

11/12/02

11-12-2002

Form PTO-1595
(Rev. 10/02)

R

OMB No. 0651-0027 (exp. 6/30/2005)

Tab settings ⇌ ⇌ ⇌ ▼ ▼ ▼ ▼ ▼ ▼ ▼



102278499

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Hamilton Precision Metals of Delaware, Inc.
1780 Rohrerstown Road
Lancaster, PA 17601Additional name(s) of conveying party(ies) attached? ☐ Yes ☐ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
- ☒ Security Agreement ☐ Change of Name
- ☐ Other _____

Execution Date: 10/30/02

2. Name and address of receiving party(ies)

Name: Prairie Capital II, L.P.

Internal Address: 300 South Wacker, Suite 2400

Chicago, Illinois 60606

Street Address: Same as above.

City: _____ State: _____ Zip: _____

Additional name(s) & address(es) attached? ☐ Yes ☐ No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s) _____

B. Patent No.(s) 10/266,616

Additional numbers attached? ☐ Yes ☐ No

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

Name: Christina A. Czyz

Internal Address: 10 South Wacker Drive

Suite 4000, Chicago, Illinois 60606

Street Address: Same as Above.

City: _____ State: _____ Zip: _____

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3.41).....\$ 40⁰⁰

- ☐ Enclosed
- ☐ Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Christina A. Czyz

Name of Person Signing

Signature

11/6/02

Date

Total number of pages including cover sheet, attachments, and documents: 7

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

11/13/2002 6TOM11

00000072 10266616

01 FC:0021

40.00 OP

PATENT
REEL: 013461 FRAME: 0014

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT, dated as of October 30, 2002 (this "Agreement"), is between HAMILTON PRECISION METALS OF DELAWARE, INC., a Delaware corporation ("Debtor"), and PRAIRIE CAPITAL II, L.P., a Delaware limited partnership ("Purchaser").

RECITALS:

A. HP HOLDING CORP., a Delaware corporation (the "Borrower"), HP ACQUISITION CORP., a Delaware corporation (the "Company") and Purchaser have entered into a Note and Warrant Purchase Agreement of even date herewith (as the same may be amended, supplemented, modified or restated from time to time, the "Purchase Agreement") pursuant to which Purchaser has agreed to purchase a 14% Senior Subordinated Note from Borrower and a Stock Purchase Warrant from the Company.

B. Debtor has guaranteed the obligations of the Borrower and the Company arising under the Purchase Agreement, the Senior Subordinated Note, the Warrant and all other Note and Warrant Purchase Documents pursuant to that certain Guaranty of even date herewith (as the same may be amended, modified, supplemented, or restated from time to time, the "Guaranty") made by the Debtor in favor of Purchaser.

C. One of the conditions precedent to the obligations of Purchaser under the Purchase Agreement is the execution and delivery by Debtor of this Agreement to secure the payment and performance of the Guarantor's Obligations (as defined in the Guaranty).

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. All capitalized terms used herein without definitions shall have the respective meanings provided therefor in the Purchase Agreement. The term "State," as used herein, means the State of Illinois. All terms defined in the Uniform Commercial Code of the State and used herein shall have the same definitions herein as specified therein. However, if a term is defined in Article 9 of the Uniform Commercial Code of the State differently than in another Article of the Uniform Commercial Code of the State, the term has the meaning specified in Article 9.

2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of Guarantor's Obligations, Debtor does hereby mortgage, pledge and collaterally assign to Purchaser, and grant to Purchaser a continuing security interest in and to the entire right, title and interest of Debtor in all of its inventions discoveries and designs, issued patents, patent applications, registered design rights

and applications therefor, industrial design registrations and applications therefor, throughout the world, including, but not limited to, those listed on **Attachment 1** hereto, including, but not limited to, all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world, and all provisional applications, re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof (all of the foregoing being herein collectively referred to as the "**Patents**").

3. Security Agreement. This Agreement has been executed and delivered by Debtor for the purpose of registering the security interest of Purchaser in the Patents with the United States Patent and Trademark Office and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to Purchaser under the Purchase Agreement and the other Acquisition Documents. The Purchase Agreement (and all rights and remedies of Purchaser thereunder) shall remain in full force and effect in accordance with its terms.

4. Release of Security Interest. Upon payment and performance in full of all of Guarantor's Obligations then owing, Purchaser shall, at Guarantor's expense, execute and deliver to Guarantor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Trademarks which has been granted hereunder.

