of any right of the Secured Parties. No waiver by the Secured Parties of any default shall be effective unless made in writing and otherwise in accordance with the terms of section 19 of the Securities Purchase Agreements and no such waiver shall

extend to or affect any obligation not expressly waived or impair any right consequent thereon.

(e) The Debtor's waivers set forth in this Agreement (including, without limitation, those set forth in this section 10) have been made voluntarily, intelligently and knowingly and after the Debtor has been apprised and counseled by its attorneys as to the nature thereof and its possible alternative rights.

11. Termination. This Agreement and the Liens on the Collateral created hereby shall terminate when all of the Secured Obligations have been indefeasibly paid and finally discharged in full in cash (and all commitments of the holders of the Notes (or any of them) to lend any additional amounts to the Debtor or any of its Affiliates shall have been terminated). Upon termination as aforesaid, the Secured Parties shall execute and deliver such releases and discharges as the Debtor may reasonably request.

12. Reinstatement. Notwithstanding the provisions of section 11 to the contrary and notwithstanding anything else to the contrary contained herein, this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by the Secured Parties in respect of the Collateral or the Secured Obligations is rescinded, or must otherwise be restored or returned by the Secured Parties upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Debtor or any of its Affiliates or any guarantor of all or any part of the Secured Obligations, or upon the appointment of any intervenor, receiver or conservator of, or trustee or similar official for, the Debtor or any such Affiliate or guarantor, or any substantial part of their respective properties or assets, or otherwise, all as though such payment had not been made.

13. Consents, Approvals, etc. Upon the exercise by the Secured Parties of any power, right, privilege or remedy pursuant to this Agreement or any of the other Operative Documents which requires any consent, approval, registration, qualification or authorization of, or declaration or filing with, or other action by, any other Person, including, without limitation, any governmental authority or instrumentality, the Debtor will execute and deliver, or will cause the execution and delivery of, all such agreements, documents, applications, certificates, instruments and other documents and papers and will take, or will cause to be taken, such other action that may be required to obtain such consent, approval, registration, qualification or authorization of or other action by such other Person and/or that may be reasonably requested by the Secured Parties in connection therewith.

14. Certain Definitions. In addition to the descriptions contained in section 1 hereof, the items of Collateral referred to therein shall have all of the meanings ascribed to them in the Uniform Commercial Code of The Commonwealth of Massachusetts as in effect from time to time.

15. Amendments. All amendments of this Agreement and all waivers of compliance herewith shall be in writing and shall be effected in compliance with the provisions of section 19 of the Securities Purchase Agreements.

16. Communications. All communications provided for herein shall be mailed by certified mail (return receipt requested) at the addresses referred to and shall be effective at the time specified in section 23 of the Securities Purchase Agreements.

17. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by the Secured Parties and the Debtor, successors to the Debtor and the successors and assigns of the Secured Parties, and, in addition, shall inure to the benefit of and be enforceable by each holder from time to time of any of the Notes who, upon acceptance of any such Notes, shall, without further action, be entitled to enforce the provisions and enjoy the benefits hereof and thereof, whether or not an express assignment to such holder of rights hereunder and thereunder has been made.

18. Governing Law; Jurisdiction; Waiver of Jury Trial. This Agreement, including the validity hereof and the rights and obligations of the parties hereunder, and all amendments and supplements hereof and all waivers and consents hereunder, shall be construed in accordance with and governed by the domestic substantive laws of The Commonwealth of Massachusetts without giving effect to any choice of law or conflicts of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction. The Debtor, to the extent that it may lawfully do so, hereby consents to service of process, and to be sued, in The Commonwealth of Massachusetts and consents to the jurisdiction of the courts of The Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of any of its obligations hereunder and under the other Operative Documents or with respect to the transactions contemplated hereby or thereby, and expressly waives any and all objections it may have as to venue in any such courts. The Debtor further agrees that a summons and complaint commencing an action or proceeding in any of such courts shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it in accordance with section 16 or as otherwise provided under the laws of The Commonwealth of Massachusetts. Notwithstanding the foregoing, the Debtor agrees that nothing contained in this section 18 shall preclude the institution of any such suit, action or other proceeding in any jurisdiction other than The Commonwealth of Massachusetts. **THE DEBTOR IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING INSTITUTED BY OR AGAINST IT IN RESPECT OF ITS OBLIGATIONS HEREUNDER AND UNDER ANY OF THE OTHER OPERATIVE DOCUMENTS AND THE TRANSACTIONS CONTEMPLATED HEREBY AND BY THE OTHER OPERATIVE DOCUMENTS.**

