

11-08-1999



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MRD
11-4-99

RECORDATION FORM COVER SHEET PATENTS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

New

Resubmission (Non-Recordation)
Document ID#

Correction of PTO Error
Reel # Frame #

Corrective Document
Reel # Frame #

Conveyance Type

Assignment Security Agreement

License Change of Name

Merger Other

U.S. Government
(For Use ONLY by U.S. Government Agencies)

Departmental File Secret File

Conveying Party(ies)

Mark if additional names of conveying parties attached

Name (line 1) Execution Date
Month Day Year
9 23 99

Name (line 2)

Second Party

Name (line 1)

Name (line 2)

Execution Date
Month Day Year

Receiving Party

Mark if additional names of receiving parties attached

Name (line 1)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

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FOR OFFICE USE ONLY

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Spondent Name and Address Area Code and Telephone Number

Name

SS (line 1)

SS (line 2)

SS (line 3)

SS (line 4)

S Enter the total number of pages of the attached conveyance document including any attachments. #

ication Number(s) or Patent Number(s) Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)			Patent Number(s)		
<input type="text" value="09/188443"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="5775608"/>	<input type="text" value="5251825"/>	<input type="text" value="4321027"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="4,294,414"/>	<input type="text" value="4,280,626"/>	<input type="text" value="5,195,685"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="4,932,595"/>	<input type="text" value="4,889,290"/>	<input type="text" value="4,809,915"/>

document is being filed together with a new Patent Application, enter the date the patent application was filed by the first named executing inventor. Month Day Year

nt Cooperation Treaty (PCT)
Enter PCT application number PCT PCT PCT
only if a U.S. Application Number has not been assigned. PCT PCT PCT

ber of Properties Enter the total number of properties involved. #

Amount Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes No

ement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Trisha Neal

Name of Person Signing

Trisha Neal
Signature

10-29-99

Date

RECORDATION FORM COVER SHEET
CONTINUATION
PATENTS ONLY

Conveying Party(ies)

Mark if additional names of conveying parties attached

Enter additional Conveying Parties

Name (line 1)		Execution Date Month Day Year
Name (line 2)		
Name (line 1)		Execution Date Month Day Year
Name (line 2)		
Name (line 1)		Execution Date Month Day Year
Name (line 2)		

Receiving Party(ies)

Mark if additional names of receiving parties attached

Enter additional Receiving Party(ies)

Name (line 1)		<input type="checkbox"/> If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)	
Name (line 2)			
Address (line 1)			
Address (line 2)			
Address (line 3)	City	State/Country	Zip Code
Name (line 1)		<input type="checkbox"/> If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)	
Name (line 2)			
Address (line 1)			
Address (line 2)			
Address (line 3)	City	State/Country	Zip Code

Application Number(s) or Patent Number(s)

Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)			Patent Number(s)		
			4,377,261	4,206,882	4,112,039
			4,061,282	4,028,779	

PATENT MORTGAGE

THIS PATENT MORTGAGE (the "Mortgage") made as of this 23rd day of September, 1999, by CUMBERLAND ACQUISITION CORPORATION, a Delaware corporation ("Mortgagor") in favor of FLEET CAPITAL CORPORATION, a Rhode Island corporation, as agent ("Mortgagee").

WITNESSETH:

WHEREAS, Mortgagee, certain financial institutions which are or may become parties thereto as lenders ("Lenders"), Mortgagor and such other Borrowers which are now or hereafter become parties thereto are parties to a certain Loan and Security Agreement of even date herewith (as the same may be amended or otherwise modified from time to time, the "Loan Agreement") and other related loan documents of even date herewith (collectively, with the Loan Agreement, and as each may be amended or otherwise modified from time to time, the "Financing Agreements"), which Financing Agreements provide, among other things, (i) for Mortgagee and Lenders to, from time to time, extend credit to or for the account of Mortgagor and (ii) for the grant by Mortgagor to Mortgagee, of a security interest in substantially all of Mortgagor's assets, including, without limitation, its patents and patent applications;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the 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. To secure the complete and timely payment and satisfaction of the Obligations, Mortgagor hereby grants to Mortgagee, for its own benefit and the benefit of the Lenders, and hereby reaffirms its prior grant pursuant to the Financing Agreements of, a continuing security interest in Mortgagor's right, title and interest in and to all of its now owned or existing and hereafter created or acquired 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 Section 2,

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

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

(i) No Patents have been adjudged invalid or unenforceable by a court of competent jurisdiction nor, except as noted on Exhibit A, has any Patent been cancelled, in whole or in part, or has expired, and each Patent is presently subsisting;

(ii) Each of the Patents is valid and enforceable;

(iii) Mortgagor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, 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 no notice of any suits or actions commenced or threatened with reference to any Patent; and

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

4. Restrictions on Future Agreements. Mortgagor agrees that until the Obligations shall have been satisfied in full and the Financing Agreements shall have been terminated, Mortgagor shall not sell or assign its interest in, or grant any license under (other than licenses granted in the ordinary course of Mortgagor's business), the Patents, or enter into any other agreement with respect to the Patents which is inconsistent with the Obligations under this Mortgage, without the prior written consent of Mortgagee, and Mortgagor further agrees that 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. Mortgagor represents and warrants that, based on a diligent investigation by Mortgagor, the Patents listed on Exhibit A constitutes all of the Patents now owned by Mortgagor. If, before the Obligations shall have been satisfied in full or before the Financing Agreements have been terminated, Mortgagor shall (i) obtain rights to any new patentable inventions, Patents, or (ii) become entitled to the benefit of any Patents or any improvement on any Patent, 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 Exhibit A to include any such Patents.

