

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

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|-----------------------|-------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT |
| NATURE OF CONVEYANCE: | SECURITY INTEREST |

CONVEYING PARTY DATA

| Name | Formerly | Execution Date | Entity Type |
|---|----------|----------------|-------------------------------------|
| The DemirCo Group (North America), L.L.C. | | 11/25/2003 | limited liability company: DELAWARE |
| DemirCo Industries, L.L.C. | | 11/25/2003 | limited liability company: DELAWARE |
| Western Precision, Inc. | | 11/25/2003 | CORPORATION: CALIFORNIA |
| DemirCo Holdings, Inc. | | 11/25/2003 | CORPORATION: ILLINOIS |

RECEIVING PARTY DATA

| | |
|-----------------|-------------------------------|
| Name: | Charter One Bank, N.A. |
| Street Address: | 100 Addison Avenue, 2nd Floor |
| City: | Elmhurst |
| State/Country: | ILLINOIS |
| Postal Code: | 60126 |
| Entity Type: | national banking association: |

PROPERTY NUMBERS Total: 3

| Property Type | Number | Word Mark |
|----------------------|---------|-----------|
| Registration Number: | 2166189 | DEMIRCO |
| Registration Number: | 1561806 | CCI |
| Registration Number: | 1876339 | AIRFLOAT |

CORRESPONDENCE DATA

Fax Number: (312)863-7865
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 312-201-3865
 Email: sharon.patterson@goldbergekohn.com
 Correspondent Name: Sharon Patterson
 Address Line 1: 55 E. Monroe St., Ste. 3700
 Address Line 4: Chicago, ILLINOIS 60603

OP \$90.00 2166189

| | |
|--------------------|--------------------|
| NAME OF SUBMITTER: | Sharon Patterson |
| Signature: | /sharon patterson/ |
| Date: | 03/31/2005 |

Total Attachments: 15

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (the "Security Agreement") dated as of November 25, 2003 (the "Effective Date"), is executed by The DemirCo Group (North America), L.L.C., a Delaware limited liability company, DemirCo Industries, L.L.C., a Delaware limited liability company, Western Precision, Inc., a California corporation, and DemirCo Holdings, Inc., an Illinois corporation (collectively, jointly and severally, the "Borrowers"), in favor of Charter One Bank, N.A. ("Lender").

RECITALS

A. The Borrowers and the Lender have entered into that certain Credit Facility and Security Agreement dated as of November 25, 2003 (as amended modified, restated or extended from time to time, the "Credit Agreement"). All capitalized terms not otherwise defined herein will have the meanings ascribed to them in the Credit Agreement, the applicable provisions of which are incorporated herein by this reference.

B. The Credit Agreement requires the Borrowers to execute and deliver this Security Agreement and pledge to the Lender, and grant to the Lender a security interest in, the Pledged Collateral (as defined herein) in order to secure the payment and performance by the Borrowers of the Obligations.

CLAUSES

In consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Grant of Security Interests.** To secure the complete and timely payment, performance and observance of the Obligations, the Borrowers, jointly and severally, hereby grant to the Lender a continuing first priority and perfected security interest in all of the following property of Borrowers (collectively, the "Pledged Collateral"), whether now owned or existing or hereafter acquired:

(a) Worldwide trademarks, service marks, assumed or fictitious trade names, trade styles, logos, other business identifiers, all registrations and recordings thereof and all applications in connection therewith, including, without limitation, those listed on **Exhibit A** attached hereto; and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing, (iii) all goodwill of Borrowers' business symbolized by the foregoing and connected therewith and (iv) the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing in this subsection (a) are collectively referred to as the "Trademarks");

(b) Copyrights, if any, whether or not the underlying works of authorship have been published, all registrations and recordings thereof and all applications in connection therewith, including, without limitation, the copyrights listed on **Exhibit B** attached hereto; and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due or

payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing, and (iii) the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing in this subsection (b) are collectively referred to as the "Copyrights");

(c) Patents and patent applications, including, without limitation, the patents listed on Exhibit C attached hereto; and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing, and (iii) the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing in this subsection (c) are collectively referred to as the "Patents"); and

(d) Rights under and interests in all trademark license agreements, service mark license agreements and patent license agreements with any other party, whether a Borrower is a licensee or licensor under any such license agreement, including, without limitation, those license agreements listed on Exhibit D attached hereto, but excluding any license agreement if (and solely to the extent and for so long as) such license agreement expressly prohibits the Borrowers from granting any Lien thereon (all of the foregoing in this subsection (d) are collectively referred to as the "Licenses").

