

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Comtronic Systems, LLC		01/31/2005	COMPANY: WASHINGTON
RECEIVING PARTY DATA			
Name:	Ontario Systems, LLC		
Street Address:	1150 West Kilgore Avenue		
City:	Muncie		
State/Country:	INDIANA		
Postal Code:	47305		
Entity Type:	COMPANY: DELAWARE		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	1600616	DEBTMASTER	
Registration Number:	1612785	COMTRONIC	
CORRESPONDENCE DATA			
Fax Number:	(317)237-1000		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	3172370300		
Email:	amie.carter@bakerd.com		
Correspondent Name:	Baker & Daniels		
Address Line 1:	300 North Meridian Street, Suite 2700		
Address Line 4:	Indianapolis, INDIANA 46204		
NAME OF SUBMITTER:	Amie Peele Carter		
Signature:	/Amie Peele Carter/		
Date:	02/10/2005		

Total Attachments: 9

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement") is made effective as of January 31, 2005, by and between Comtronic Systems, LLC ("Grantor") and Ontario Systems, LLC ("Secured Party").

In consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Secured Party agree as follows:

RECITALS:

A. Grantor and Secured Party are parties to that certain Asset Purchase Agreement of even date herewith (as the same may hereafter be modified, amended, restated or supplemented from time to time, the "APA"), pursuant to which Secured Party agreed to sell certain of its assets relating to its Comtronic division to Grantor;

B. Grantor executed that certain Promissory Note (the "Note") dated as of even date herewith in the original principal amount of \$783,000 to the order of Secured Party, which Note was given by Grantor as partial payment of the purchase price of the Assets; and

C. The Secured Party has required Grantor to execute and deliver this Agreement in order to secure the prompt and complete payment, observance and performance of all of the obligations of Grantor under the Note (the "Note Obligations");

1. Security Interest in Collateral. To secure the complete and timely payment, performance and satisfaction of all of the (i) Note Obligations and (ii) the obligations of Grantor under this Agreement (collectively, the "Obligations") Grantor hereby grants to the Secured Party a security interest in all of the following property of Grantor whether now owned and existing or hereafter acquired or arising:

(a) all the trade names and trademarks and the corresponding registrations, if applicable (collectively, "Marks"), along with goodwill of the business in which the marks are used;

(b) all copyrightable works, including, but not limited to, software, and any corresponding registration and associated "moral" rights (collectively, "Copyrightable Works");

The Marks and Copyrightable Works are hereinafter referred to collectively as the "Collateral".

2. Collateral.

(a) Grantor represents and warrants that Schedule A is a complete and accurate list and summary description of all Marks now owned or held by Grantor.

(b) Grantor represents and warrants that Schedule B is a complete and accurate list and summary description of all of the registered and unregistered Copyrightable Works now owned or held by Grantor related to the DEBTMASTER software.

(c) If, prior to the termination of this Agreement, Grantor shall: (i) obtain rights to any new Marks or Copyrightable Works, or (ii) become entitled to the benefit of any Marks or Copyrightable Works, or (iii) enter into any new agreements with respect to any new Mark or Copyrightable Work, the provisions of paragraph 1 above shall automatically apply thereto. Grantor shall give to the Secured Party prompt written notice of events described in clauses (i), (ii) and (iii) of the preceding sentence after the occurrence thereof.

(d) To the extent permitted by law, Grantor hereby authorizes Secured Party to file financing statements and continuation statements to perfect Secured Party's security interest in the Collateral.

(e) Grantor agrees that it will, at its expense, execute and deliver to Secured Party any documents Secured Party determines are reasonably necessary to create, perfect or preserve a lien upon, security interest in, or collateral assignment of the Collateral that is valid against subsequent purchasers, lienholders, secured parties, or assignees.

3. Restrictions on Future Agreements/Quality of Products. Grantor will not, without the Secured Party's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Grantor further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any respect affect the validity or enforcement of the rights transferred to the Secured Party under this Agreement or the rights associated with the Collateral.

