

07-19-2001



7.11.01

101782638 SHEET

TRADEMARKS ONLY

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

Submission Type

Conveyance Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger
Effective Date
Month Day Year
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

- Individual General Partnership Limited Partnership 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 should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

07/18/2001 DBYRNE 00000090 2036573

FOR OFFICE USE ONLY

01 FC:481 40.00 OP
02 FC:482 100.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

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)

Correspondent Name and Address

Area Code and Telephone Number

(212) 715-9100

Name

Kevin M. Moss, Esq.

Address (line 1)

Kramer Levin Naftalis & Frankel LLP

Address (line 2)

919 Third Avenue

Address (line 3)

New York, New York 10022

Address (line 4)

Pages

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

#

9

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

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

Trademark Application Number(s)

Registration Number(s)

Number of Properties

Enter the total number of properties involved.

#

5

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

140.00

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:

#

50-0540

Authorization to charge additional fees:

Yes

No

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. Charges to deposit account are authorized, as indicated herein.

Jason M. Vogel, Esq.

Name of Person Signing


Signature

7/11/01

Date Signed

**GRANT OF INTELLECTUAL PROPERTY SECURITY INTEREST
(Patents and Trademarks)**

WHEREAS, AAI CORPORATION a Maryland corporation ("Grantor" or "AAI"), owns and uses in its business, and will in the future adopt and so use, various intangible assets, including the Intellectual Property Collateral (as defined below); and

WHEREAS, UNITED INDUSTRIAL CORPORATION, a Delaware corporation, and the following of its subsidiaries: AAI; DETROIT STOKER COMPANY, a Michigan corporation; AAI ENGINEERING SUPPORT INC., a Maryland corporation; AAI/ACL TECHNOLOGIES, INC., a Maryland corporation; and MIDWEST METALLURGICAL LABORATORY, INC., a Michigan corporation have entered into a Loan and Security Agreement dated as of June 28, 2001 (said Loan and Security Agreement, as it may hereafter be amended, supplemented, restated or otherwise modified from time to time, being the "Loan Agreement") with FLEET CAPITAL CORPORATION (the "Lender"), pursuant to which Lender has made certain commitments, subject to the terms and conditions set forth in the Loan Agreement, to extend certain loans to Grantor; and

WHEREAS, pursuant to the terms of the Loan Agreement, Grantor has agreed to create in favor of Lender a secured and protected interest in, and Lender has agreed to become a secured creditor with respect to, the Intellectual Property Collateral (as defined below);

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, subject to the terms and conditions of the Loan Agreement, Grantor hereby grants to Lender a security interest in all of Grantor's right, title and interest in and to the following, in each case whether now or hereafter existing or in which Grantor now has or hereafter acquires an interest and wherever the same may be located (the "Intellectual Property Collateral"):

(i) all rights, title and interest (including rights acquired pursuant to a license or otherwise but only to the extent permitted by agreements governing such license or other use) in and to all patents, copyrights, moral rights, rights of authors, trademarks, service marks, designs, logos, indicia, tradenames, trade dress, corporate names, company names, business names, fictitious business names, trade styles, domain names and/or other source and/or business identifiers, and applications pertaining thereto, owned by such Grantor or subject to an agreement or other obligation of assignment to Grantor, or hereafter adopted or used in its business, including, without limitation, the patents and trademarks specifically identified in Schedule A hereto and, if applicable, Schedule A to any Intellectual Property Supplement (in the form attached hereto as Exhibit A) subsequently executed by the Grantor, all registrations that have been or may hereafter be issued or applied for thereon in the United States and any state thereof and in foreign countries, including, without limitation, the registrations and applications specifically identified in Schedule A hereto, or, if applicable, in any Schedule A to any Intellectual Property Supplement subsequently executed by the Grantor, all common law and other rights (but in no event any of the obligations) in and to the Intellectual Property Collateral in the United States and any state thereof and in foreign countries, and all goodwill of such Grantor's business; and

(ii) all proceeds, products, rents, license fees and profits of or from any and all of the foregoing Intellectual Property Collateral and, to the extent not otherwise included, all payments under insurance (whether or not Lender is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Intellectual Property Collateral. For purposes of this Grant of Intellectual Property Security Interest, the term "proceeds" includes whatever is receivable or received when Intellectual Property Collateral or proceeds are sold, exchanged, rented, licensed, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.

