

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):

Fadal Machining Centers, LLC

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

Citizenship (see guidelines) WI

Execution Date(s) August 3, 2010

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes

No

Name: Burdale Capital Finance, Inc.

Internal
Address:

Street Address: 300 First Stamford Place

City: Stamford

State: CT

Country: USA

Zip: 06902

- Association Citizenship
- General Partnership Citizenship
- Limited Partnership Citizenship
- Corporation Citizenship: DE
- 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)

3. Nature of conveyance:

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

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

A. Trademark Application No.(s) See Attached Exhibit A

B. Trademark Registration No.(s) See Attached Exhibit A

Additional sheet(s) attached?

Yes No

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

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

Name: Susan O'Brien

Internal Address: UCC Direct Services

Street Address: 187 Wolf Road, Suite 101

City: Albany

State: NY

Zip: 12205

Phone Number: 800-342-3676

Fax Number: 800-862-7049

Email Address: ols-udgalbany@wolterskluwer.com

6. Total number of applications and registrations involved:

7

7. Total fee (37 CFR 2.6(b)(5) & 3.41) \$ 190.00

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

8. Payment Information:

a. Credit Card

Last 4 Numbers 5683

Expiration Date 10/12

b. Deposit Account Number

Authorized User Name:

9. Signature:

Signature

Kareem Ansley

Name of Person Signing

August 9, 2010

Date

Total number of pages including cover sheet, attachments, and document: 23

Documents to be recorded (including cover sheet) should be faxed to (703) 306-6995, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

OP \$190.00 1808949

Trademark	Docket Number/Subcase Country Name	Application Number/Date	Publication Number/Date	Registration Number/Date	Status Next Renewal
104/D	7662-3013/3 European Community	3893112 23-Jun-2004		3893112 19-Oct-2005	Registered 23-Jun- 2014
32MP	7662-3015/1 United States of America	74/365910 02-Mar-1993		1808949 07-Dec-1993	Registered 07-Dec- 2013
Augusta	7662-3019/1 United States of America	76/270206 11-Jun-2001		2860674 06-Jul-2004	Registered 06-Jul- 2014
Byron	7662-3020/1 United States of America	76/270205 11-Jun-2001		3006136 11-Oct-2005	Registered 11-Oct- 2015
COOL POWER	7662-3023/1 China (Peoples Republic)	5631468 26-Sep-2006	1163 13-Apr-2009	5631468 14-Jul-2009	Registered 13-Jul- 2019
Cool Power & penguin design	7662-3011/3 European Community	3981991 18-Aug-2004		2981991 08-Dec-2005	Registered 18-Aug- 2014
Cool Power & penguin design	7662-3011/4 Russian Federation	2004718877 19-Aug-2004		292700 20-Jul-2005	Registered 19-Aug- 2014

Trademark	Docket Number/Subcase Country Name	Application Number/Date	Publication Number/Date	Registration Number/Date	Status Next Renewal
Cool Power & penguin design	7662-3011/1	76/593428		3081206	Registered
	United States of America	10-May-2004		18-Apr-2006	18-Apr- 2016
FADAL	7662-3001/13	1975073		1958233	Registered
	Argentina	04-May-1995		04-Nov-2003	04-Nov- 2013
FADAL	7662-3001/14	1975072		1742546	Registered
	Argentina	04-May-1995		30-Jun-1999	30-Jun- 2009
FADAL	7662-3001/11	659755		659755	Registered
	Australia	27-Apr-1995			28-Apr- 2015
FADAL	7662-3001/10	659756		659756	Registered
	Australia	28-Apr-1995			28-Apr- 2015
FADAL	7662-3001/8	847363		577117	Registered
	Benelux	28-Apr-1995		28-Apr-1995	28-Apr- 2015
FADAL	7662-3001/34	735215		772210	Registered
	Chile	02-Jun-1995		10-Jun-1996	10-Jun- 2016
FADAL	7662-3001/33	735216		770560	Registered
	Chile	02-Jun-1995		10-Jun-1996	10-Jun- 2016