19. Miscellaneous. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. This Agreement (together with the other Operative Documents) embodies the entire agreement and understanding between the Secured Parties and the Debtor and supersedes all prior agreements and understandings relating to the subject matter hereof. Each covenant contained herein and in each of the other Operative Documents shall be construed (absent an express provision to the contrary) as being independent of each other covenant contained herein and therein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. If any provision in this Agreement or in any of the other Operative Documents

3747829v2

refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable, whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision. In case any provision in this Agreement or in any of the other Operative Documents shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof and thereof shall not in any way be affected or impaired thereby. This Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts but all such counterparts shall together constitute but one and the same instrument.

[The remainder of this page is left blank intentionally.]

IN WITNESS WHEREOF, the Debtor has executed this Agreement as a sealed instrument as of the date first above written.

MAXON CORPORATION

By: Julianne S. Lis-Milam
Julianne S. Lis-Milam, (Title)
Vice President

JOHN HANCOCK LIFE INSURANCE
COMPANY

By: _____
(Title)

HANCOCK MEZZANINE PARTNERS III, L.P.

By: Hancock Mezzanine Investments III, LLC,
its General Partner

By: John Hancock Life Insurance
Company, its Investment Manager

By _____
(Title)

ALLSTATE LIFE INSURANCE COMPANY

By: John Hancock Life Insurance Company,
its Attorney in Fact

By: _____
(Title)


{Signature Page to Security and Pledge Agreement}

IN WITNESS WHEREOF, the Debtor has executed this Agreement as a sealed
ument as of the date first above written.

MAXON CORPORATION

By: _____
(Title)

JOHN HANCOCK LIFE INSURANCE
COMPANY

By:  _____
Managing Director (Title)

HANCOCK MEZZANINE PARTNERS III, L.P.

By: Hancock Mezzanine Investments III, LLC,
its General Partner

By: John Hancock Life Insurance
Company, its Investment Manager

By:  _____
Managing Director (Title)

ALLSTATE LIFE INSURANCE COMPANY

By: John Hancock Life Insurance Company,
its Attorney in Fact

By:  _____
Managing Director (Title)

SIGNATURE 5 L.P.

By: John Hancock Life Insurance Company, as
Portfolio Advisor

By: 
Managing Director (Title)

SIGNATURE 7 L.P.

By: John Hancock Life Insurance Company, as
Portfolio Advisor

By: 
Managing Director (Title)

**MASSACHUSETTS MUTUAL LIFE
INSURANCE COMPANY**

By: Babson Capital Management, LLC,
its Investment Adviser

By: _____
(Title)

C.M. LIFE INSURANCE COMPANY

By: Babson Capital Management, LLC,
its Investment Sub-Adviser

By: _____
(Title)

SIGNATURE 5 L.P.

By: John Hancock Life Insurance Company, as
Portfolio Advisor

By: _____
(Title)

SIGNATURE 7 L.P.

By: John Hancock Life Insurance Company, as
Portfolio Advisor

By: _____
(Title)

MASSACHUSETTS MUTUAL LIFE
INSURANCE COMPANY

By: Babson Capital Management, LLC,
its Investment Adviser

By:
Robert D. Erwin (Title)
Managing Director

C.M. LIFE INSURANCE COMPANY

By: Babson Capital Management, LLC,
its Investment Sub-Adviser

By:
Robert D. Erwin (Title)
Managing Director

MASSMUTUAL CORPORATE INVESTORS

By: Charles C. McCobb, Jr. (Title)
Charles C. McCobb, Jr.
Vice President

The foregoing is executed on behalf of MassMutual Corporate Investors, organized under a Declaration of Trust, dated September 13, 1985, as amended from time to time. The obligations of such Trust are not personally binding upon, nor shall resort be had to the property of, any of the Trustees, shareholders, officers, employees or agents of such Trust, but the Trust's property only shall be bound.

