

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
Name	Formerly	Execution Date	Entity Type
Hurco Automation Limited		11/30/2005	CORPORATION: TAIWAN
<b>RECEIVING PARTY DATA</b>			
Name:	Hurco Companies, Inc.		
Street Address:	One Technology Way		
City:	Indianapolis		
State/Country:	INDIANA		
Postal Code:	46268-5309		
Entity Type:	CORPORATION: INDIANA		
<b>PROPERTY NUMBERS Total: 2</b>			
Property Type	Number	Word Mark	
Registration Number:	0736765	DYNAPATH	
Registration Number:	2850113	DYNAPATH	
<b>CORRESPONDENCE DATA</b>			
Fax Number:	(202)659-1559		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	(202) 659 - 6944		
Email:	MBergsman@dickinsonwright.com		
Correspondent Name:	Marc A. Bergsman		
Address Line 1:	Dickinson Wright PLLC		
Address Line 2:	1901 L Street, N.W., Suite 800		
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20036		
ATTORNEY DOCKET NUMBER:	028974-00001		
NAME OF SUBMITTER:	Marc A. Bergsman		
Signature:	/Marc A. Bergsman/		

**CH \$65.00 0736765**

Date:

12/03/2005

**Total Attachments: 9**

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## TRADEMARK SECURITY AGREEMENT

FOR VALUE RECEIVED, HURCO AUTOMATION LIMITED, a Taiwanese corporation ("**Debtor**"), hereby grants to HURCO COMPANIES, INC., an Indiana corporation ("**Secured Party**"), a security interest in the following personal property of Debtor, now owned and existing or hereafter acquired or arising, and wheresoever located (collectively, the "**Collateral**"):

(a) The tradenames "Delta," "Dynapath," and "Conversational Graphics" and the registered trademarks and/or trademark applications therefor, such trademark registrations and applications being more particularly described on Schedule I attached hereto, and all other rights to the use of the names and marks "Delta," "Dynapath," and "Conversational Graphics" whether or not registered ("**Trademarks**");

(b) All goodwill of Debtor's business connected with the use of any of the foregoing Trademarks;

(c) All claims and causes of action relating to any of the foregoing, including claims and causes of action for past infringement;

(d) All additions, accessions, accessories, and replacements of any of the property described in clauses (a) through (c), above; and

(e) All products and "**Proceeds**" (as defined in the UCC) of all or any of the types or items of property described in clauses (a) through (d) above, including insurance proceeds and proceeds of all warranty and tort claims, and all property arising from or received by Debtor in connection with the sale or disposition thereof.

As used herein, the term: (a) "**Agreement**" shall mean this Trademark Security Agreement, as the same hereafter may be modified, amended, supplemented, replaced, restated and/or extended from time to time and at any time; (b) "**Default Rate**" shall mean Ten Percent (10%) per annum; (c) "**Note**" shall mean that certain Promissory Note, dated of even date, executed and delivered by Debtor to the order of Secured Party, in the original principal sum of \$289,039.37, as the same hereafter may be modified, amended, supplemented, replaced, restated and/or extended from time to time and at any time; (d) "**Security Agreement**" shall mean that certain Security Agreement, dated of even date, executed and delivered by Debtor in favor of Secured Party, as the same hereafter may be modified, amended, supplemented, replaced, restated and/or extended from time to time and at any time; and (e) "**UCC**" shall mean the Uniform Commercial Code as adopted and in effect from time to time in the State of Indiana.

The security interest hereby granted to Secured Party is given to secure the performance and payment when due of the following (collectively, the "**Indebtedness**"):

- (1) All obligations, indebtedness and liabilities of Debtor, now existing or hereafter arising under, pursuant to or by virtue of, or evidenced by, the Note, whether such indebtedness, obligations and liabilities are fixed,

contingent, liquidated, unliquidated, or now exist or hereafter arise, or were prior to acquisition thereof owed to some other person; and

- (2) All extensions, renewals, amendments, modifications or restatements of the foregoing, together with all costs, expenses and reasonable attorneys' fees incurred by Secured Party in the enforcement or collection thereof or in the enforcement of this Agreement.

Debtor represents and warrants to Secured Party and agrees as follows:

1. Title to Collateral. Debtor has and will maintain full and absolute title in Debtor to the Collateral, free of all security interests, liens and encumbrances other than the security interest herein granted to Secured Party and has good right to subject the Collateral to the security interest granted by this Agreement. Except with respect to the security interest granted by this Agreement, no financing statement, mortgage, agreement or similar or equivalent document or instrument covering all or any part of the Collateral is on file or of record in any jurisdiction in which such filing or recording would be effective to perfect a lien or security interest on such Collateral.