Trademark	Docket Number/Subcase Country Name	Application Number/Date	Publication Number/Date	Registration Number/Date	Status Next Renewal
FADAL	7662-3001/37 China	6211138 09-Aug-2007	1187 13-Oct-2009	6211138 14-Jan-2010	Registered 13-Jan-2020
FADAL	7662-3001/36 China	6211137 09-Aug-2007			Pending
FADAL	7662-3001/30 France	95571185 11-May-1995		95571185 11-May-1995	Registered 11-May-2015
FADAL	7662-3001/29 Germany	39518275.1 03-May-1995		39518275 20-Sep-1996	Registered 31-May-2015
FADAL	7662-3001/28 India	667247 26-May-1995	1401 30-Oct-2008	667247 17-Aug-2007	Registered 26-May-2020
FADAL	7662-3001/27 India	667248 26-May-1995		667248 16-Apr-2003	Registered 26-May-2019
FADAL	7662-3001/26 Italy	MI95C005431 26-May-1995		727247 26-Sep-1997	Registered 26-May-2015
FADAL	7662-3001/25 Japan	44719/1995 02-May-1995		4170114 24-Jul-1998	Registered 24-Jul-2018

Trademark	Docket Number/Subcase Country Name	Application Number/Date	Publication Number/Date	Registration Number/Date	Status Next Renewal
FADAL	7662-3001/24 Japan	44720/1995 02-May-1995		4090587 12-Dec-1997	Registered 12-Dec-2017
FADAL	7662-3001/23 Korea, Republic of	16903/1995 28-Apr-1995		350431 21-Nov-1996	Registered 21-Nov-2016
FADAL	7662-3001/35 Korea, Republic of	43524/2007 16-Aug-2007	30-Jul-2008	767675 04-Nov-2008	Allowed 04-Nov-2018
FADAL	7662-3001/21 Mexico	230985 03-May-1995		494294 03-May-1995	Registered 03-May-2015
FADAL	7662-3001/5 Mexico	230984 03-May-1995		511430 03-May-1995	Registered 03-May-2015
FADAL	7662-3001/16 Spain	1963201/0 04-May-1995		1963201/0 06-Nov-1995	Registered 04-May-2015
FADAL	7662-3001/17 Spain	1963202/9 04-May-1995		1963202/9 06-Nov-1995	Registered 04-May-2015
FADAL	7662-3001/12 Switzerland	7247/1995.1 02-May-1995		429192 02-May-1995	Registered 02-May-2015

Trademark	Docket Number/Subcase Country Name	Application Number/Date	Publication Number/Date	Registration Number/Date	Status Next Renewal
FADAL	7662-3001/3 Taiwan	84027311 01-Jun-1995		725867 01-Sep-1996	Registered 31-Aug-2016
FADAL	7662-3001/2 Taiwan	84027312 01-Jun-1995		725697 01-Sep-1996	Registered 31-Aug-2016
FADAL	7662-3001/20 United Kingdom	2021251 28-Apr-1995		2021251 28-Apr-1995	Registered 28-Apr-2015
FADAL	7662-3001/1 United States of America	74697227 05-Jul-1995		1976751 28-May-1996	Registered 26-May-2016
FADAL	7662-3001/18 Venezuela	7868 06-Jun-1995		192459 31-Oct-1996	Registered 31-Oct-2016
FADAL	7662-3001/19 Venezuela	7867 06-Jun-1995		192458 31-Oct-1996	Registered 31-Oct-2016
FADAL (class 7)	7662-3001/38 Brazil	829440305 30-Oct-2007	22-Jan-2008	829440305 19-Jan-2010	Registered 19-Jan-2020
FADAL (stylized)	7662-3001/9 Brazil	818523450 05-Dec-1995		818523450 12-Aug-1997	Registered 11-Aug-2017

