

Form PTO-1594 (Rev. 06/04)
OMB Collection 0651-0027 (exp. 6/30/2005)

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

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

KILIAN MANUFACTURING CORPORATION

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

Citizenship (see guidelines) Delaware

Execution Date(s) 10/22/2004

Additional names of conveying parties attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: ABN AMRO CCC Private Equity Investments, Inc.

Internal Address: _____

Street Address: 135 S. LaSalle Street

City: Chicago

State: Illinois

Country: USA Zip: 60603

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship Delaware
- Other Citizenship _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No. (s)

B. Trademark Registration No. (s)

1216354; 2827924

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

1216354-"KILIAN"; 2827924-"KILROL"

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

Name: Meredith Parsons

Internal Address: Schiff Hardin LLP
Suite 6600

Street Address: Sears Tower, 233 S. Wacker

City: Chicago

State: IL Zip: 60606

Phone Number: 312-258-4528

Fax Number: 312-258-5600

Email Address: mparsons@schiffhardin.com

6. Total number of applications and registrations involved:

2

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 64

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number 19-0409
Authorized User Name Debbie Nowicki

9. Signature:

Meredith Parsons

Signature

11/10/2004

Date

Meredith A. Parsons

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 8

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

CH \$66.00 190409 1216354

EXECUTION COPY**PATENT AND TRADEMARK SECURITY AGREEMENT**

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of October 22, 2004, by KILIAN MANUFACTURING CORPORATION, a Delaware corporation (the "Grantor"), in favor of ABN AMRO CCC PRIVATE EQUITY INVESTMENTS, INC. (the "Lender").

RECITALS

A. The Grantor and The Kilian Company, a Delaware corporation ("US Holding"), have entered into a Credit Agreement dated as of October 22, 2004 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") with the Lender, pursuant to which the Lender has agreed to make a term loan to the Grantor.

B. The Grantor and US Holding have entered into a Guaranty and Collateral Agreement dated as of October 22, 2004 (as amended, restated, supplemented or otherwise modified from time to time, the "Guaranty and Collateral Agreement") with the Lender pursuant to which certain obligations owed to the Lender are secured.

C. Pursuant to the Guaranty and Collateral Agreement, the Grantor is required to execute and deliver this Agreement to the Lender.

D. Pursuant to the terms of the Guaranty and Collateral Agreement, the Grantor has granted to the Lender a security interest in substantially all the assets of the Grantor, including all right, title and interest of the Grantor in, to and under all now owned and hereafter acquired patents, patent applications, patent licenses, trademarks, trademark applications and trademark licenses, and all products and proceeds thereof and goodwill associated therewith, to secure the payment of all amounts owing by the Grantor under the Credit Agreement and the other Loan Documents (as defined in the Credit Agreement).

In consideration of the mutual agreements set forth herein and in the Credit Agreement, the Grantor does hereby grant to the Lender a continuing security interest in all of the Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired:

- (1) each trademark registration and trademark application for registration, including, without limitation, each trademark registration and trademark application for registration referred to in Schedule 1 annexed hereto, together with any renewals or extensions thereof, and all goodwill associated therewith;
- (2) each trademark license granting to Grantor any rights in trademarks to which Grantor is a party, including, without limitation, each trademark license listed on Schedule 1 annexed hereto;
- (3) all products and proceeds of the foregoing, including, without limitation, any claim by the Grantor against third parties for past, present or future infringement

of any trademark or license thereof, (items 1 through 3 being herein collectively referred to as the "Trademark Collateral");

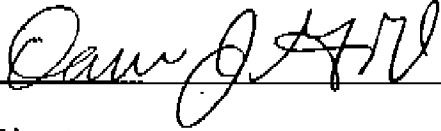
- (4) each patent and patent application, including, without limitation, each patent and patent application referred to in Schedule 2 annexed hereto, together with any reissues, continuations or extensions thereof;
- (5) each patent license granting to Grantor any rights in patents to which a Grantor is a party, including, without limitation, each patent license listed on Schedule 2 annexed hereto;
- (6) all products and proceeds of the foregoing, including, without limitation, any claim by the Grantor against third parties for past, present or future infringement of any patent or license thereof (items 4 through 6 being herein collectively referred to as the "Patent Collateral").

This security interest is granted in conjunction with the security interests granted to the Lender pursuant to the Guaranty and Collateral Agreement and subject to limitations set forth therein. Each of the Grantor and the Lender hereby acknowledges and affirms that the rights and remedies of the Lender with respect to the security interest in the Trademark Collateral and the Patent Collateral made and granted hereby are more fully set forth in the Credit Agreement and Guaranty and Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. Capitalized terms used but not defined herein have the respective meanings ascribed thereto in the Guaranty and Collateral Agreement.

[signature page follows]

The Grantor has caused this Patent and Trademark Security Agreement to be duly executed by its duly authorized officer thereunto as of the date first set forth above.

KILIAN MANUFACTURING CORPORATION

By: 
Name:
Title: Director

Acknowledged and agreed to:

ABN AMRO CCC PRIVATE EQUITY INVESTMENTS, INC.

By: _____
Title: _____

The Grantor has caused this Patent and Trademark Security Agreement to be duly executed by its duly authorized officer thereunto as of the date first set forth above.

KILIAN MANUFACTURING CORPORATION

By: _____
Title: _____

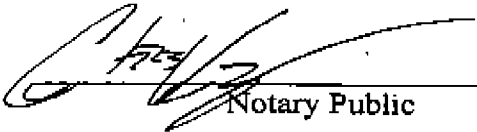
Acknowledged and agreed to:

ABN AMRO CCC PRIVATE EQUITY INVESTMENTS, INC.

By: Michael J. Paul
Title: Senior Vice President

STATE OF CALIFORNIA)
) SS
 COUNTY OF SAN FRANCISCO)

On this 13TH day of October, 2004, before me personally appeared the person whose signature is set forth above, to me known, who, being duly sworn, did depose and say that he is the above-indicated officer of the Grantor, and which executed the above instrument; and that he signed his name thereto by authority of the board of directors or similar governing of said entity.



 Notary Public



SCHEDULE 1
to
PATENT AND TRADEMARK SECURITY AGREEMENT

Trademarks, Trademark Applications and Trademark Licenses

Trademark Name	Trademark Application Number	Trademark Registration Number	Date of Application	Date of Registration
KILIAN		1216354 (US)		Nov. 16, 1982
KILROL*		2827924 (US)		Mar. 30, 2004
KILIAN		TMA 354757 (Canada)		Apr. 21, 1989
ARGOSY*		TMA 332924 (Canada)		Oct. 09, 1987
KILROL*	Serial No. 1167871 (Canada)	Pending	Feb. 13, 2003 (Application published Jun. 23, 2004)	Pending

* These trademarks are being assigned to Kilian Manufacturing Corporation or Kilian Canada ULC, as applicable, by Timpken US Corporation on the Closing Date.

SCHEDULE 2
to
PATENT AND TRADEMARK SECURITY AGREEMENT

ARTICLE I Patents, Patent Applications and Patent Licenses

Patent Number	Patent Application Number	Date Patent Issued	Date of Patent Application
None			