6. Royalties; Term. The term of the mortgages granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents assigned hereunder, and (ii) the Obligations have been paid in full and the Financing Agreements have been terminated. Upon the occurrence of an Event of Default, Mortgagor agrees that the use by Mortgagee of all Patents shall be worldwide and without any liability for royalties or other related charges from Mortgagee to Mortgagor.

7. Release of Mortgage. This Mortgage is made for collateral purposes only. Upon payment in full of the Obligations and termination of the Financing Agreements, Mortgagee shall take such actions, as may be necessary or proper to terminate the security interests created hereby and pursuant to the Financing Agreements.

8. 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 reasonable 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, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Patents or in defending or prosecuting any actions or proceedings arising out of or related to the Patents shall be borne by and paid by Mortgagor and shall be charged against the Obligations.

9. Duties of Mortgagor. Mortgagor shall have the duty (i) to prosecute diligently, as commercially reasonable, any patent applications pending as of the date hereof or hereafter until the Obligations shall have been paid in full and the Financing Agreements have been terminated, (ii) to make application on unpatented but patentable inventions, as commercially reasonable, (iii) to preserve and maintain all rights in the Patents, as commercially reasonable, and (iv) to ensure that the Patents are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with Mortgagor's obligations under this Section 9 shall be borne by Mortgagor.

10. Mortgagee's Right to Sue. During the continuance of 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, 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 10.

11. Waivers. No course of dealing between or among Mortgagor and Mortgagee or any Lender, 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.

12. 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.

13. 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.

14. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Mortgagee's rights and remedies with respect to the Patents, 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, or (ii) take any other actions with respect to the Patents as Mortgagee deems to be in its best interest, or (iii) grant or issue any exclusive or non-exclusive license under the Patents to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents 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 the 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.

15. 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.

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

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

18. 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.

19. 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 with respect to each new Patent added to Schedule A hereto on the effective date of such addition.

IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage in favor of Mortgagee as of the date first written above.

CUMBERLAND ACQUISITION CORPORATION

By Michael Santoni
Michael Santoni, Vice President

AGREED AND ACCEPTED
as of the Date First Written Above

FLEET CAPITAL CORPORATION,
as Agent

By Kevin Sullivan
Its Vice President

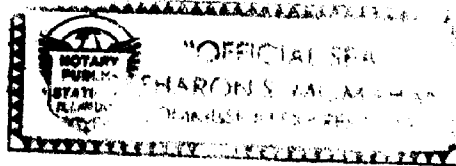
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The foregoing Patent Mortgage was executed and acknowledged before me this 23rd day of September, 1999, by Michael Santoni, personally known to me to be the Vice President of Cumberland Acquisition Corporation, a Delaware corporation, on behalf of such corporation.

 Steven A. McHale
Notary Public

My Commission expires:

 11/13/02



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The foregoing Patent Mortgage was executed and acknowledged before me this 23rd day of September, 1999, by Kevin Sullivan, personally known to me to be the Vice President of Fleet Capital Corporation, a Rhode Island corporation, on behalf of such corporation.

Sharon S. McMahon
Notary Public

My Commission expires:

11/13/02



AFTER FILING RETURN THIS INSTRUMENT TO:

Karen Ruth Bieber, Esq.
Goldberg, Kohn, Bell, Black,
Rosenbloom & Moritz, Ltd.
Suite 3700
55 East Monroe
Chicago, Illinois 60603

EXHIBIT A**Patents**

<u>Patent Number</u>	<u>Issue Date</u>	<u>Application Number</u>	<u>Filing Date</u>	<u>Title</u>
5775608	7/7/98	835,237	4/7/97	Reversible Granulator
5251825	10/12/93	963,137	10/19/92	Method and Apparatus for Comminuting and Decontaminating Waste Material
4321027	3/23/82	49,573	6/18/79	Under the Press Granulator Construction
4,294,414	10/13/81	112,075	1/14/80	Feed Roll Device for Sheet Granulator
4,280,626	7/28/81	82,065	10/5/79	Product Separation and Granulation System
5,195,685 (expired)	3/23/93	772,280	10/7/91	Granulator for Waste Material
4,932,595 (expired)	6/12/90	313,509	2/22/89	Size Reduction System for Plastic Articles
4,889,290	12/26/89	316,088	2/27/89	Waste Disposal Apparatus (expired)
4,809,915	3/7/89	165,145	3/7/88	Waste Disposal Apparatus (expired)
4,377,261 (expired)	3/22/83	236,894	2/23/81	Granulator and Improved Feed Means Therefor
4,206,882 (expired)	6/10/80	947,772	10/2/78	Granulator Blade Construction
4,112,039 (expired)	9/5/78	727,155	9/27/76	Pelletizing Process
4,061,282 (expired)	12/6/77	744,179	11/22/76	Easy Access-Low Noise Granulator
4,028,779 (expired)	6/14/77	641,827	12/17/75	Film Granulator

EXHIBIT A

U.S. PATENT APPLICATIONS

<u>Patent Number</u>	<u>Issue Date</u>	<u>Application Number</u>	<u>Filing Date</u>	<u>Title</u>
		09/188443	11/9/98	Method of Manufacturing Wear Resistant Cutting Knives and Granulator Knife Producing Thereby