Trademark	Docket Number/Subcase Country Name	Application Number/Date	Publication Number/Date	Registration Number/Date	Status Next Renewal
FADAL (stylized)	7662-3001/15	818523441		818523441	Registered
	Brazil	05-Dec-1995		12-Aug-1997	11-Aug- 2017
FADAL (stylized)	7662-3002/1	73/022885		1616442	Registered
	United States of America	26-Jan-1990		09-Oct-1990	09-Oct- 2010
HYDROSWEEP	7662-3010/1	74/259838		1831896	Registered
	United States of America	27-Mar-1992		19-Apr-1994	19-Apr- 2014

[EXECUTION]

TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (this "Agreement"), dated August 3, 2010, is by and between FADAL MACHINING CENTERS, LLC, a Wisconsin limited liability company ("Debtor"), with its chief executive office at 20701 Plummer Street, Chatsworth, California 91311, and BURDALE CAPITAL FINANCE, INC., a Delaware corporation, in its capacity as agent pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders and as otherwise provided therein (in such capacity, "Agent"), having an office at 300 First Stamford Placc, Stamford Connecticut 06902.

WITNESSETH:

WHEREAS, Debtor has adopted, used and is using, and is the owner of the right, title, and interest in and to the trademarks, trade names, terms, designs and applications therefor described in Exhibit A hereto and made a part hereof;

WHEREAS, Agent and the parties to the Loan Agreement as lenders (individually, each a "Lender" and collectively, "Lenders") have entered or are about to enter into financing arrangements pursuant to which Lenders (or Agent on behalf of Lenders) may make loans and advances and provide other financial accommodations to Debtor as set forth in the Loan and Security Agreement, dated of even date herewith, by and among Agent, Lenders, Debtor and certain affiliates of Debtor (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and the Other Documents (as defined in the Loan Agreement); and

WHEREAS, in order to induce Agent and Lenders to enter into the Loan Agreement and the Other Documents and to make loans and advances and provide other financial accommodations to Debtor pursuant thereto, Debtor has agreed to grant to Agent certain collateral security as set forth herein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby agrees as follows:

1. Grant of Security Interest. As collateral security for the prompt performance, observance and payment in full of all of the Obligations (as defined in the Loan Agreement), Debtor hereby grants to Agent (for itself and on behalf of the Secured Parties) a continuing security interest in and a general lien upon the following (being collectively referred to herein as the "Collateral"): (a) all of Debtor's now existing or hereafter acquired right, title, and interest in and to: (i) all of Debtor's trademarks, tradenames, trade styles and service marks and all applications for registration, registrations and recordings relating to the foregoing as may at any time be filed in the United States Patent and Trademark Office, or in any similar office or agency in the United States of America, any State thereof or any political subdivision thereof, including, without limitation, the trademarks, terms, designs and applications described in Exhibit A hereto, together with all rights and privileges arising under applicable law with respect to Debtor's use

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of any trademarks, tradenames, trade styles and service marks, and all reissues, extensions, continuation and renewals thereof (all of the foregoing being collectively referred to herein as the "Trademarks"); and (ii) all prints and labels on which such trademarks, tradenames, trade styles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; (c) all present and future license and distribution agreements (subject to the rights of the licensors therein) pertaining to the Trademarks, (d) all income, fees, royalties and other payments at any time due or payable with respect thereto, including, without limitation, payments under all licenses at any time entered into in connection therewith; (e) the right to sue for past, present and future infringements thereof; and (f) any and all other proceeds of any of the foregoing, including, without limitation, all damages and payments or claims by Debtor against third parties for past or future infringement of the Trademarks.