MASSMUTUAL PARTICIPATION INVESTORS

By: Charles C. McCobb, Jr. (Title)
Charles C. McCobb, Jr.
Vice President

The foregoing is executed on behalf of MassMutual Participation Investors, organized under a Declaration of Trust, dated April 7, 1988, as amended from time to time. The obligations of such Trust are not personally binding upon, nor shall resort be had to the property of, any of the Trustees, shareholders, officers, employees or agents of such Trust, but the Trust's property only shall be bound.

[Signature Page to Security and Pledge Agreement]

TRADEMARK

REEL: 002950 FRAME: 0319

Exhibit 1(xii)

Commercial Tort Claims

None.

Exhibit 3(b)**Places of Business: Location of Collateral****Aircraft**

Muncie Aviation Company
11707 East Orr Road, Space J3
Albany, IN 47320-9180

Residential Apartment

3909 North Chadam Lane, Apt.2B
Muncie, Indiana 47302

Maxon Corporation US and Canadian Sales Offices

66 Tadmuck Road, Unit 6, Westford, MA 01886-3135

997 North Corporate Circle, Unit B, Grayslake, IL 60030-7822

7577 Central Park Blvd., Ste. 212, Mason, OH 45040-6809

8536 Crow Drive, Ste. 255, Macedonia, OH 44056-1986

27085 Gratiot Ave., Ste C, Roseville, MI 48066-2947

111 Founders Plaza, Ste. 606, East Hartford, CT 06108-3289

17154 Butte Creek Dr., Ste. 107, Houston, TX 77090-2332

Ste. #180, 13470 S. Arapaho Dr., Olathe, KS 66062-1656

16 Technology Drive, Ste. 128, Irvine, CA 92618-2325

Unit 3, 6375 Dixie Road, Mississauga, Ontario, Canada

Maxon Corporation Shanghai Representative Office

27th floor, Unit 012 HSBC Tower
101 Yin Cheng East Road
Pudong New Area
Shanghai, 200120
P.R. China

Maxon Corporation, Asia Representative Office

10 Collyer Quay
#11-10 Ocean Blvd.
Singapore 049315

Maxon Holding BV

Archimedesstraat 10
3316 AB Dordrecht
The Netherlands

Maxon International BVBA

Luchthavenlaan 16-18
1800 Vilvoorde, Belgium

Maxon Combustion Equipment

(Shanghai) Co., Ltd.
Section A, 1st Floor, 225 Meisheng Road
Waigaoqiao Free Trade Zone
Shanghai, 200120
P.R. China

Maxon BV

Archimedesstraat 10
3316 AB Dordrecht
The Netherlands

Maxon GmbH
Steelerstrasse 491
45276 Essen, Germany

Gottlieb-Daimlerstrasse, 17
71394 Kernen
Germany

Maxon SARL
Chaussee Jules Cesar 12
95526 Cergy -- Pontoise Cedex
France

Maxon Combustion Systems Ltd.
Chantry House, High Street
Coleshill, Birmingham
B46 3BP United Kingdom

Maxon Combustion Systems AB
Ingenjorscentrum
Roda Villan
191 78 Sollentuna, Sweden