5. Acknowledgment. Debtor does hereby further acknowledge and affirm that the rights and remedies of Purchaser with respect to the security interest in the Trademarks granted hereby are more fully set forth in the Purchase Agreement and the Security Interest executed by the Debtor, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

8. Subordination Provision. The obligations of the Debtor, the rights of Purchaser, and the security interests granted to Purchaser hereunder, are subordinate in the manner and to the extent set forth in that certain Subordination Agreement of even date herewith (the "Subordination Agreement" among Debtor, purchaser and LaSalle Business Credit, Inc. and its successors and assigns ("Senior Lender")).

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

Address:

1780 N. Rohrerstown Road
Lancaster, PA 17601-2334

**HAMILTON PRECISION METALS OF
DELAWARE, INC.,** a Delaware corporation

By: 

Name: Robert H. Gargus

Title: President

Address:

300 S. Wacker Drive, Suite 2400
Chicago, Illinois 60606

PRAIRIE CAPITAL II, L.P., a Delaware limited partnership

By: Daniels & King Capital II, LLC, its general partner 

By: _____

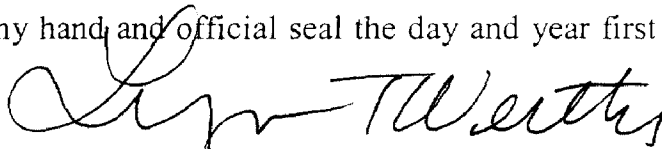
Christopher T. Killackey
Managing Director

STATE OF Wisconsin)
COUNTY OF Milwaukee)

SS:

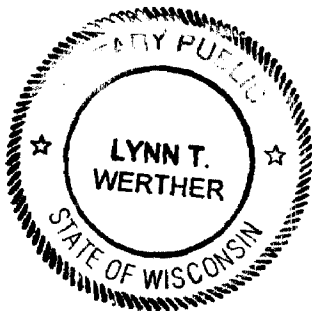
On this ____ day of October, 2002, before me, a Notary Public in and for the State of Wisconsin in the County aforesaid, personally appeared M. Gandrud to me known to be the President of HP Holding Corp. (to be named: Hamilton Precision Metals of Delaware, Inc.), a Delaware corporation, the corporation that executed the foregoing instrument, and upon oath did depose that he/she is the President of such corporation, that the signature to said instrument was made by the President of said corporation as indicated after said signature, and that the corporation executed the said instrument freely and voluntarily for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



Lynn T. Werther

NOTARY PUBLIC in and for said State and
County Milwaukee

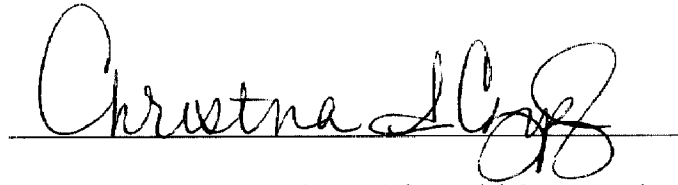


My commission expires: 8/8/2004

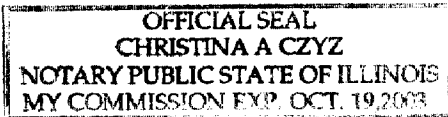
STATE OF ILLINOIS)
)
COUNTY OF COOK) SS:

On this ____ day of October, 2002, before me, a Notary Public in and for the State of Illinois, in the County aforesaid, personally appeared Christopher T. Killackey, to me known to be the Managing Director of Prairie Capital II, L.P., a Delaware limited partnership, that executed the foregoing instrument, and upon oath did depose that he is the Managing Director of such limited partnership, that the signature to said instrument was made by the Managing Director of said limited partnership as indicated after said signature, and that the corporation executed the said instrument freely and voluntarily for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



NOTARY PUBLIC in and for said State and
County



My commission expires: October 19, 2003

**ATTACHMENT 1
FEDERAL PATENT REGISTRATIONS**

Country	Patent	Registration Number	Filing Date
USA	Patent	Method of producing Textured Surfaces on medical implants	s/n 10/266,616
Japan	Patent	Method of producing Textured Surfaces on medical implants	No. 2002-249227
Europe Union	Patent	Method of producing Textured Surfaces on medical implants	Claiming priority from US Provisional Application No. 60/315,271