

TRADEMARK ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY INTEREST
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CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Fansteel Inc.		01/23/2004	CORPORATION: DELAWARE

RECEIVING PARTY DATA	
Name:	Congress Financial Corporation (Central)
Street Address:	150 South Wacker Drive, Suite 2200
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60606
Entity Type:	CORPORATION: ILLINOIS

PROPERTY NUMBERS Total: 9		
Property Type	Number	Word Mark
Registration Number:	2417215	FANSTEEL
Registration Number:	912897	RIGID-LOK
Registration Number:	2674362	FANSTEEL AMERICAN SINTERED TECHNOLOGIES
Registration Number:	2547019	FANSTEEL ESCAST
Registration Number:	2753672	FANSTEEL INTERCAST
Registration Number:	2727759	FANSTEEL INTERCAST
Registration Number:	2693928	FANSTEEL INTERCAST
Registration Number:	2538147	FANSTEEL WELLMAN DYNAMICS
Registration Number:	2538148	FANSTEEL WASHINGTON MANUFACTURING

CORRESPONDENCE DATA	
Fax Number:	(312)863-7442
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>
Phone:	312-201-3863
Email:	mary.schmidt@goldbergekohn.com
Correspondent Name:	Mary A. Schmidt
Address Line 1:	55 E. Monroe Street, Suite 3700

OP \$240.00 2417215

Address Line 4: Chicago, ILLINOIS 60603

ATTORNEY DOCKET NUMBER:

2563.128

NAME OF SUBMITTER:

Mary A. Schmidt

Total Attachments: 12

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PATENT, TRADEMARK AND LICENSE MORTGAGE

THIS PATENT, TRADEMARK AND LICENSE MORTGAGE (the "Mortgage") made as of this 23rd day of January, 2004, by Fansteel Inc., a Delaware corporation ("Mortgagor") in favor of Congress Financial Corporation (Central), with an office at 150 South Wacker Drive, Suite 2200, Chicago, Illinois 60606 ("Mortgagee"):

W I T N E S S E T H

WHEREAS, Mortgagor, together with its corporate subsidiary, as Borrowers, and Mortgagee, as Lender, are parties to a certain Loan and Security Agreement of even date herewith, as amended and supplemented (the "Loan Agreement") and other related loan documents of even date herewith (collectively, with the Loan Agreement, the "Financing Agreements"), which Financing Agreements provide (i) for Mortgagee to, from time to time, extend credit to or for the account of Borrowers and (ii) for the grant by Mortgagor to Mortgagee of a security interest in certain of Mortgagor's assets, including, without limitation, its patents, patent applications, trademarks, trademark applications, trade names, service marks, service mark applications, goodwill and licenses;

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

1. Incorporation of Financing Agreements. The Financing Agreements and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Financing Agreements.

2. Mortgage of Patents, Trademarks and Licenses. To secure the complete and timely satisfaction of all Obligations, Mortgagor hereby mortgages, and grants a security interest in, to Mortgagee, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale upon the occurrence of an Event of Default, to the extent permitted by law, in all of Mortgagor's right, title and interest in and to all of its now existing and hereafter created or acquired:

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Exhibit A attached hereto and hereby made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, damages and payments now and hereafter due or payable under or with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a)-(d) of this

subsection 2(i), are sometimes hereinafter referred to individually as a "Patent" and, collectively, as the "Patents");

(ii) trademarks, trademark registrations, trademark applications, trade names and tradestyles, service marks, service mark registrations, service mark applications and brand names, including, without limitation, the trademarks, service marks and applications and registrations thereof listed on Exhibit B attached hereto and hereby made a part hereof, and (a) renewals or extensions, thereof, (b) all income, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names, service marks and applications and registrations thereof, together with the items described in clauses (a)-(d) of this subsection 2(ii), are sometimes hereinafter referred individually as a "Trademark" and, collectively, as the "Trademarks");

(iii) license agreements (to the extent such license agreements may be assigned without violating the terms of any such license agreement) with respect to any of the Patents or the Trademarks or any other patent, trademark, service mark or any application or registration thereof or any other trade name or tradestyle between Mortgagor and any other party, whether Mortgagor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Exhibit C attached hereto and hereby made a part hereof (all of the foregoing license agreements and Mortgagor's rights thereunder are referred to collectively as the "Licenses"); and

(iv) the goodwill of Mortgagor's business connected with and symbolized by the Trademarks.