2. Financing Statements, Certificates, Etc. Debtor will, from time to time, at its expense, execute, deliver, file and record any statement, assignment, instrument, document, agreement or other paper and take any other action, (including, without limitation, any filings with the United States Patent and Trademark Office and United States Copyright Office, any filings of financing or continuation statements under the UCC and any filings required pursuant to the law of Taiwan) that from time to time may be necessary, or that Secured Party may reasonably request, in order to create, preserve, perfect, confirm, validate, or protect the security interests granted or created pursuant to this Agreement or to enable Secured Party to obtain the full benefits of this Agreement, or to enable Secured Party to exercise and enforce any of its rights, powers and remedies hereunder with respect to any of the Collateral. To the extent permitted by law, Debtor hereby authorizes Secured Party to execute and file financing statements and continuation statements without Debtor's signature appearing thereon. To the full extent permitted by law, Debtor authorizes Secured Party and grants to Secured Party a power of attorney (which is coupled with an interest and is irrevocable) to sign on Debtor's behalf and file financing statements, continuations statements, applications for certificates of title, notices, affidavits, and other documents and amendments thereto that Secured Party reasonably deems necessary or desirable for the purpose of perfecting, protecting, and preserving the liens and security interests of Secured Party in the Collateral. Debtor shall pay the reasonable costs, fees, and expenses of, or incidental to, the perfection, protection and preservation of Secured Party's lien and security interest in the Collateral, including without limitation any recording or filing fees, excise taxes, recording taxes and stamp taxes incurred in connection with the filing and recording of financing and continuation statements and other documents concerning the Collateral. Upon payment in full of the Indebtedness, Secured Party shall file or deliver to Debtor for filing appropriate statements of termination and release of the security interest in the Collateral created hereby.

Without in any respect limiting the generality of the foregoing, Debtor agrees that it will execute, acknowledge, and deliver to Secured Party an assignment of its registrations and recordings of and applications for Trademarks in the United States Patent and Trademark Office and the goodwill of the business in connection with which each of such Trademarks are used and which is symbolized by such Trademarks, in form and substance acceptable to Secured Party and appropriate for recording in the United States Patent and Trademark Office, in the event Secured Party determines by reason of one or more changes in or clarifications of applicable statutes or regulations or judicial decisions occurring after the date hereof, and/or the discovery of existing legal precedent or authority not previously considered by Secured Party, that the recording of such an assignment or assignments in such offices is necessary to create, perfect or preserve a lien upon, security interest in, or collateral assignment of such Trademarks that is valid against subsequent purchasers, lienholders, secured parties, or assignees under the UCC and such assignment will not adversely affect Debtor's rights to use such Trademarks in its business and protect them from infringement.

3. General Covenants.

(a) Debtor agrees to pay promptly when due all taxes, assessments and governmental charges upon or against the Collateral, or Debtor, or for the property or operations of Debtor, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith by appropriate proceedings and for which Debtor has established adequate reserves. Debtor shall give written notice to Secured Party of all happenings and events adversely affecting the Collateral or the value or amount thereof in any material respect, including, without limitation, the creation or assertion of any lien or security interest against any of the Collateral.

(b) In the event Debtor fails to pay taxes, assessments, costs and expenses which Debtor is required to pay or in the event Debtor fails to keep the Collateral free from other security interests, liens or encumbrances not permitted under the terms of this Agreement, Secured Party may make expenditures for any and all such purposes. All costs and expenses of Secured Party in retaking, holding, preparing for sale and selling or otherwise realizing upon any Collateral or enforcing any provisions hereof, including reasonable attorneys' fees, shall constitute part of the Indebtedness, and shall bear interest from the date incurred at the Default Rate.

(c) Debtor shall: (i) at all reasonable times allow Secured Party and its agents or representatives to examine, inspect and/or make abstracts from Debtor's books and records and to arrange for verification, inspection or audit of the Collateral under reasonable procedures; and (ii) Debtor will furnish or cause to be furnished to Secured Party written reports of any changes that would be required to be made to the Schedule to this Agreement in order for the information contained in such Schedule to remain accurate, which reports shall be furnished to Secured Party at or before the time events requiring such changes occur.

4. Performance by Secured Party of Debtor's Agreements. Secured Party may, but shall have no duty to, perform any agreement of Debtor hereunder which Debtor shall have failed to perform and Debtor will forthwith reimburse Secured Party for any payment made

or any expense incurred by Secured Party in connection with such performance. Such payments and expenses shall constitute part of the Indebtedness and shall bear interest at the Default Rate from the date incurred by Secured Party.