Maxon Combustion Systems A/S
Centervej 2
Kolding 6000, Denmark

Non-Company Locations of Tangible Assets

Vendor Name	Address	Zip Code	City	County	State	Type of Equipment
21 st Century Die Casting LLC	801 W. Riffin Rd.	47303	Muncie	Delaware	IN	Patterns, Tools & Dies
Aero Metals	402 Darlington St.	46350	La Porte	La Porte	IN	Patterns, Tools & Dies
Assurance Mfg., Inc.	9010 Evergreen Blvd.	55433	Minneapolis	Anoka	MN	Patterns, Tools & Dies
Arlas Foundry Co.	Factory & Henderson Ave. P.O. Box 688	46952	Marion	Grant	IN	Patterns, Tools & Dies
Capital Spring Co., Inc.	2000 Jetway Blv.	43219	Columbus	Franklin	Oh	Patterns, Tools & Dies
Cast Technologies, Inc.	1100 SW Washington St. P.O. Box 959	61653	Peoria	Peoria	IL	Patterns, Tools & Dies
Detroit Coil Co.	2435 Hilton Rd.	48220	Ferndale	Oakland	MI	Patterns, Tools & Dies
Ebert Machine Co., Inc.	2177 S. State Road 19	46970	Peru	Miami	IN	Patterns, Tools & Dies
Francis Mfg. Co.	2200 Russia-Versailles P.O. Box 400	45363	Russia	Shelby	OH	Patterns, Tools & Dies
Garland Foundry	330 Grant St., P.O. Box 1564	47808	Terre Haute	Vigo	IN	Patterns, Tools & Dies
Greene, Tweed & Co.	1910 Rankin Road	77073	Houston	Harris	TX	Patterns, Tools & Dies
Harrison Ironworks	200 Industrial Ln.	45030	Harrison	Hamilton	OH	Patterns, Tools & Dies
Interstate Castings	3823 Massachusetts Ave.	46218	Indianapolis	Marion	IN	Patterns, Tools & Dies
Littler Diecast Corp.	500 W. Walnut St. P.O. Box 96	47320	Albany	Delaware	IN	Patterns, Tools & Dies
Magnode Corporation	400 E. State St.	45067	Trenton	Butler	OH	Patterns, Tools & Dies
Manchester Metals	205 Wabash Rd., P.O. Box 345	46962	North Manchester	Wabash	IN	Patterns, Tools & Dies
Matthew-Warren, Inc.	500 E. Ottawa St. P.O. Box 7008	46947	Logansport	Cass	IN	Patterns, Tools & Dies
Metal Spinners, Inc.	914 Wohlert St., P.O. Box 269	46703	Angola	Steuben	IN	Patterns, Tools & Dies
Michigan Steel, Inc.	1148 W. Western Ave.	49441	Muskegon	Muskegon	MI	Patterns, Tools & Dies
Monett Metals, Inc.	101 Industrial Drive P.O. Box 208	65708	Monett	Barry	MO	Patterns, Tools & Dies
Nice Ball Bearings, Inc.	2060 Detwiler Rd. P.O. Box 307	19443	Kulpsville	Montgomery	PA	Patterns, Tools & Dies
Omco Cast Metals, Inc.	900 N. Main St.	47394	Winchester	Randolph	IN	Patterns, Tools & Dies
Phillips Patterns & Castings	801 W. Riffin Rd.	47303	Muncie	Delaware	IN	Patterns, Tools & Dies
Piqua Champion Foundry, Inc.	918 S. Main St. P.O. Box 716	45356	Piqua	Miami	OH	Patterns, Tools & Dies
Plastic Composites Corp.	8301 N. Clinton	46825	Fort Wayne	Allen	IN	Patterns, Tools & Dies
Portland Forge	250 E. Lafayette St. P.O. Box 905	47371	Portland	Jay	IN	Patterns, Tools & Dies
R W Screw Products, Inc.	999 Oberlin Rd. SW P.O. Box 310	44647	Massillon	Stark	OH	Patterns, Tools & Dies
Saia Burgess, Inc.	801 Scholz Dr., P.O. Box 427	45377	Vandalia	Montgomery	OH	Patterns, Tools & Dies
Specialty Castings, Inc.	211 Mill St.	49284	Springport	Jackson	MI	Patterns, Tools & Dies
SST Castings, Inc.	154 Commerce Blvd.	45140	Loveland	Clermont	OH	Patterns, Tools & Dies
Stanco Industries, Inc.	26650 Lakeland Blvd.	44132	Euclid	Cuyahoga	OH	Patterns, Tools & Dies
Wilson-Hurd	311 Winton St., P.O. Box 8028	54403	Wausau	Marathon	WI	Patterns, Tools & Dies

