

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

04-22-1999



101017600

Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Merit Abrasive Products, Inc.

- Individual(s)
- General Partnership
- Corporation-State
- Other
- Association
- Limited Partnership

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

2. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: March 23, 1999

2. Name and address of receiving party(ies)

Name: Heller Financial, Inc., as agent

Internal Address: _____

Street Address: 500 West Monroe St.

City: Chicago State: IL ZIP: 60661

- 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

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

Additional numbers attached? Yes No

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

Name: Laura Konrath

Internal Address: Winston & Strawn

33rd Floor

Street Address: 35 West Wacker Drive

City: Chicago State: IL ZIP: 60601

6. Total number of applications and registrations involved: _____

8

7. Total fee (37 CFR 3.41).....\$ 215.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

N/A

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

04/20/1999 JSMBR27 0000026 00024

DO NOT USE THIS SPACE

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40.00 00
175.00 00

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.

Laura Konrath

Name of Person Originating

Laura Konrath
Signature

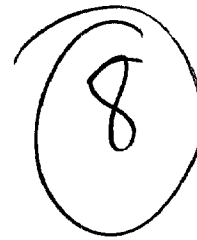
3/31/99
Date

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

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments

TRADEMARKS

<u>Name</u>	<u>Registration Number</u>
Flex Drum	680,242
Shur-Stik	755,751
Merit	862,219
Power Lock	857,294
Powerflex	1,902,390
Strip 'N' Sand	1,677,352
Condor	1,378,759
Merit and Design	868,302



TRADEMARK APPLICATIONS

none

TRADEMARK SECURITY AGREEMENT

WHEREAS, **Merit Abrasive Products, Inc.**, a Nevada corporation ("**Grantor**"), owns the Trademarks and applications for Trademarks listed on Schedule 1 annexed hereto; and

WHEREAS, Grantor, certain other credit parties, the lenders from time to time party thereto, and Heller Financial, Inc. as agent for the lenders ("**Agent**") are parties to a Credit Agreement of even date herewith (as same may be amended, modified, supplement or restated from time to time, the "**Credit Agreement**"), providing for extensions of credit to be made to Grantor by Lenders; and

WHEREAS, pursuant to the terms of the Security Agreement of even date herewith (as the same may be amended and in effect from time to time, the "**Security Agreement**") between Grantor and Agent (in such capacity, "**Grantee**"), Grantor has granted to Grantee for the benefit of Lenders a security interest in substantially all the assets of Grantor including all right, title and interest of Grantor in, to and under all now owned and hereafter acquired Trademarks (as defined in the Security Agreement), together with the goodwill of the business symbolized by Grantor's Trademarks, and all proceeds thereof, to secure the payment of all amounts owing by Grantor under the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee a continuing security interest in all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "**Trademark Collateral**"), whether presently existing or hereafter created or acquired:

(1) each Trademark and application for Trademark listed on Schedule 1 annexed hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark; and

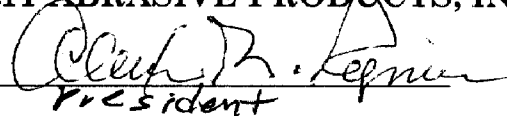
(2) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Trademark, or (b) injury to the goodwill associated with any Trademark.

The security interest granted hereby is granted in conjunction with the security interests granted to Grantee pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Grantee with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Grantor has caused this **Trademark Security Agreement** to be duly executed by its duly authorized officer as of the 23rd day of March, 1999.

MERIT ABRASIVE PRODUCTS, INC.

By:
Title:


President

Acknowledged:

HELLER FINANCIAL, INC., as Agent

By:
Title:


Vice President

ACKNOWLEDGEMENT

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 23rd day of March, 1999 before me personally appeared Alexis Gregoire me personally known or proved to me on the basis of satisfactory evidence to be the person described in and who executed the foregoing instrument as President of Merit Abrasive Products, Inc. who being by me duly sworn, did depose and say that he/she is President of Merit Abrasive Products, Inc., the corporation described in and which executed the foregoing instrument; that the said instrument was executed and delivered on behalf of said corporation by order of its Board of Directors; that he/she signed his/her name thereto by like order; and that he acknowledged said instrument to be the free act and deed of said corporation.

Marion F. Figur
Notary Public

{Seal}

My commission expires: _____
MARION F. FIGUR
Notary Public, State of New York
No. 31-4734652
Qualified in New York County
Commission Expires May 31, 1999

ACKNOWLEDGEMENT

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 23rd day of March, 1999, before me personally appeared Andrew S. Gubak to me personally known or proved to me on the basis of satisfactory evidence to be the person described in and who executed the foregoing instrument as V.P. of Heller Financial, Inc. who being by me duly sworn, did depose and say that he/she is V.P. of Heller Financial, Inc., the corporation described in and which executed the foregoing instrument; that the said instrument was executed and delivered on behalf of said corporation by order of its Board of Directors; that he/she signed his/her name thereto by like order; and that he/she acknowledged said instrument to be the free act and deed of said corporation.

Marion F. Figur
Notary Public

{Seal}

My commission expires: _____
MARION F. FIGUR
Notary Public, State of New York
No 31-4734652
Qualified in New York County
Commission Expires May 31, 1999