5. Events of Default. The occurrence of each of the following events shall constitute an Event of Default by Debtor under this Agreement (referred to herein as an "**Event of Default**"):

- (a) Breach by Debtor of any term, covenant or provision of this Agreement or the Security Agreement;
- (b) A Default (as defined in the Security Agreement);
- (c) Debtor fails to pay any installment or mandatory prepayment of the principal of, or any interest on, the Note when due (taking into account any grace period thereunder);
- (d) An Event of Default (as defined in the Note); and
- (e) Nonpayment of any other of the Indebtedness.

6. Remedies Upon Event of Default. Time is of the essence of this Agreement. Upon the occurrence of any Event of Default by Debtor under this Agreement and at any time thereafter (such Event of Default not previously having been cured), Secured Party shall be entitled, by written or telegraphic notice to Debtor, to declare all of the Indebtedness to be immediately due and payable, whereupon the same shall become immediately due and payable, without presentation, demand, protest, notice of protest, or other notice of dishonor of any kind, all of which are hereby expressly waived. In addition, beginning on the date that is 90 days after the occurrence of any Event of Default and at any time thereafter (such Event of Default having not previously been cured), Secured Party shall have, with respect to the Collateral, all the remedies of a secured party under the UCC and as otherwise provided by applicable law, including but not limited to the following: Secured Party may take possession of the Collateral and may use it after having done so. For purposes of taking possession, Secured Party may enter upon any premises on which the Collateral may be situated without legal process and remove the Collateral. Debtor releases Secured Party from any claims arising from such removal and shall hold Secured Party harmless from any liability resulting therefrom. Secured Party may require Debtor to assemble the Collateral and make it available at a place to be designated by Secured Party which is reasonably convenient to all parties. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party shall give 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. Upon any such sale Secured Party shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. Each purchaser at any such sale shall hold the Collateral so sold to it absolutely and free from any claim or right of whatsoever kind, including any equity or right of redemption of Debtor which may be waived, and Debtor, to the extent permitted by law, hereby specifically waives all rights of redemption,

stay or appraisal which it has or may have under any law now existing or hereafter adopted. The notice (if any) of such sale shall (1) in case of a public sale, state the time and place fixed for such sale, and (2) in the case of any other disposition, state the day after which such disposition may occur. Debtor agrees that such notice constitutes sufficient notification of disposition within the meaning of Section 9.1-613 of the UCC. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as Secured Party may fix in the notice of such sale. At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels, as Secured Party may determine. Secured Party shall not be obligated to make any such sale pursuant to any such notice. Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned. In case of any sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by Secured Party until the selling price is paid by the purchaser thereof, but Secured Party shall not incur any liability in case of the failure of such purchaser to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may again be sold upon like notice. Secured Party, instead of exercising the power of sale herein conferred upon it, may proceed by a suit or suits at law or in equity to foreclose its security interests and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction. The expenses of retaking, holding, preparing for sale, selling and the like, and reasonable attorneys' fees and expenses incurred by Secured Party, may be paid from the proceeds of the disposition. Secured Party may obtain the appointment of a receiver respecting the Collateral upon such notice as may be required by applicable law and without notice if permitted by such law, and may obtain immediate possession thereof in replevin. Insofar as the Collateral shall consist of Accounts, insurance policies, instruments, chattel paper, choses in action or the like, Secured Party may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose or realize upon the Collateral as Secured Party may determine, whether or not the Indebtedness or the Collateral are then due and for the purpose of realizing Secured Party's rights therein, Secured Party may receive, open and dispose of mail addressed to Debtor and endorse notes, checks, drafts, money orders, documents of title or other evidences of payment, shipment or storage or any form of the Collateral on behalf of and in the name of Debtor, as its attorney-in-fact. All remedies of Secured Party shall be cumulative to the full extent provided by law. Pursuit by Secured Party of certain judicial or other remedies shall not abate nor bar resort to other remedies with respect to the Collateral, and pursuit of certain remedies with respect to all or some of the Collateral shall not bar other remedies with respect to the Indebtedness or to other portions of the Collateral. Secured Party may exercise its rights to the Collateral without resorting or regard to other collateral or sources of security or reimbursement for the Indebtedness.

7. Grant of Non-Exclusive License. Debtor hereby grants to Secured Party a non-exclusive, paid-up, irrevocable right and license to, upon the occurrence of a Default, use the Collateral, or any portion thereof, solely for the purposes of exercising any of Secured Party's remedies pursuant to the Security Agreement or this Agreement after an Event of Default. Such license shall expire upon payment in full of the Indebtedness.

8. Nonwaiver/Expenses. No waiver by Secured Party of any of its rights shall be effective unless in writing, and in no event shall it operate as a waiver of any other of its

rights or of the same rights on any future occasion. Debtor shall pay to Secured Party on demand any and all expenses, including reasonable attorneys' fees, incurred or paid by Secured Party in perfecting, protecting or enforcing its rights upon or under Indebtedness or Collateral.

