

Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

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):

Mega Manufacturing, Inc.
401 South Washington
Hutchinson, Kansas 67404
 Corporation-State of Kansas

Mega Fabrication Equipment, Inc.
401 South Washington
Hutchinson, Kansas 67404
 Corporation-State of Kansas

Shield Industries, Inc.
401 South Washington
Hutchinson, Kansas 67404
 Corporation-State of Kansas

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: National Bank of Canada

Internal Address: _____

Street Address: 125 West 55th Street, 23rd Floor

City: New York State: New York Zip: 10019

Individual(s) citizenship _____

Association _____

General Partnership _____

Limited Partnership _____

Corporation-State _____

Other _____

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)

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

3. Nature of conveyance:

Assignment Merger

Security Agreement Change of Name

Other _____

Execution Date: January 29, 2002

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

A. Trademark Application No.(s)
75813288

Additional number(s) attached Yes No

B. Trademark Registration No.(s)

1646627 1611871
1622079

Additional number(s) attached Yes No

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

Name: Timothy J. Feathers

Internal Address: Stinson Morrison Hecker LLP

Street Address: 1201 Walnut, Suite 2800

City: Kansas City State: Missouri Zip: 64106-2150

6. Total number of applications and registrations involved: 4

7. Total fee (37 CFR 3.41)..... \$ 115

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:
19-4409

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement 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.

Timothy J. Feathers
Name of Person Signing



Signature

10/31/02

Date:

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

12

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

TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

This AGREEMENT is made this 22nd day of January, 2002 by and between MEGA MANUFACTURING, INC., a Kansas corporation with its chief executive office and principal place of business located at 401 South Washington, Hutchinson, Kansas 67504 ("Mega"), MEGA FABRICATION EQUIPMENT, INC., a Kansas corporation with its chief executive office and principal place of business located at 401 South Washington, Hutchinson, Kansas 67404 ("Mega Fab") and SHIELD INDUSTRIES, INC., a Kansas Corporation with its principal place of business located at 401 South Washington, Hutchinson, Kansas 67404 ("Shield"; Mega, Mega Fab, and Shield are collectively referred to herein as "Grantor"), and NATIONAL BANK OF CANADA ("Lender") with its office at 125 West 55th Street, 23rd Floor, New York, New York 10019.

PRELIMINARY STATEMENT. Grantor (together with Reno Technology, Inc. and Marlen Research Corporation) has executed and delivered to Lender a Loan and Security Agreement of this same date (as amended from time to time, the "Loan Agreement") which provides that Lender shall, subject to the terms and conditions thereof, extend credit to or for the benefit of Grantor in such amounts and in the manner provided for in the Loan Agreement. In order to induce Lender to execute and deliver the Loan Agreement and extend the loans provided for therein, Grantor has agreed to grant to Lender a security interest in, and collaterally assign to Lender, certain trademark rights.

This Agreement is being executed contemporaneously with the Loan Agreement under which Lender has been granted a security interest in, among other things, all equipment, inventory, accounts, general intangibles, books, records, goodwill, customer lists and trade secrets (collectively, the "Other Assets") relating to products sold under the Trademarks, as defined hereinafter. The Loan Agreement provides that Lender shall have the right to foreclose on the Trademark Collateral, as defined hereinafter, and the Other Assets, upon the occurrence of an Event of Default, as defined in the Loan Agreement, in order that any owner of the Trademark Collateral may continue the manufacture of products under the Trademark and maintain substantially the same product specifications and quality as maintained by Grantor.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees with Lender as follows:

1. Grant of Security Interest: Collateral Assignment.

(a) To secure the complete and timely satisfaction of the Mega Obligations, as defined in the Loan Agreement (including with respect to Mega, its obligations under the Guaranty Agreement of even date herewith in favor of Lender) (collectively, the "Obligations"), Grantor hereby grants to the Bank a continuing security interest in all of its right, title and interest in and to the United States trademark(s), trade name(s) and service mark(s) listed on Schedule A hereto (as the same may be amended pursuant hereto from time to time) (collectively, the "Trademarks"), including, without limitation, all renewals thereof, 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 and all rights corresponding thereto throughout the world (all of the foregoing are collectively called the "Trademark Rights"), and

the goodwill of the business to which the Trademarks relate (the "Associated Goodwill") (the renewals thereof, license royalties to sue for past, Trademarks, the Trademark Rights, and the Associated Goodwill are collectively called the "Trademark Collateral").

(b) In addition to the grant of security interest provided in paragraph 1(a), Grantor hereby agrees to assign and convey to Lender all of its right, title and interest in and to the Trademark Collateral upon an Event of Default; provided, however, that such assignment and conveyance shall be and become of force and effect only, and shall immediately and automatically become of force and effect without further action, upon the occurrence of an Event of Default, as defined in the Loan Agreement.