Notwithstanding anything to the contrary contained in this Section 1, the Collateral shall not include (x) any Excluded Collateral or (y) any rights or interest in any contract, license or license agreement covering personal property of Debtor, so long as under the terms of such contract, license or license agreement, or applicable law with respect thereto, the grant of a security interest or lien therein to Agent, for itself and the benefit of the other Secured Parties, is prohibited and such prohibition has not been or is not waived or the consent of the other party to such contract, license or license agreement has not been or is not otherwise obtained; provided, that, the foregoing exclusion shall in no way be construed (i) to apply if any such prohibition is unenforceable under the Uniform Commercial Code or other applicable law or (ii) so as to limit, impair or otherwise affect Agent's unconditional continuing security interests in and liens upon any rights or interests of such Debtor in or to monies due or to become due under any such contract, license or license agreement.

2. Obligations Secured. The security interest, lien and other interests granted to Agent, for itself and the benefit of the other Secured Parties, pursuant to this Agreement shall secure the prompt performance, observance and payment in full of any and all of the Obligations.

3. Representations, Warranties and Covenants. Debtor hereby represents, warrants and covenants with and to Agent the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding):

(a) To Debtor's knowledge, all of the existing Trademarks are valid and subsisting in full force and effect, and Debtor owns the sole, full and clear title thereto, and the right and power to grant the security interest granted hereunder, except in each case where the failure to do so could not reasonably be expected to have a Material Adverse Effect. Debtor shall, at Debtor's expense, perform all acts and execute all documents necessary to maintain the existence of registered Trademarks including, without limitation, the filing of any renewal affidavits and applications, except in each case where the failure to do so could not reasonably be expected to have a Material Adverse Effect. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests or encumbrances of any nature whatsoever, except: (i) the security interests granted hereunder and pursuant to the Loan Agreement, (ii) the liens, claims, mortgages, assignments, licenses, security interests or encumbrances permitted under the

Loan Agreement or any Other Document, and (iii) the licenses permitted under Section 3(d) below.

(b) Debtor shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating to the Collateral, or otherwise dispose of any of the Collateral, in each case without the prior written consent of Agent, except as otherwise permitted herein or in the Loan Agreement. Nothing in this Agreement shall be deemed a consent by Agent or any other Secured Party to any such action, except as such action is expressly permitted hereunder.

(c) Debtor shall, at Debtor's expense, promptly perform all acts and execute all documents reasonably requested at any time by Agent to evidence, perfect, maintain, record or enforce the security interest in the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Agent to execute and file one or more financing statements (or similar documents) with respect to the Collateral, signed (if applicable) only by Agent or as otherwise determined by Agent. Debtor further authorizes Agent to have this Agreement or any other similar security agreement filed with the United States Commissioner of Patents and Trademarks or any other appropriate federal, state or government office.

(d) As of the Closing Date, to its knowledge Debtor does not have any Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States of America, any State thereof, or any political subdivision thereof, other than those described in Exhibit A hereto and has not granted any licenses with respect thereto other than as set forth in Exhibit B hereto.

(e) Debtor shall, concurrently with the execution and delivery of this Agreement, execute and deliver to Agent five (5) originals of a Special Power of Attorney in the form of Exhibit C annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Agent's exercise of the rights and remedies granted to Agent hereunder. Except for acts taken pursuant to the Agent's exercise of the rights and remedies granted to Agent hereunder, no act shall be taken by the Agent or its officers as Debtor's attorney pursuant to the Special Power of Attorney described in the preceding sentence.

(f) Agent may, in its reasonable discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by Agent to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral, or the security interest granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, reasonable attorneys' fees and legal expenses. Debtor shall be liable to Agent for any such payment, which payment shall be deemed an advance by Agent to Debtor, shall be payable on demand and shall be part of the Obligations secured hereby.

(g) Debtor shall notify Agent, simultaneously with the delivery of the financial statements referred to in Section 9.8 of the Loan Agreement, of the filing of any application during such period for the registration of a Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States of America, any State thereof or any political subdivision thereof. If, after the date hereof, Debtor shall (i) obtain any registered trademark or tradename, or apply for any such registration in the United States Patent

and Trademark Office or in any similar office or agency in the United States of America, any State thereof or any political subdivision thereof, or (ii) become the owner of any trademark registrations or applications for trademark registration used in the United States of America, or any State thereof or political subdivision thereof, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request of Agent, Debtor shall promptly execute and deliver to Agent any and all assignments, agreements, instruments, documents and such other papers as may be reasonably requested by Agent to evidence the security interest in such Trademark in favor of Agent.