3. Warranties and Representations. Mortgagor warrants and represents to Mortgagee that:

(i) None of the Patents and Trademarks set forth on Exhibits A and B or, to the best of Mortgagor's knowledge, the Licenses set forth on Exhibit C, have been adjudged invalid or unenforceable nor has any such Patent, Trademark or, to the best of Mortgagor's knowledge, License been cancelled, in whole or in part and each such Patent, Trademark and License is presently subsisting;

(ii) To the best of Mortgagor's knowledge, the Patents, Trademarks and Licenses set forth on Exhibits A, B and C are valid and enforceable;

(iii) Mortgagor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Patent and Trademark (except for Licenses granted to third parties that are identified on the Exhibits

hereto), free and clear of any liens, charges and encumbrances, including without limitation licenses, shop rights and covenants by Mortgagor not to sue third persons;

(iv) Mortgagor has adopted, used and is currently using all of the Trademarks set forth on Exhibit B;

(v) Mortgagor has no written notice of any suits or actions commenced or threatened with reference to the Patents, Trademarks or Licenses; and

(vi) Mortgagor has the unqualified right to execute and deliver this Mortgage and perform its terms.

4. Restrictions on Future Agreements. Mortgagor agrees that until all Obligations shall have been satisfied in full and the Financing Agreements shall have been terminated, Mortgagor shall not, without the prior written consent of Mortgagee, sell or assign its interest in, or grant any license or sublicense under, the Patents, Trademarks or Licenses, or enter into any other agreement with respect to the Patents, Trademarks or Licenses, and Mortgagor further agrees that, except in the ordinary course of business and where necessary or desirable in the good faith judgment of Mortgagor, it shall not take any action or permit any action to be taken by others subject to its control, including licensees, or fail to take any action which would affect the validity or enforcement of the rights transferred to Mortgagee under this Mortgage.

5. New Patents, Trademarks, and Licenses. Mortgagor represents and warrants that the Patents, Trademarks and Licenses listed on Exhibits A, B and C, respectively, constitute all of the issued patents and patent applications, registered trademarks and trademark applications, and material Licenses now owned by Mortgagor. If, before all Obligations shall have been satisfied in full or before the Financing Agreements have been terminated, Mortgagor shall (i) become aware of any existing issued patents and patent applications, registered trademarks and trademark applications, or material Licenses of which Mortgagor has not previously informed Mortgagee, (ii) obtain rights to any new patentable inventions, patents, trademarks or licenses, or (iii) become entitled to the benefit of any patents, trademarks or licenses which benefit is not in existence on the date hereof, the provisions of this Mortgage above shall automatically apply thereto and Mortgagor shall give to Mortgagee prompt written notice thereof. Mortgagor hereby authorizes Mortgagee to modify this Mortgage by amending Exhibits A, B and C, as applicable, to include any such Patents, Trademarks and Licenses.

6. Royalties; Terms. The term of the mortgages granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, Trademarks and Licenses assigned hereunder, and (ii) the payment in full of all Obligations and the termination of the Financing Agreements. Mortgagor agrees that upon the occurrence of an Event of Default, the use by Mortgagee of all Patents, Trademarks and Licenses shall be

worldwide, except as limited by their terms, and without any liability for royalties or other related charges from Mortgagee to Mortgagor.

7. Product Quality. Mortgagor agrees (i) to maintain the quality of any and all products in connection with which the registered Trademarks are used, consistent with commercially reasonable business practices, and (ii) to provide Mortgagee, upon Mortgagee's request from time to time, with a certificate of an officer of Mortgagor certifying Mortgagor's compliance with the foregoing. Upon the occurrence of an Event of Default, Mortgagor agrees that Mortgagee, or a conservator appointed by Mortgagee, shall have the right to establish such additional product quality controls as Mortgagee, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Mortgagor under the Trademarks.