2. Representations, Warranties and Covenants of Grantor. Grantor represents, covenants and warrants to Lender that:

(a) The United States registrations on the Trademarks are subsisting and have not been adjudged invalid or unenforceable;

(b) It believes the United States Trademarks are valid and enforceable;

(c) Grantor represents that to the best of its knowledge, no claim has been made that the use of the Trademarks does or may violate the rights of any third person;

(d) Grantor, subject to the rights of Lender granted herein, is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Trademarks, free and clear of any liens, charges and the encumbrances, including, without limitation, pledges, assignments, licenses (except for limited non-exclusive licenses in connection with dealer/distributor agreements), registered user agreements and covenants by Grantor not to sue third persons;

(e) Grantor has the unqualified right to enter into this Agreement and to perform its terms;

(f) Grantor shall use for the duration of this Agreement, the proper statutory notice in connection with its use of the Trademarks;

3. Inspection Rights. Grantor hereby grants to Lender and its employees, agents and designees the right to visit Grantor's plants and facilities which manufacture, inspect or store products sold under the Trademarks, and to inspect the products and quality control records relating thereto.

4. Further Assurances. Grantor agrees that, until all of the Obligations shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement but other than non-exclusive license agreements to its customers) which is inconsistent with Grantor's obligations under this Agreement, without Lender's prior written consent not to be unreasonably withheld. Grantor further agrees that at any time and from time to time, at the expense of Grantor, Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Lender may reasonably request, in order to perfect and protect the security interest and collateral assignment

granted or purported to be granted hereby or to enable Lender to exercise its rights and remedies hereunder.

5. Additional Trademarks. If, before the obligations shall have been satisfied in full, Grantor shall obtain rights to any registrations of any new U.S. trademark(s), trade name(s) or service mark(s), or application(s) therefor, the provisions of paragraph 1 shall automatically apply thereto and Grantor shall give Lender prompt written notice thereof.

6. Modification by Lender. Grantor authorizes Lender to modify this Agreement by amending Schedule A to include any future registrations of any U.S. trademark (s), trade name (s) or service mark(s), or future applications(s) therefor, covered by paragraphs 1 and 5 hereof, without the signature of Grantor to the extent permitted by applicable law, but with prior written notice.

7. Grant of License to the Lender. Grantor hereby agrees and does hereby grant to Lender a license to use the Trademarks in connection with the Collateral, as defined in the Loan Agreement, upon and after the foreclosure upon, sale or other transfer of all or any part of the Collateral, as defined in the Loan Agreement, by or to Lender pursuant to the Loan Agreement and/or this Agreement following an Event of Default as defined in the Loan Agreement. The license to be granted in this paragraph 7 may be transferred by Lender, without Grantor's consent, to any successor of Lender, any assignee of Lender and/or any purchaser or other transferee of any or all of the Collateral, as defined in the Loan Agreement from Lender. This license may not be revoked until all of the Obligations have been satisfied in full.

8. Rights of Grantor. Unless and until there shall have occurred an Event of Default, as defined in the Loan Agreement, Grantor shall own the title to the Trademark Collateral and shall have the exclusive, nontransferable right to use the Trademarks on and in connection with products sold by Grantor, for Grantor's own benefit and account and for none other. Grantor agrees not to sell or assign its interest in, or grant any license under the Trademarks or the other Trademark Collateral, other than the license to Lender hereunder and non-exclusive license agreements to its customers, without the prior written consent of Lender, not to be unreasonably withheld.

9. Default. If any Event of Default, as defined in the Loan Agreement, shall have occurred, Grantor's right to use the Trademarks shall terminate forthwith upon written notice of such termination from Lender, and Lender shall have, in addition to all other rights and remedies given it by this Agreement, those provided in the Loan Agreement and those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademark Collateral may be located.

10. Termination of Agreement. At such time as Grantor shall completely satisfy all of the Obligations, this Agreement shall terminate and Lender shall execute and deliver to Grantor, at Grantor's expense, and without recourse, representation or warranty, all releases, deeds, assignments and other instruments as may be necessary or proper to re-vest in Grantor full title to the Trademark Collateral, subject to any disposition thereof which may have been made by Lender pursuant hereto.

11. Preservation of Trademark Rights. Grantor shall undertake all reasonable business activities which are necessary or desirable to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with the foregoing shall be borne by Grantor. Grantor shall not abandon any Trademarks without the prior written consent of Lender not to be unreasonably withheld. Grantor shall have the right to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Trademarks. Grantor shall promptly, upon demand, reimburse and indemnify Lender for all damages, costs and expenses, including, without limitation, attorneys' fees, incurred by Lender in the fulfillment of any provision of this paragraph 11.

12. Lender Appointed Attorney-in-Fact. Grantor hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender, as Lender may select in its exclusive discretion, as Grantor's true and lawful attorney-in-fact following an Event of Default as defined in the Loan Agreement, with the power to endorse Grantor's name on all applications, documents, papers and instruments necessary for Lender to use the Trademarks or the other Trademark Collateral, or to grant or issue any exclusive or non-exclusive license under the Trademark Collateral to Lender or anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Trademark Collateral to anyone else. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Security Agreement.