(h) Debtor has not abandoned any of the Trademarks and Debtor will not do any act, nor omit to do any act, whereby the Trademarks may become abandoned, invalidated, unenforceable, avoided, or avoidable; provided, that, Debtor may abandon, cancel, not renew or otherwise not maintain a Trademark if (A)(i) such Trademark is no longer used or useful in the business of Debtor or any of its affiliates or subsidiaries, (ii) such Trademark is not otherwise material to the business of Debtor or any of its subsidiaries, or (iii) such Trademark has little or no value, and (B) no Event of Default shall have occurred and be continuing as of such time. Debtor shall notify Agent, simultaneously with the delivery of the financial statements referred to in Section 9.8 of the Loan Agreement, if it knows of any reason why any application, registration, or recording with respect to the Trademarks may become abandoned, canceled, invalidated, avoided, or avoidable.

(i) To Debtor's knowledge, except as could not reasonably be expected to have a Material Adverse Effect, (i) no material infringement or unauthorized use presently is being made of any of the Trademarks that would adversely affect in any material respect the fair market value of the Collateral or the benefits of this Agreement granted to Agent, including, without limitation, the validity, priority or perfection of the security interest granted herein or the remedies of Agent hereunder and (ii) there has been no judgment holding any of the Trademarks invalid or unenforceable, in whole or in part, nor is the validity or enforceability of any of the Trademarks presently being questioned in any litigation or proceeding to which Debtor is a party.

(j) Debtor assumes all responsibility and liability arising from the use of the Trademarks and Debtor hereby indemnifies and holds Agent and the other Secured Parties harmless from and against any claim, suit, loss, damage, or expense (including reasonable attorneys' fees and legal expenses) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Trademark or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof), unless arising from the gross (not mere) negligence or willful misconduct of Agent or any Secured Party, as determined pursuant to a final, non-appealable order of a court of competent jurisdiction. The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Loan Agreement.

(k) Debtor shall promptly pay Agent for any and all reasonable expenditures made by Agent pursuant to the provisions of this Agreement or for the defense, protection or enforcement of the Obligations, the Collateral, or the security interests granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and

reasonable attorneys' fees and legal expenses. Such expenditures shall be payable on demand and shall be part of the Obligations secured hereby.

4. Events of Default. The occurrence or existence of any Event of Default under the Loan Agreement is referred to herein individually as an "Event of Default", and collectively as "Events of Default".

5. Rights and Remedies. At any time an Event of Default has occurred and is continuing, in addition to all other rights and remedies of Agent or any of the other Secured Parties, whether provided under this Agreement, the Loan Agreement, the Other Documents, applicable law or otherwise, Agent shall have, subject to any licenses and other usage rights therein granted in favor of other Persons, the following rights and remedies which may be exercised without notice to, or consent by, Debtor except as such notice or consent is expressly provided for hereunder:

(a) Agent may require that neither Debtor nor any affiliate or subsidiary of Debtor make any use of the Trademarks or any marks similar thereto for any purpose whatsoever. Agent may make use of any Trademarks for the sale of goods, completion of work-in-process or rendering of services or otherwise in connection with enforcing any other security interest granted to Agent by Debtor or any subsidiary or affiliate of Debtor or for such other reason as Agent may determine.