2. Warranties and Representations. Each Borrower, jointly and severally, represents and warrants to the Lender that:

(a) Except as otherwise expressly noted on the applicable exhibit hereto, none of the Pledged Collateral has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Pledged Collateral been cancelled in whole or in part and each such Trademark, Copyright, Patent and License is presently subsisting;

(b) Except as otherwise expressly noted on the applicable exhibit hereto, the Borrowers, respectively, are the sole and exclusive owners of the entire and unencumbered right, title and interest in and to the Pledged Collateral, free and clear of any Liens, charges and encumbrances, including without limitation, shop rights and covenants by a Borrower not to sue third persons but subject, in the case of the Licenses, to the terms thereof;

(c) The Borrowers have received no written notice of any suits or actions commenced and, to the Borrowers' actual knowledge (as defined in the Credit Agreement), no such suits or actions are threatened with reference to the Pledged Collateral; and

(d) The Borrowers have the unqualified right to execute and deliver this Security Agreement and perform in accordance with its terms.

3. Restrictions on Future Agreements. Until the Obligations are paid in full and the Credit Documents have been terminated, the Borrowers will not, without the prior written consent of the Lender, sell, assign or license their interest in the Pledged Collateral or enter into any other agreement with respect to the Pledged Collateral which would affect the validity or enforcement of the rights transferred to the Lender under this Security Agreement.

4. **New Trademarks, Copyrights, Patents and Licenses.** The Borrowers, jointly and severally, represent and warrant to the Lender that, to their actual knowledge, based on a diligent investigation by the Borrowers, the Trademarks listed on **Exhibit A**, the Copyrights listed on **Exhibit B**, the Patents listed on **Exhibit C** and the Licenses listed on **Exhibit D** constitute all of the Trademarks, Copyrights, Patents and Licenses now owned by any Borrower, except for those excluded in Section 1(d) hereof. If, before the Obligations are paid in full or before the Credit Documents have been terminated, any Borrower (a) becomes aware of any existing Trademark, Copyright, Patent or License of which the Borrowers have not previously informed the Lender or (b) becomes entitled to the benefit of any Trademark, Copyright, Patent or License which benefit is not in existence on the date hereof, then the provisions of this Security Agreement will automatically apply thereto and the Borrowers will give to Lender prompt written notice thereof. The Borrowers will cooperate with the Lender to modify this Security Agreement by amending the Exhibits hereto to include any such Trademark, Copyright, Patent or License and to file a duplicate original of this Security Agreement containing the amended Exhibits.

5. **Term.** The term of this Security Agreement will extend until the Obligations are indefeasibly paid in full and Lender has no further commitment to fund any Loans under the Credit Documents. Upon the occurrence and during the continuation of an Event of Default, the Lender's right to use the Pledged Collateral will be worldwide and without any liability for royalties or other related charges from the Lender to any Borrower.

6. **Product Quality.** The Borrowers will maintain the quality of any and all products in connection with which the Pledged Collateral is used, consistent with commercially reasonable business practices. Upon the occurrence and during the continuation of an Event of Default, the Lender, or a conservator or receiver appointed by the Lender, will have the right to establish such additional product quality controls as the Lender, conservator or receiver, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products in connection with which the Pledged Collateral is used.

7. **Release of Security Agreement.** This Security Agreement is made for collateral purposes only. Upon payment in full of the Obligations and termination or expiration of the Credit Documents, the Lender will, at Borrowers' expense, promptly take all such actions as may be reasonably necessary to terminate the security interests created hereby and pursuant to the Credit Documents.

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

9. **Duties of Borrowers.** The Borrowers will (a) diligently file and prosecute all pending applications relating to the Pledged Collateral, (b) preserve and maintain all of their rights in the Pledged Collateral and (c) ensure that the Pledged Collateral is and remains enforceable. Notwithstanding the foregoing, the Borrowers will not be obligated to perform the duties set forth in the foregoing subsections (a) through (c) of this Section 9 if the Borrowers determine in their reasonable discretion, in consultation with the Lender, that such duties are not practical and that the applicable Pledged Collateral is not of material benefit or does not have material value to the Borrowers. Any expenses incurred under this Section 9 will be borne by the Borrowers.

10. **Lender's Right to Sue.** After the occurrence of an Event of Default and during the continuance thereof, the Lender will have the right, but will in no way be obligated, to bring suit in its own name to enforce the Pledged Collateral and, if the Lender commences any such suit, the Borrowers will, at the request of the Lender, do any and all lawful acts and execute any and all proper documents required by the Lender in aid of such enforcement and the Borrowers will promptly, upon demand, reimburse and indemnify the Lender for all out-of-pocket costs and expenses incurred in the exercise of its rights under this Section 10, including, without limitation, reasonable attorney's fees and expenses, accounting fees and expenses and court costs.