8. Release of Mortgage. This Mortgage is made for collateral purposes only. Upon payment in full of all Obligations and termination of the Financing Agreements, Mortgagee shall execute and deliver to Mortgagor all deeds, releases, assignments and other instruments, and shall take such other actions, as may be necessary or proper to re-vest in Mortgagor full title to the Patents, Trademarks and Licenses, subject to any disposition thereof which may have been made by Mortgagee pursuant to the Financing Agreements.

9. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Mortgagor. All fees, costs and expenses, of whatever kind or nature, including attorneys' fees and legal expenses, incurred by Mortgagee 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, counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Patents, Trademarks and Licenses, or in defending or prosecuting any actions or proceedings arising out of or related to the Patents, Trademarks and Licenses, shall be borne by and paid by Mortgagor and shall be charged against the Obligations.

10. Duties of Mortgagor. Except to the extent Mortgagor determines otherwise in its good faith business judgment, including without limitation decisions to allow the Patents and Trademarks to go abandoned or be cancelled as determined by Mortgagor to be in the best business interests of Mortgagor, Mortgagor shall have the duty (i) to file and prosecute diligently any patent, trademark or service mark applications pending as of the date hereof or hereafter until all Obligations shall have been paid in full and the Financing Agreements have been terminated, (ii) to make application on material unpatented but patentable inventions and on material trademarks and material service marks, as commercially reasonable, (iii) to preserve and maintain all rights in the registered or otherwise material Patents, registered or otherwise material Trademarks and material Licenses, as commercially reasonable and (iv) to ensure that the Patents, Trademarks and Licenses are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with Mortgagor's obligations under this Section 10 shall be borne by Mortgagor.

11. Mortgagee's Right to Sue. After an Event of Default, Mortgagee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the

Patents, Trademarks and Licenses, and, if Mortgagee shall commence any such suit, Mortgagor shall, at the request of Mortgagee, do any and all lawful acts and execute any and all proper documents required by Mortgagee in aid of such enforcement and Mortgagor shall promptly, upon demand, reimburse and indemnify Mortgagee for all costs and expenses incurred by Mortgagee in the exercise of its rights under this Section 11.

12. Waivers. No course of dealing between Mortgagor and Mortgagee, nor any failure to exercise, nor any delay in exercising, on the part of Mortgagee, any right, power or privilege hereunder or under the Financing Agreements shall operate as a waiver thereof; nor shall 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.

13. Severability. The provisions of this Mortgage are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Mortgage in any jurisdiction.

14. Modification. This Mortgage cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Mortgagee's rights and remedies with respect to the Patents, Trademarks and Licenses, whether established hereby or by the Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Mortgagor hereby authorizes Mortgagee upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Mortgagee as Mortgagee may select, in its sole discretion, as Mortgagor's true and lawful attorney-in-fact, with power to (i) endorse Mortgagor's name on all applications, documents, papers and instruments necessary or desirable for Mortgagee in the use of the Patents, Trademarks and Licenses, or (ii) take any other actions with respect to the Patents, Trademarks and Licenses as Mortgagee deems to be in the best interest of Mortgagee, or (iii) grant or issue any exclusive or non-exclusive license under the Patents, Trademarks or Licenses to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks or Licenses to anyone. Mortgagor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all Obligations shall have been paid in full and the Financing Agreements, have been terminated. Mortgagor acknowledges and agrees that this Mortgage is not intended to limit or restrict in any way the rights and remedies of Mortgagee under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Mortgagee shall have, in addition to all other rights and remedies given it by the terms of this Mortgage and the Financing Agreements, 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.

16. Binding Effect; Benefits. This Mortgage shall be binding upon Mortgagor and its respective successors and assigns, and shall inure to the benefit of Mortgagee, its successors, nominees and assigns.

17. Governing Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois.

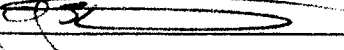
18. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

19. Further Assurances. Mortgagor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Mortgagee shall reasonably request from time to time in order to carry out the purpose of this Mortgage and agreements set forth herein.

20. Survival of Representations. All representations and warranties of Mortgagor contained in this Mortgage shall survive the execution and delivery of this Mortgage and shall be remade on the date of each borrowing under the Financing Agreements.

IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage in favor of Congress Financial Corporation (Central) as of the date first written above.

FANSTEEL INC.

By 
Its _____

[Signature Page to Intellectual Property Mortgage]

TRADEMARK
REEL: 002782 FRAME: 0710

THIS INSTRUMENT PREPARED BY
AND AFTER FILING RETURN TO:

Ms. Mary Schmidt
Goldberg, Kohn, Bell, Black,
Rosenbloom & Moritz, Ltd.
55 East Monroe Street
Suite 3700
Chicago, Illinois 60603
(312) 201-4000

EXHIBIT A**PATENTS**

<u>Patents</u>	<u>Owner</u>	<u>Country</u>	<u>PATENT #</u>
Process for Recovering Tantalum and/or Niobium Compounds from Composites Containing a Variety of Metal Compounds	Fansteel, Inc.	United States	5,787,332
Process for Recovering Tantalum and/or Niobium Compounds from Composites Containing a Variety of Metal Compounds	Fansteel, Inc.	Brazil	97/04889
Process for Recovering Tantalum and/or Niobium Compounds from Composites Containing a Variety of Metal Compounds	Fansteel, Inc.	Canada	2212714
Process for Recovering Tantalum and/or Niobium Compounds from Composites Containing a Variety of Metal Compounds	Fansteel, Inc.	EPO	97116097. 3
Process for Recovering Tantalum and/or Niobium Compounds from Composites Containing a Variety of Metal Compounds	Fansteel, Inc.	Japan	9-260152
Process for Recovering Tantalum and/or Niobium Compounds from Composites Containing a Variety of Metal Compounds	Fansteel, Inc.	Thlan	039799

EXHIBIT B**TRADEMARKS**

<u>Trademark</u>	<u>Owner</u>	<u>Status</u>	<u>Country</u>	<u>Appln #</u>	<u>Appl. Date</u>	<u>Registration #</u>
FANSTEEL	Fansteel, Inc.	Registered	United States	75/777,674	8/16/99	2,417,215
FANSTEEL	Fansteel, Inc.	Registered	France		5/13/87	1434281
FANSTEEL	Fansteel, Inc.	Registered	Italy		6/8/82	487148
FANSTEEL	Fansteel, Inc.	Registered	Japan	58-57038		2673157
FANSTEEL	Fansteel, Inc.	Registered	Mexico		4/20/77	276029
FANSTEEL	Fansteel, Inc.	Registered	Switzerland		5/6/86	347593
RIGID-LOCK	Fansteel, Inc.	Registered	United States	319298	2/17/69	912897
TANTOLOY	Fansteel, Inc.	Registered	United Kingdom			B1128619
FANSTEEL AMERICAN SINTERED TECHNOLOGIES	Fansteel, Inc.	Registered	United States	76/318,052	9/20/01	2,674,362
FANSTEEL ESCAST	Fansteel, Inc.	Registered	United States	76/230,819	3/27/01	2,547,019
FANSTEEL INTERCAST	Fansteel, Inc.	Registered	United States	76/149,915	10/19/00	2,753,672
FANSTEEL INTERCAST (color logo)	Fansteel, Inc.	Registered	United States	76/193,616	1/5/91	2,727,759
FANSTEEL INTERCAST (black and white logo)	Fansteel, Inc.	Registered	United States	76/190,366	1/16/01	2,693,928
FANSTEEL INTERCAST	Fansteel, Inc.	Pending	Canada	1,094,009	2/23/01	
FANSTEEL INTERCAST and Design	Fansteel, Inc.	Pending	Canada	1,104,467	1/5/01	
FANSTEEL	Fansteel, Inc.	Pending	Mexico	479331	4/4/01	

INTERCAST	Inc.					
FANSTEEL INTERCAST and Design	Fansteel, Inc.	Pending	Mexico	489193	1/5/01	
FANSTEEL WELLMAN DYNAMICS	Fansteel, Inc.	Registered	United States	76/230,723	3/27/01	2,538,147
FANSTEEL WASHINGTON MANUFACTURING	Fansteel, Inc.	Registered	United States	76/230,724	3/27/01	2,538,148

EXHIBIT C

LICENSE AGREEMENTS

None