9. Successors in Interest. This Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective successors, assigns and legal representatives. If at any time or times by assignment or otherwise Secured Party transfers any of the Collateral, such transfer shall carry with it Secured Party's power and rights under this Agreement with respect to the Collateral transferred and the transferee shall become vested with said powers and rights whether or not they are specifically referred to in the transfer. If and to the extent Secured Party retains any other Collateral, Secured Party will continue to have the rights and powers herein set forth with respect thereto.

10. Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given on the date delivered, if delivered personally, on the fifth business day after being mailed by registered or certified mail (postage prepaid, return receipt requested), in each case, to the parties at the following addresses, or on the date sent and confirmed by electronic transmission to the telecopier number specified below (or at such other address or telecopier number for a party as shall be specified by notice given in accordance with this Section):

- (a) If to Debtor, to:  
Hurco Automation Limited  
6F, No.31, Shintai Rd.  
Jubei City, Hsinchu Shien  
Taiwan 30244, Republic of China  
Attention: Jacob Pien  
Telecopier No.: 886-3-554-2241
- (b) If to Secured Party, to:  
Hurco Companies, Inc.  
One Technology Way  
Indianapolis, Indiana 46268-0180  
Attention: President  
Telecopier No.: (317) 293-5309

No provision of this Agreement, including this Section, shall be deemed to constitute consent to the manner and address for service of process in connection with any legal proceeding (including such arising out of or in connection with this Agreement), which service shall be effected as required by applicable law.

11. Governing Law - Jurisdiction. THE PROVISIONS OF THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF INDIANA. AS A SPECIFICALLY BARGAINED INDUCEMENT FOR SECURED PARTY TO EXTEND CREDIT TO DEBTOR, AND AFTER HAVING THE



OPPORTUNITY TO CONSULT COUNSEL, DEBTOR (AND SECURED PARTY BY ITS ACCEPTANCE HEREOF) AND ALL ENDORSERS HEREBY EXPRESSLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATED TO THIS SECURITY AGREEMENT OR ARISING IN ANY WAY FROM ANY INDEBTEDNESS OR OTHER TRANSACTIONS INVOLVING SECURED PARTY AND DEBTOR. DEBTOR HEREBY DESIGNATES THE STATE AND FEDERAL COURTS LOCATED IN, OR WITH JURISDICTION WHICH INCLUDES, MARION COUNTY, INDIANA, AS FORUMS WHERE ANY ACTION, SUIT OR PROCEEDING IN RESPECT OF OR ARISING FROM OR OUT OF THIS AGREEMENT, ITS MAKING, VALIDITY OR PERFORMANCE, MAY BE PROSECUTED AS TO ALL PARTIES, THEIR SUCCESSORS AND ASSIGNS, AND BY THE FOREGOING DESIGNATION DEBTOR CONSENTS TO THE JURISDICTION AND VENUE OF SUCH COURTS.

IN WITNESS WHEREOF, Debtor has executed this Agreement this ~~30~~ day of November, 2005.

HURCO AUTOMATION LIMITED

By: Jacob Pien  
Printed: Jacob Pien  
Title: President

("Debtor")

**ACKNOWLEDGMENT**

STATE OF MICHIGAN )  
 ) SS:  
COUNTY OF Oakland )

Before me, a Notary Public in and for the State of Michigan, personally appeared Jacob Pien, the President of Hurco Automation Limited, who, first being duly sworn, acknowledged the execution of the foregoing instrument for and on behalf of each of said corporation as its duly authorized officer.

WITNESS my hand and Notarial Seal this 30th day of November, 2005.

(SEAL)

*Mark R. High*  
\_\_\_\_\_, Notary Public  
Printed Name

I am a resident of \_\_\_\_\_ County, \_\_\_\_\_.  
My Commission Expires: \_\_\_\_\_.

**MARK R. HIGH**  
Notary Public, Wayne County, MI  
My Commission Expires January 21, 2008  
*Acting in Oakland County*

## SCHEDULE I

### Trademarks

1. DELTA™ Common law usage and rights.
2. DYNAPATH™ Application Serial Number: 76/341,822  
Goods: machine tools, namely, bed mills and lathes; electronic controls for machine tools.
3. DYNAPATH® Registration Number: 736,765  
Goods: electronic controls for machine tools.
4. DYNAPATH Taiwan, Republic of China  
Registration Number 401980  
Goods: electronic controls for machine tools.
5. CONVERSATIONAL Registration Number 2194391 (expired)  
GRAPHICS® Goods: computerized numerical controllers for machine tools.