11. **Waivers.** No course of dealing between the Borrowers and the Lender, nor any failure to exercise, nor any delay in exercising, on the part of the Lender, any right, power or privilege hereunder or under the Credit Documents will operate as a waiver thereof; nor will any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

12. **Modification.** No amendment, modification, termination, discharge or waiver of any provision of this Security Agreement or consent to any departure by the Borrowers therefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only for the specific purpose for which given.

13. **Cumulative Remedies; Power of Attorney; Effect on Credit Documents.** All of the Lender's rights and remedies with respect to the Pledged Collateral, whether established hereby, by the Credit Documents, by any other agreements or by law, will be cumulative and may be exercised singularly or concurrently. Each Borrower hereby irrevocably designates, constitutes and appoints the Lender (and authorizes the Lender to make, constitute and appoint any officer or agent of the Lender as the Lender may select in its sole discretion) as the Borrower's true and lawful attorney-in-fact with power, upon the occurrence and during the continuance of an Event of Default: (a) endorse the Borrowers' names on all applications, documents, papers and instruments necessary or desirable for the Lender in the use of the Pledged Collateral; (b) take any other actions or execute any document or agreement with respect to the Pledged Collateral as the Lender deems to be in its best interests; (c) grant or issue any exclusive or non-exclusive license under the Pledged Collateral to anyone; or (d) assign, pledge, convey or otherwise transfer title in or dispose of any Pledged Collateral. The Borrowers hereby ratify all that such attorney will lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and will be irrevocable until the Obligations have been indefeasibly paid in full and the Credit Documents have been terminated or expired. The

Borrowers acknowledge and agree that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of the Lender under the Credit Documents but rather is intended to facilitate the exercise of such rights and remedies. The Lender will have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Credit Documents, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Illinois, from time to time.

14. **Binding Effect; Benefits.** This Security Agreement will become effective upon execution by the Borrowers and the Lender. If this Security Agreement is not dated or contains any blanks when executed by the Borrowers, the Lender is hereby authorized, without notice to the Borrowers, to date this Security Agreement as of the date when it was executed by the Borrowers, and to complete any such blanks according to the terms upon which this Security Agreement is executed. This Security Agreement will be binding upon the Borrowers and their respective successors and assigns, and will inure to the benefit of the Lender, its successors, nominees and assigns.

15. **Enforceability.** Wherever possible, each provision of this Security Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Security Agreement shall be prohibited by, unenforceable or invalid under any jurisdiction, such provision will, as to such jurisdiction, be severable and be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Security Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

16. **Survival.** All covenants, agreements, representations and warranties made by the Borrowers herein will, notwithstanding any investigation by the Lender, be deemed material and relied upon by the Lender and shall survive the making and execution of this Security Agreement and the Credit Documents and the issuance of the Notes, and shall be deemed to be continuing representations and warranties until such time as the Borrowers have fulfilled all of their Obligations to the Lender, and the Lender has been paid in full. The Lender, in extending financial accommodations to the Borrowers, are expressly acting and relying on the aforesaid representations and warranties.

17. **Governing Law.** This Security Agreement will be delivered and accepted in and will be deemed to be a contract made under and governed by the internal laws of the State of Illinois (but giving effect to federal laws applicable to national banks), and for all purposes will be construed in accordance with the laws of such State, without giving effect to the choice of law provisions of such State.

18. **WAIVER OF JURY TRIAL.** THE LENDER AND THE BORROWERS, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, EACH KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES IRREVOCABLY, THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS SECURITY AGREEMENT, THE PLEDGED COLLATERAL, OR ANY OTHER AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS SECURITY AGREEMENT, OR ANY COURSE OF CONDUCT OR COURSE

OF DEALING IN WHICH THE LENDER AND THE BORROWERS ARE ADVERSE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER GRANTING ANY FINANCIAL ACCOMMODATION TO THE BORROWERS.

19. **LITIGATION.** TO INDUCE THE LENDER TO ENTER INTO THE CREDIT AGREEMENT AND GRANT THE FINANCIAL ACCOMMODATIONS CONTEMPLATED THEREBY, THE BORROWERS IRREVOCABLY AGREE THAT ALL ACTIONS BETWEEN THE BORROWERS AND LENDER ARISING, DIRECTLY OR INDIRECTLY, AS A RESULT OR CONSEQUENCE OF THIS SECURITY AGREEMENT, ANY OTHER AGREEMENT WITH THE LENDER OR THE PLEDGED COLLATERAL, SHALL BE INSTITUTED AND LITIGATED ONLY IN COURTS HAVING THEIR SITUS IN THE COUNTIES OF COOK AND DUPAGE, STATE OF ILLINOIS. EACH BORROWER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT HAVING ITS SITUS IN SAID COUNTIES, AND WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS. EACH BORROWER HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO THE BORROWER TO THE ADDRESS SET FORTH IN THE CREDIT AGREEMENT, IN THE MANNER PROVIDED BY APPLICABLE STATUTE, LAW, RULE OF COURT OR OTHERWISE.