13. Lender May Act. If Grantor fails to comply with any of its obligations hereunder and following an Event of Default as defined in the Loan Agreement, Lender may do so in Grantor's name or in Lender's name to the extent permitted by applicable law, but at Grantor's expense, and Grantor hereby agrees to reimburse Lender in full for all expenses, including, without limitation, attorneys' fees, incurred by Lender in protecting, defending or maintaining the Trademark Collateral or any part thereof.

14. No Waiver. No course of dealing between-Grantor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder, under the Loan Agreement, or under applicable law 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 exercises of any other right, power or privilege.

15. Rights Cumulative. All of Lender's rights and remedies with respect to the Trademark Collateral, whether established hereby or by the Loan Agreement, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

16. Severability. 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 jurisdiction, and shall not in any manner affect such clause or provision in other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

17. Modification. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 6.

18. Inurement. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties; provided however, that the foregoing provision shall not invalidate or otherwise modify the restrictions imposed on Grantor hereunder with respect to transferring any part of or interest in the Trademark Collateral.

19. Governing Law. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the internal laws the State of Kansas.

WITNESS the execution hereof under seal as of the day and year first above written.

(Corporate Seal)

ATTEST:

MEGA MANUFACTURING, INC.,
a Kansas Corporation

By: [Signature]
Name: Larry DeArmond
Title: Secretary/Treasurer

By: [Signature]
Name: Robert D. Brown
Title: President

(Corporate Seal)

ATTEST:

MEGA FABRICATION EQUIPMENT, INC.,
a Kansas Corporation

By: [Signature]
Name: Larry DeArmond
Title: Secretary/Treasurer

By: [Signature]
Name: Robert D. Brown
Title: Pres.

(Corporate Seal)

ATTEST:

SHIELD INDUSTRIES, INC.,
a Kansas Corporation

By: [Signature]
Name: Larry DeArmond
Title: Secretary/Treasurer

By: [Signature]
Name: Robert D. Brown
Title: Pres.

NATIONAL BANK OF CANADA

By: *James J. Fricke*
James J. Fricke
Vice President/Manager

STATE OF KANSAS)
Sedgwick) ss.
COUNTY OF ~~RENO~~)

Robert L. Green

On this *2nd* day of January, 2002, before me appeared ~~Robert D. Brown~~, to me personally known, who, being by me duly sworn, did say that he is the President of Mega Manufacturing Equipment, Inc., and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, by authority of its Board of Directors; and said ~~Robert D. Brown~~ acknowledged said instrument to be the free act and deed of said corporation. *Robert L. Green*

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Margaret H. Way
Notary Public

My commission expires:



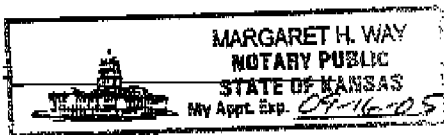
STATE OF KANSAS)
COUNTY Sedgwick) ss.

On this 29th day of January, 2002, before me appeared Robert L Green, to me personally known, who, being by me duly sworn, did say that he is the President of Mega Fabrication, Inc., and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, by authority of its Board of Directors; and said Robert L. Green acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Margaret H. Way
Notary Public

My commission expires:



STATE OF KANSAS)
COUNTY OF Sedgwick) ss.

On this 29th day of January, 2002, before me appeared Robert L. Green, to me personally known, who, being by me duly sworn, did say that he is the President of Shield Industries, Inc., and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, by authority of its Board of Directors; and said Robert L. Green acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Margaret H. Way
Notary Public

My commission expires:



STATE OF OHIO)
) ss.
COUNTY OF HAMILTON)

on this 29th day of January, 2002, before me appeared James J. Fricke, to me personally known, who, being by me duly sworn, did say that he is the Vice President/Manager of National Bank of Canada, and that said instrument was signed in behalf of said corporation, by authority of its Board of Directors; and said James J. Fricke acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.



JANICE C. EMMERT
Notary Public, State of Ohio
My Commission Expires Feb. 18, 2003

Janice C. Emmert
Notary Public

My commission expires: 2/18/03

SCHEDULE A

TRADEMARKS

(a) TRADEMARKS OF MEGA MANUFACTURING, INC.

- (1) "MEGA"
Reg. No. 1,646,627 Registered: June 4, 1991
Serial No. 74-022,492, filed 1-25-1990
- (2) "MEGAWORKER"
Reg. No. 1,622,079 Registered November 13, 1990.
Serial No. 74-022,490, filed 1-25-1990
- (3) "PIRANHA"
 Unregistered
- (4) PIRANHA DESIGN
 Registration Pending
 Serial No. 75-813,288, filed 10-1-1999
- (5) "BOSS DUMPER"
 Reg. No. 1611871, Registered: September 4, 1990
 Serial No. 73806972
- (6) "ARROW MACHINE"
 Unregistered

(b) TRADEMARKS OF SHIELD INDUSTRIES, INC.

- (1) "SHIELD INDUSTRIES"
 Unregistered
- (2) "ACRAPLANT"

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