(b) Agent may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Agent shall in its reasonable discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Agent may assign, sell or otherwise dispose of the Collateral or any part thereof, together with the goodwill of the business to which the Trademarks relate, either with or without special conditions or stipulations except that if notice to Debtor of intended disposition of Collateral is required by law, the giving of ten (10) days prior written notice to Debtor of any proposed disposition shall be deemed reasonable notice thereof and Debtor waives any other notice with respect thereto. Agent shall have the power to buy the Collateral or any part thereof, and Agent shall also have the power to execute assurances and perform all other acts which Agent may, in its discretion, deem appropriate or proper to complete such assignment, sale, or disposition. In any such event, Debtor shall be liable for any deficiency.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to the terms hereof, upon the occurrence and during the continuance of an Event of Default, Agent may at any time execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in Section 3(f) hereof, one or more instruments of assignment of the Trademarks (or any application for registration, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Debtor agrees to pay Agent on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and reasonable attorneys' fees and legal expenses. Debtor agrees that Agent and the other Secured Parties have no obligation to preserve rights to the Trademarks against any other parties.

(e) Agent may first apply the proceeds actually received from any such license, assignment, sale or other disposition of any of the Collateral to the costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel and other expenses which may be incurred by Agent. Thereafter, Agent shall apply any remaining proceeds to the Obligations in such order and manner as set forth in the Loan Agreement. Debtor shall remain liable to Agent and any of the other Secured Parties for any of the Obligations remaining unpaid after the application of such proceeds, and Debtor shall pay Agent on demand any such unpaid amount, together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement.

(f) Debtor shall supply to Agent or to Agent's designee, Debtor's knowledge and expertise relating to the manufacture, sale and distribution of the products and services bearing the Trademarks and Debtor's customer lists and other records relating to the Trademarks and the distribution thereof.

(g) Nothing contained herein shall be construed as requiring Agent or any other Secured Party to take any such action at any time. All of Agent's and the other Secured Parties' rights and remedies, whether provided under this Agreement, the Other Documents, applicable law, or otherwise, shall be cumulative and not exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently. No failure or delay on the part of Agent or any other Secured Party in exercising any of its options, powers or rights or partial or single exercise thereof, shall constitute a waiver of such option, power or right.

6. Jury Trial Waiver; Other Waivers and Consents; Governing Law.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York, applied to contracts to be performed wholly within the State of New York, without regard to conflicts of laws principles.

(b) The provisions of Section 12.3 and 16.1 of the Credit Agreement are hereby incorporated *mutatis mutandis* into this Pledge Agreement by reference.

7. Miscellaneous.

(a) All notices, requests and demands hereunder shall be in writing and deemed to have been given or made: if delivered in person, immediately upon delivery; if by facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next Business Day, one (1) Business Day after sending; and if by certified mail, return receipt requested, five (5) days after mailing. Notices delivered through electronic communications shall be effective to the extent set forth in Section 7(b) below. All notices, requests and demands upon the parties are to be given to the following addresses (or to such other address as any party may designate by notice in accordance with this Section):

If to Debtor:	Fadal Machining Centers, LLC c/o MAG Industrial Automation Systems, LLC 13900 Lakeside Circle Sterling Heights, Michigan 48313 Attention: Chief Financial Officer Telephone No: (586) 532-4022 Facsimile No.: (586) 532-4022
If to Agent:	Burdale Capital Finance, Inc., as Agent 300 First Stamford Place Stamford, Connecticut 06902 Attention: Account Manager- MAG Telephone No: 203-391-5940 Telecopy No.: 203-353-0152

(b) Notices and other communications to Agent hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by Agent or as otherwise determined by Agent. Unless Agent otherwise requires, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided, that, if such notice or other communication is not given during the normal business hours of the recipient, such notice shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communications is available and identifying the website address therefor.

(c) Capitalized terms used herein and not defined herein shall have the meanings specified in the Loan Agreement. All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Debtor, Agent, any Lender or any Secured Party pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof," "herein," "hereunder," "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. All references to the term "Person" or "Persons" herein shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock company, trust, joint venture or other entity or any government or any agency, instrumentality or political subdivision thereof.