20. **Headings.** Section headings used herein are for convenience only and will not modify the provisions which they precede.

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

22. **Counterparts.** This Security Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Security Agreement as of the date first above written.

LENDER:

CHARTER ONE BANK, N.A.

By: _____

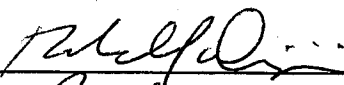
Its: _____

BORROWERS:

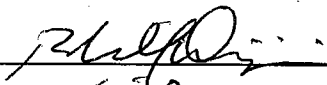
THE DEMIRCO GROUP (NORTH AMERICA), L.L.C.

By: 
Its: President

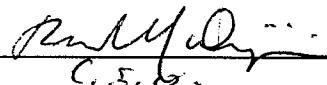
DEMIRCO INDUSTRIES, L.L.C.

By: 
Its: President

WESTERN PRECISION, INC.

By: 
Its: C.E.O.

DEMIRCO HOLDINGS, INC.

By: 
Its: C.E.O.

STATE OF ILLINOIS)
) SS
COUNTY OF Macon)

The foregoing PATENT AND TRADEMARK SECURITY AGREEMENT was acknowledged before me this ^{14th} October 20, 2003 by R. Demicjard, the Pres. of THE DEMIRCO GROUP (NORTH AMERICA), L.L.C., a Delaware limited liability company, on behalf of such company.



Mari Curry
Notary Public

Macon County, IL

My commission expires: 5/31/04

STATE OF ILLINOIS)
) SS
COUNTY OF Macou)

The foregoing PATENT AND TRADEMARK SECURITY AGREEMENT was acknowledged before me on October ^{1st} 20, 2003 by R. Demicijal, the Pres. of DEMIRCO INDUSTRIES, L.L.C., a Delaware limited liability company, on behalf of such company.



Mari Curry
Notary Public

Macou County, Il

My commission expires: 5/31/04

STATE OF ILLINOIS)
) SS
COUNTY OF Macou)

The foregoing PATENT AND TRADEMARK SECURITY AGREEMENT was acknowledged before me on October 20, 2003 by R. Demicjand, the C.E.O. of WESTERN PRECISION, INC., a California corporation, on behalf of such company.



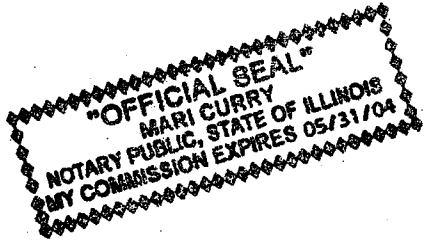
Mari Curry
Notary Public

Macou County, Il

My commission expires: 5/31/04

STATE OF ILLINOIS)
) SS
COUNTY OF Macou)

The foregoing PATENT AND TRADEMARK SECURITY AGREEMENT was acknowledged before me on October 20, 2003 by B. Demirjian, the C.E.O. of DEMIRCO HOLDINGS, INC., an Illinois corporation, on behalf of such company.



Mari Curry
Notary Public

Macou County, Ill

My commission expires: 5/31/04

EXHIBIT A
TRADEMARKS

| <u>Trademark</u> | <u>Number</u> | <u>Date</u> | <u>Credit Party</u> |
|------------------|---------------|------------------|---------------------|
| DemirCo | 2,166,189 | June 16, 1998 | All |
| CCI (symbol) | 1,561,806 | 1,561,806 | CCI |
| Airfloat | 1,876,339 | January 31, 1995 | Airfloat |
| Airfloat | | | Airfloat |
| Airfloat | | | Airfloat |
| | | | |

EXHIBIT B
COPYRIGHTS

None.

EXHIBIT C

PATENTS

| <u>Patent Name</u> | <u>Number</u> | <u>Date</u> | <u>Credit Party</u> |
|-------------------------|---------------|------------------|---------------------|
| Air Bearing Assembly | 09/063,597 | October 19, 1999 | Airfloat |

EXHIBIT D

LICENSES

Development and License Agreement dated as of September 1, 2003 (the "**Effective Date**") between Industries and Scroll Laboratories, Inc. regarding the licensing of scroll compressor technology. A copy of this agreement has previously been provided to Lender. We do not consider it material since it does not currently account for any sales and is not expected to account for any material sales prior to 2007.