Potential Non-Company Locations of Tangible Assets

Vendor Name	Address	Zip Code	City	County	State	Type of Equipment
Bodycote NDT Dept.	500 W. 21 st St., P.O. Box 1226	46202	Indianapolis	Marion	IN	Outside Vendor Operation
Evart Engineering Co., Inc.	1340 State St.	47356	Middletown	Henry	IN	Outside Vendor Operation
Reber Machine & Tool Co.	1112 S. Liberty St. P.O. Box 2403	47307	Muncie	Delaware	IN	Outside Vendor Operation
TQ Manufacturing Co., Inc.	4659 E. 355 th St.	44094	Willoughby	Lake	OH	Outside Vendor Operation
Franklin Stamping	105 W. Fuson Rd. P.O. Box 2898	47307	Muncie	Delaware	IN	Outside Vendor Operation
B & B Sandblasting	305 E. Fuson Rd. P.O. Box 121	47396	Yorktown	Delaware	IN	Outside Vendor Operation
Mid-City Plating Co., Inc.	921 E. Charles St.	47305	Muncie	Delaware	IN	Outside Vendor Operation
H & L Plating & Grinding	410 E. Willard St.	47302	Muncie	Delaware	IN	Outside Vendor Operation
Tech Nickel	1200 South Crystal Ave. P.O. Box 1264	49022	Benton Harbor	Berrien	MI	Outside Vendor Operation
Magna-Tech Mfg. Corp.	3416 S. Hoyt Ave.	47302	Muncie	Delaware	IN	Outside Vendor Operation
American Heat Treating	1346 Morris Ave. P.O. Box 238	45449	Dayton	Montgomery	OH	Outside Vendor Operation
Eagle CNC Machining, Inc.	801 W. Riffin Rd.	47303	Muncie	Delaware	IN	Outside Vendor Operation
Schaefer Powder Coating, Inc.	8231 Zionsville Rd.	46268	Indianapolis	Marion	IN	Outside Vendor Operation
Williamson Polishing & Plating Co.	2080 Dr. Andrew J. Brown Ave.	46202	Indianapolis	Marion	IN	Outside Vendor Operation
Accuscribe Electronics, Inc.	7 Littleton Road	01886	Westford	Middlesex	MA	Outside Vendor Operation

Names

Maxon Sales and Service (California)
Maxon Sales and Service (Texas)
Maxon International Equipment (Canada)

Exhibit 4(a)(i)**Intellectual Property****Patents*****I. Existing U.S. Patents***

Patent Number	Title Maxon Product Name	Patent Number	Title Maxon Product Name
6,345,979	Oxygen-Fuel Pilot with Integral Ignition (Series 300 OXY-THERM® Burner)	5,431,559	Oxygen-Fuel Burner with Staged Oxygen Supply (OXY-THERM® LE Gas or Oil Burner)
		5,399,085	High Output Tube Burner (TUBE-O-THERM® Gas Burner)
6,279,870	Intelligent Valve Actuator (SMARTLINK™)	5,236,350	Cyclonic Combustor Nozzle Assembly
6,247,919	Intelligent Burner Control System (SMARTFIRE™ v2.0)	5,092,760	(CYCLOMAX® Burner) Oxygen-Fuel Burner Assembly and Operation
6,238,206	Low-Emissions Industrial Burner (KINEDIZER® Gas Burner)	5,057,008	(OXY-THERM® Oil Burner) Line Burner
6,059,566	Burner Apparatus (OVENPAK® DL (Discontinued))	4,690,635	(DELTA-TE Burner) High Temperature Burner Assembly
5,997,280	Intelligent Burner Control System (SMARTFIRE™ v1.0)	4,635,898	(OXY-THERM® Gas Burner) Positive Pullback Synchro Valve Actuator
5,779,465	Spark Ignited Burner (UNI-RAD® Burner)	4,628,900	(MICRO-RATIO® Valves) Radiant Heater
5,662,467	Nozzle Mixing Line Burner (CROSSFIRE® Line Burner)	4,573,907	(RADMAX™ Burner) Low Oxygen and Low Pressure Drop Burner
5,520,537	High-Output Tube Burner (TUBE-O-THERM® Gas Burner)		(Series "66" AIRFLO® Line Burners)
5,458,483	Oxygen-Fuel Burner with Integral Staged Oxygen Supply (OXY-THERM® LE Gas or Oil Burner)		(Series "LV" AIRFLO® Line Burners) (COMBUSTIFUME® Line Burners)