4. Royalties. Grantor hereby agrees that the use by the Secured Party of the Collateral as authorized hereunder in connection with the Secured Party's exercise of its rights and remedies under paragraph 12 shall be coextensive with Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Secured Party to Grantor.

5. Duties of Grantor. Grantor shall have the duty, to the extent desirable in the normal conduct of Grantor's business, to prosecute diligently any trademark application or service mark application that is part of the Marks pending as of the date hereof or hereafter until the termination of this Agreement. Grantor further agrees to use its best efforts to maintain in full force and effect registrations for and rights in the Marks, and rights in the Copyrightable Works that are or shall be necessary or economically desirable in the operation of Grantor's business. Any expenses incurred in connection with the foregoing shall be borne by Grantor. The Secured Party shall not have any duty with respect to the Collateral. Without limiting the generality of the foregoing, the Secured Party shall not be under any obligation to take any steps necessary to preserve rights in the Collateral against any other parties, but the Secured Party may do so at its option from and after the occurrence of an Event of Default (as defined below), and all expenses incurred in connection therewith shall be for the sole account of Grantor and shall be added to the Obligations secured hereby.

6. No Further Assignments. Grantor agrees (i) not to sell or assign its respective interests in the Collateral, or grant any license under the Marks or Copyrightable Works (except licenses granted to customers in the ordinary course of Grantor's business) without the prior and express written consent of the Secured Party, (ii) to maintain the quality of goods and services associated with the Marks at a level sufficient to preserve rights in any applicable Marks, and (iii) not to change the quality of such goods and services in any material respect without the Secured Party's prior and express written consent.

7. Nature and Continuation of the Secured Party's Security Interest; Termination of

the Secured Party's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Collateral and shall terminate only when the Obligations have been paid or otherwise met in full. When this Agreement has terminated, the Secured Party shall promptly execute and deliver to Grantor, at Grantor's expense, all termination statements and other instruments as may be necessary or proper to terminate the Secured Party's security interest in the Collateral, subject to any disposition thereof which may have been made by the Secured Party pursuant to this Agreement.

8. Right to Inspect. The Secured Party may at all reasonable times (and at any time when an Event of Default) have access to, examine, audit, make copies (at Grantor's expense) and extracts from and inspect Grantor's premises and examine Grantor's books, records and operations relating to the Collateral; provided, that in conducting such inspections and examinations, the Secured Party shall use reasonable efforts not to disturb unnecessarily the conduct of Grantor's ordinary business operations.

9. The Secured Party's Right to Sue. From and after the occurrence of an Event of Default, the Secured Party shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Marks and the Copyrightable Works and, if the Secured Party shall commence any such suit, Grantor shall, at the request of the Secured Party, do any and all lawful acts and execute any and all proper documents required by the Secured Party in aid of such enforcement. Grantor shall, upon demand, promptly reimburse the Secured Party for all costs and expenses incurred by the Secured Party in the exercise of its rights under this paragraph 9 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for the Secured Party).

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

- (a) Any breach or default by Grantor of any term or provision of this Agreement or the Note.
- (b) Failure by Debtor to pay any of the Note Obligations as they become due.

11. Waivers. The Secured Party's failure, at any time or times hereafter, to require strict performance by Grantor of any provision of this Agreement shall not waive, affect or diminish any right of the Secured Party thereafter to demand strict compliance and performance therewith nor shall any course of dealing between Grantor and the Secured Party have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of Grantor contained in this Agreement shall be deemed to have been suspended or waived by the Secured Party unless such suspension or waiver is in writing signed by an officer of the Secured Party and directed to Grantor specifying such suspension or waiver.