(d) If any Collateral shall be sold, transferred or otherwise disposed of by Debtor in a transaction permitted by the Loan Agreement, then the security interest and Lien granted hereby in the Collateral disposed of shall be released by Agent, at the request and sole expense of such Debtor, and Agent shall promptly execute and deliver to such Debtor all releases and other documents, and take such action, reasonably requested by the Debtors for the release of the Liens on such Collateral. The Agent may release any of the Collateral or may substitute any of the Collateral for other Collateral without altering, varying or diminishing in any way the force, effect, lien, pledge or security interest of this Agreement as to any Collateral not expressly released or substituted, and this Agreement shall continue as a lien on all Collateral not expressly released or substituted.

(e) This Agreement, the Other Documents and any other document referred to herein or therein shall be binding upon Debtor and its successors and assigns and inure to the benefit of and be enforceable by Agent and its successors and assigns.

(f) If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

(g) Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of each of Debtor and Agent. Neither Agent nor any of the other Secured Parties shall, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of their respective rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Agent. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Agent of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Agent would otherwise have on any future occasion, whether similar in kind or otherwise.

(h) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Debtor and Agent have executed this Agreement as of the day and year first above written.

FADAL MACHINING CENTERS, LLC

By: [Signature]
Name: Elizabeth Sitterly
Title: Secretary

BURDALE CAPITAL FINANCE, INC., as Agent

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[Trademark Agreement - Fadal]

STATE OF Wisconsin)
COUNTY OF Fond du Lac) ss.:

On this 2nd day of August, 2010, before me personally came Elizabeth Sitherly, to me known, who being duly sworn, did depose and say, that he/she is the Secretary of FADAL MACHINING CENTERS, LLC, the limited liability company described in and which executed the foregoing instrument; and that he/she signed his/her name thereto by order of the Board of Managers of said limited liability company.

Loula M. McNamara
Notary Public

STATE OF _____)
COUNTY OF _____) ss.:

On this ___ day of August, 2010, before me personally came _____, to me known, who being duly sworn, did depose and say, that he/she is the _____ of Burdale Capital Finance, Inc., the entity described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

Notary Public

[Trademark Agreement - Fadal]

IN WITNESS WHEREOF, Debtor and Agent have executed this Agreement as of the day and year first above written.

FADAL MACHINING CENTERS, L.L.C.

By: _____

Name: _____

Title: _____

BURDALE CAPITAL FINANCE, INC., as Agent

By: Jason D. Schick

Name: Jason D. Schick

Title: Senior Vice President

By: Steven Sanicola

Name: Steven Sanicola

Title: Director

[Trademark Agreement - Fadal]

STATE OF _____)
) ss.:
COUNTY OF _____)

On this ___ day of August, 2010, before me personally came _____, to me known, who being duly sworn, did depose and say, that he/she is the _____ of FADAL MACHINING CENTERS, LLC, the limited liability company described in and which executed the foregoing instrument; and that he/she signed his/her name thereto by order of the Board of Managers of said limited liability company.

Notary Public

STATE OF Connecticut)
) ss.: Stamford
COUNTY OF Fairfield)

On this 21 day of August, 2010, before me personally came Sharon Budds, to me known, who being duly sworn, did depose and say, that he/she is the Secretary of Burdale Capital Finance, Inc., the entity described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

Sharon Budds
Notary Public

SHARON BUDDS
NOTARY PUBLIC
My Commission Expires 08/30/2014

[Trademark Agreement - fads]

TRADEMARK
REEL: 004257 FRAME: 0551

**EXHIBIT A
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

LIST OF TRADEMARKS AND TRADEMARK APPLICATIONS

[See attached]

**EXHIBIT B
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

LIST OF LICENSES

None.

STATE OF)
) ss.:
COUNTY OF)

On this __ day of August, 2010, before me personally came _____, to me known, who being duly sworn, did depose and say, that he/she is the _____ of FADAL MACHINING CENTERS, LLC, the limited liability company described in and which executed the foregoing instrument; and that he/she signed his/her name thereto by order of the Board of Managers of said limited liability company.

Notary Public