II. Pending U.S. Patent Applications

Application Number	Title Maxon Product Name	Filing Date	Status
10/608,375	Burner with Oxygen and Fuel Mixing Apparatus	6/27/2003	Pending
10/407,489	Apparatus for Burning Pulverized Solid Fuels with Oxygen	4/4/2003	Pending
10/343,130	Air-Heating Gas Burner	1/28/2003	Pending
10/162,357	(NP-LE AIRFLO® Burner) Shutoff Valve Apparatus	6/4/2002	Pending
10/162,448	(SERIES 8000 Valves) Pneumatic Exhaust Controller	6/4/2002	Pending
	(SERIES 8000 Valve Solenoid)		

III. Existing Foreign Patents

Patent Number	Title	Country
2123512	Cyclonic Combustor Nozzle	Canada
198405	Tube Burner	Mexico
0648322	Tube Burner	United Kingdom
69328300908	Tube Burner	Germany
0648322	Tube Burner	France
0648322	Tube Burner	European Patent Convention
2138783	Tube Burner	Canada
0473906	Oxygen-Fuel Burner Assembly and Operation	European Patent Convention
1260378	High Temperature Burner Assembly	Canada
1257858	Pre-Loaded Valve Follower Scaling Apparatus	Canada
0733187	Oxygen-Fuel Burner with Integral Staged Oxygen Supply	United Kingdom
193153	Oxygen-Fuel Burner with Integral Staged Oxygen Supply	Mexico
69419323.2	Oxygen-Fuel Burner with Integral Staged Oxygen Supply	Germany
0733187	Oxygen-Fuel Burner with Integral Staged Oxygen Supply	France
0733187	Oxygen-Fuel Burner with Integral Staged Oxygen Supply	European Patent Convention

IV. Pending Foreign Patent Applications

Application Number	Title	Country	Filing Date
US2004/015674	Burner with Oxygen and Fuel Mixing Apparatus	Patent Cooperation Treaty	5/17/2004
US2004/002957	Apparatus for Burning Pulverized Solid Fuels with Oxygen	Patent Cooperation Treaty	2/3/2004
99914122.9	Intelligent Valve Actuator	European Patent Convention	3/26/1999