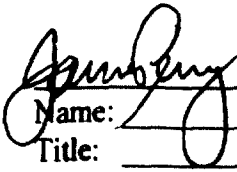
Notwithstanding anything herein to the contrary, in no event shall the Intellectual Property Collateral include, and Grantor shall be not deemed to have granted a security interest in, any of Grantor's rights or interests in any license, contract or agreement to which Grantor is a party or any of its rights or interests thereunder to the extent, but only to the extent, that such a grant would, under the terms of such license, contract or agreement or otherwise, result in a breach of the terms of, or constitute a default under any license, contract or agreement to which Grantor is a party or constitute an abandonment of such Intellectual Property Collateral; provided, that immediately upon the ineffectiveness, lapse, expiration or termination of any such provision, the Intellectual Property Collateral shall include, and Grantor shall be deemed to have granted a security interest in, all such rights and interests as if such provision had never been in effect.

Grantor does hereby further acknowledge and affirm that the rights and remedies of Lender with respect to the security interest in the Intellectual Property Collateral granted hereby are more fully set forth in the Loan Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein, as such Intellectual Property Collateral may be supplemented by the Intellectual Property Supplement attached hereto as Exhibit A.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, Grantor has caused this Grant of Intellectual Property Security Interest to be duly executed and delivered by its officer thereunto duly authorized as of the 28 day of June, 2001.

AAI CORPORATION

By:  _____
Name: _____
Title: _____

**SCHEDULE A
INTELLECTUAL PROPERTY COLLATERAL
(PATENTS AND TRADEMARKS)**

1. AAI Corporation: Patents				
Title	Owner	Status in Patent Office	Federal Reg. No.	Reg. Date
One-shot high output piezoid Power Supply	AAI Corporation	Active	6,198,205	3/6/2001
Synthesis of overlapping chirp waveforms	AAI Corporation	Active	6,150,976	11/21/2000
Remotely controlled simulated linear circuit breaker assembly	AAI Corporation	Active	6,139,327	10/31/2000
Remotely controlled rotary switch for simulating multi-position, rotary, wafer-type, switches	AAI Corporation	Active	6,134,094	10/31/2000
Apparatus and method for calculating muzzle velocity	AAI Corporation	Active	6,064,196	5/16/2000
Remotely controlled toggle switch	AAI Corporation	Active	6,031,301	2/29/2000
Ultra low-power fast start precision RC oscillator	AAI Corporation	Active	6,005,449	12/21/1999
Fixed interval background auto-alignment for closed loop interferometric fiber optic gyroscopes	AAI Corporation	Active	5,953,123	9/14/1999
Accurate ultra low power fuze electronics	AAI Corporation	Active	5,942,714	8/24/1999
Method for stabilizing the phase modulator transfer function in closed loop interferometric fiber optic gyroscopes	AAI Corporation	Active	5,914,781	6/22/1999
Piezoid electrical gun trigger	AAI Corporation	Active	5,901,488	5/11/1999

KL2:2104467.3

Self-correcting inductive fuze setter	AAI Corporation	Active	5,894,102	4/13/1999
Direct digital to analog microwave frequency signal simulator	AAI Corporation	Active	5,764,087	6/9/1998
Gyroscopic system for boresighting equipment by transferring a frame of reference	AAI Corporation	Active	5,619,323	4/8/1997
Howitzer strap-on kit for crew performance evaluation and training method	AAI Corporation	Active	5,586,887	5/24/1996
Method and apparatus for determining the general direction of the origin of a projectile	AAI Corporation	Active	5,544,129	8/6/1996
A Simulator System Hearing an Orthogonal Base	AAI Corporation	Active	5,527,184	6/18/1996
Three Axis Motion Platform	AAI Corporation	Active	5,509,631	4/23/1996
Gyroscopic system for boresighting equipment by optically acquiring and transferring parallel and non-parallel lines	AAI Corporation	Active	5,438,404	8/1/1995
Articulated heart pump and method of use	AAI Corporation	Active	5,405,383	4/11/1995
Articulated heart pump	AAI Corporation	Active	5,300,112	4/15/1994
Simulating horizontal stabilizer trimming in an aircraft	AAI Corporation	Active	5,286,203	
Remote steering system for medical catheter	AAI Corporation	Active	5,279,559	1/18/1994
Methods and apparatus for determining the trajectory of a supersonic projectile	AAI Corporation	Active	5,241,518	8/31/1993