12. Cumulative Remedies: Power of Attorney. Grantor hereby designates, constitutes and appoints the Secured Party (and all Persons designated by the Secured Party in its sole and absolute discretion) as Grantor's true and lawful attorney-in-fact, and authorizes the Secured Party and any of the Secured Party's designees, in Grantor's or the Secured Party's name, to take any action and execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, from and after the occurrence and during the continuance of an Event of Default and the giving by the Secured Party of notice to Grantor of the Secured Party's intention to enforce its rights and claims against Grantor, to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for the Secured Party in the use

of the Marks or Copyrightable Works, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone on commercially reasonable terms, (iii) grant or issue any exclusive or nonexclusive license under the Marks or Copyrightable Works to anyone on commercially reasonable terms, and (iv) take any other actions with respect to the Collateral as the Secured Party deems in its own best interest. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the Obligations shall have been paid in full in cash or otherwise met. The Secured Party shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code. Upon the occurrence of an Event of Default and the election by the Secured Party to exercise any of its remedies under Section 9.1-610 or Section 9.1-620 of the Uniform Commercial Code with respect to the Collateral, Grantor agrees to assign, convey and otherwise transfer title in and to the Collateral to the Secured Party or any transferee of the Secured Party and to execute and deliver to the Secured Party or any such transferee all such agreements, documents and instruments as may be necessary, in the Secured Party's sole discretion, to effect such assignment, conveyance and transfer. All of the Secured Party's rights and remedies with respect to the Collateral, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence of an Event of Default, the Secured Party may exercise any of the rights and remedies provided in this Agreement.

13. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Agreement 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 hereof, 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 Agreement in any jurisdiction.

14. Modification. This Agreement cannot be altered, amended or modified in any way, except by a writing signed by the parties hereto.

15. Successors and Assigns. This Agreement shall be binding upon Grantor and its successors and assigns. Grantor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Grantor; provided, however, that Grantor shall not voluntarily assign or transfer its rights or obligations hereunder without the Secured Party's prior written consent.

16. Governing Law. This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the internal laws (as opposed to conflict of laws provisions) and decisions of the State of Indiana, except that disputes concerning trademark, copyright or patent issues shall be decided under federal law.

17. Notices. All notices or other communications hereunder shall be given as follows:

If to Grantor: Comtronic Systems, LLC
205 North Harris Avenue
Cle Elum, Washington 98922
Attention: Jeffrey A. Dantzler, President
Fax: (509)674-3695

If to Secured Party: Ontario Systems, LLC
1150 West Kilgore Avenue

Muncie, Indiana 47305
Attention: Donald J. Engel, Vice President and General Counsel
Fax: (765)751-7098

18. Section Titles. The section titles herein are for convenience of reference only and shall not affect in any way the interpretation of any of the provisions hereof.

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

20. Merger. This Agreement (along with the documents referred to in this Agreement) represents the final agreement of the Grantor with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between the Grantor and the Secured Party.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement as of the day and year first above written.

COMTRONIC SYSTEMS, LLC

By: *J. A. D.*
Printed: JEFFREY A. DANIELSON
Title: PRESIDENT

ONTARIO SYSTEMS, LLC

By: _____
Printed: _____
Title: _____

ACKNOWLEDGMENT

STATE OF Washington)
) SS:
COUNTY OF Kittitas)

Before me, a Notary Public in and for the State of Washington, personally appeared Jeffrey A. Denteler, the President of Comtronic Systems, LLC 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 31st day of January, 2005.

Sena L. Lanphere
Notary Public
Sena L. Lanphere
Printed

I am a resident of
Kittitas County, Washington

My commission expires:
8-9-06

Schedule A
to
Security Agreement

Dated as of January 31, 2005

Trademarks

Trade name and trademark (unregistered): COMTRONIC

Trade name and trademark (unregistered): COMTRONIC SYSTEMS

Trade name Comtronic Systems, Inc.

Trademark: DEBTMASTER, Trademark Registration Number 1,600,616
12-2010

Next Renewal Due: 06-

Trademark: COMTRONIC, Trademark Registration Number 1,612,785
09-11-2010

Next Renewal Due:

Schedule B
to
Security Agreement

Dated as of January 31, 2005

Copyrightable Works

DEBTMASTER Version 6.12, Registered 10-11-01, Registration Number: TX 5-450-671

All updates to Version 6.12 and later, which are not registered.

All versions between the first release of DEBTMASTER Version 1.0 to current DEBTMASTER version 7.2, which are not registered.

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