Schedule 3(a)(ii)**Trademarks and Servicemarks**

<u>Trademark</u>	<u>Country</u>	<u>Registration No.</u>	<u>Status</u>
MAXON	Argentina	1573238	Registered
MAXON	Australia	A368876	Abandoned
MAXON	Australia	A368878	Abandoned
MAXON	Australia	A368877	Abandoned
MAXON	Canada	288566	Registered
SMARTFIRE	Germany	396 46 251	Registered
MAXON	United Kingdom	B1165418	Abandoned
MAXON	United Kingdom	B1165419	Abandoned
MAXON	United Kingdom	1165419	Registered
SMARTFIRE	United Kingdom	2113532	Registered
MAXON	Japan	2085473	Registered
SMARTFIRE	Japan	4127437	Registered
MAXON	Korea, Republic of	112534	Registered
SMARTFIRE	Korea, Republic of	406725	Registered
MAXON	New Zealand	B139883	Abandoned
MAXON	New Zealand	B139884	Abandoned
MAXON	New Zealand	B139885	Abandoned
MAXON	New Zealand	B139882	Abandoned
ACTIONAIR	United States	1030677	Registered
AIRFLO	United States	826873	Registered
AIRTRIPT	United States	1061454	Abandoned
APX	United States	2246385	Registered
COMBUSTIFUME	United States	760737	Registered
CROSSFIRE	United States	2045077	Registered
CYCLOMAX	United States	1749349	Registered
FLO-PAX	United States	1308794	Abandoned
FURNACEPAK	United States	991373	Abandoned
INCINO-PAK	United States	1206097	Registered
INFRAWAVE	United States	888280	Registered
KINEDIZER	United States	2184904	Registered
KINEMAX	United States	1308826	Registered
LINOFLAME	United States	921141	Registered
LO-NOX	United States	73/236,746	Abandoned
MAXIFLEX	United States	1177099	Registered
MAXON (Stylized)	United States	954932	Registered
MAXON (and Design)	United States	871465	Registered
MAXON	United States	859813	Registered
MAXON (Stylized)	United States	852164	Registered
MAXON	United States	943567	Registered
MAXON & DESIGN	United States	864459	Registered

<u>Trademark</u>	<u>Country</u>	<u>Registration No.</u>	<u>Status</u>
MAXON	United States	863381	Registered
MAXON-OKADEE	United States	879373	Abandoned
MEGAFIRE	United States	1309894	Registered
MICRO-RATIO (Stylized)	United States	792228	Registered
MULTIFIRE	United States	976377	Registered
OKADEE	United States	732640	Abandoned
OMNI-RATIO	United States	1135640	Cancelled
OVENPAK	United States	872145	Registered
OXY-THERM	United States	1329441	Registered
PREMIX	United States	123258	Registered
PRESSGARD	United States	1282254	Abandoned
RADMAX	United States	App. 78/119851	Allowed
RAMFIRE	United States	1245190	Registered
REDMAX	United States		Abandoned
SIMPLIFIRE	United States	1241951	Abandoned
SMARTFIRE	United States	2229318	Registered
SMARTLINK	United States	2765156	Registered
STO	United States	1171051	Registered
TUBE-O-FLAME	United States	732495	Registered
TUBE-O-THERM	United States	1800072	Registered
UNIRAD	Common Law		Abandoned
VO2 (Stylized)	United States	1783368	Abandoned
VORTIFLARE	United States	967533	Registered
WIDE-RANGE	United States	799880	Registered
MAXIMISER	Indiana		Abandoned
MAXON	South Africa	81/9418	Registered
MAXON	South Africa	81/9419	Registered
MAXON	South Africa	81/9420	Registered
RANGER	United States	73/375,090	Abandoned
SAFE-T-OPEN	United States	814,273	Abandoned
LINOFLAME	Indiana		Abandoned
STICKTITE	Common Law		
PILOTPAK	Common Law		
M-PAKT	Common Law		
MULTI-RATIO	Common Law		
VENTITE	Common Law		
VAULPAK	Common Law		
NP-LE	Common Law		
MRM-LG-HG	Common Law		
RADIANT	Common Law		
MAX-SAVER	Common Law		

Domain Names

1. www.maxon.be
2. www.ps-radiant.com
3. www.ovenpak.com
4. www.tube-o-flame.com
5. www.oxy-therm.com
6. www.airflo-np.com
7. www.kinedizer.com
8. www.micro-ratio.com
9. www.double-block.com
10. www.ramfire.com
11. www.airflo-hc.com
12. www.kinemax-burner.com
13. www.cyclomax-burner.com
14. www.megafire-burner.com
15. www.crossfire-burner.com
16. www.combustifume.com
17. www.multi-ratio.com
18. www.max-saver.com
19. www.combustion-school.com
20. www.apx-burner.com
21. www.lo-nox.com
22. www.maxoncorp.com
23. www.maxon-europe.com

Registered Copyrights

None.