Safe-and-arm arrangement and projectile arrangement therewith	AAI Corporation	Active	4,982,663	1/8/1991
Projectile with ram air-extendible probe and ram air-extendible probe assembly therefor	AAI Corporation	Active	4,964,341	10/23/1990
Back-actuated forward ignition ammunition and method	AAI Corporation	Active	4,823,699	4/25/1989
Ammunition with internal light-settable pickup arrangement for digital memory storage	AAI Corporation	Active	4,788,899	12/6/1988
Cartridge case and cartridge arrangement and method	AAI Corporation	Active	4,738,202	4/19/1988
Grenade arrangement for screening cloud	AAI Corporation	Active	4,726,295	4/23/1988
Method of assembly of compacted particulates and explosive charge	AAI Corporation	Active	4,704,967	11/10/1987
Method of forming IR smoke screen	AAI Corporation	Active	4,704,966	11/10/1987
Solar energy concentrating and collecting arrangement	AAI Corporation	Active	4,602,853	7/29/1986
Solar energy concentrating and collecting arrangement	AAI Corporation	Active	4,602,613	7/29/1986
Suspension arm for upper and lower track runs	AAI Corporation	Active	4,458,955	7/10/1984
Rocket assisted projectile and cartridge with time delay ignition and sealing arrangement	AAI Corporation	Active	4,397,240	8/9/1983
Ammunition with surface-mounted light-settable pickup arrangement for digital memory storage	AAI Corporation	Active	4,318,342	3/9/1982

KL2:2104467.3

Rocket assisted projectile and cartridge arrangement with pressure relief skirt	AAI Corporation	Active	4,295,425	10/20/1981
Arrangement for use in projectile launch simulation	AAI Corporation	Active	4,267,764	5/19/1981
Method and apparatus for image signal generation and image display	AAI Corporation	Active	4,238,826	12/9/1980
Glide bomb	AAI Corporation	Active	4,228,737	10/21/1980
Method of making a cartridge	AAI Corporation	Active	4,162,645	7/31/1979
Method and apparatus for image signal generation and image display	AAI Corporation	Active	4,162,492	7/24/1979
Impact nailing arrangement	AAI Corporation	Active	4,159,070	6/26/1979
Penetrator/nozzle arrangement	AAI Corporation	Active	4,147,216	4/3/1979
Warhead	AAI Corporation	Active	4,147,108	4/3/1977
Solar energy concentrating and collecting arrangement and method	AAI Corporation	Active	4,111,360	9/5/1978
Cartridge magazine	AAI Corporation	Active	4,107,862	8/22/1978
Method of assembly of an insulating panel arrangement	AAI Corporation	Active	4,094,717	6/3/1978
Impact nailing arrangement	AAI Corporation	Active	4,060,188	11/29/1977
Cutting torch arrangement	AAI Corporation	Active	4,055,332	10/25/1977
Cutting torch arrangement	AAI Corporation	Active	4,050,680	9/27/1977
Solar energy collection and transfer arrangement and method, and method of assembly	AAI Corporation	Active	4,018,211	4/19/1977

Solar energy concentrating and collecting arrangement with sun-follower and solar energy sensing power control and method	AAI Corporation	Active	4,004,574	1/25/1977
Solar energy concentrating and collecting arrangement and method	AAI Corporation	Active	3,994,435	11/30/1976
Combination Weapon	AAI Corporation	Active	D418,896	1/11/2000

2. AAI Corporation: Trademarks				
Title	Owner	Status in Patent Office	Federal Reg. No.	Reg. Date
AAI A Subsidiary of United Industrial Corporation	AAI Corporation	Active	2,036,573	2/11/1997
Pioneer	AAI Corporation	Active	1,702,949	7/28/1992
Lariat	AAI Corporation	Active	778,161	
AAI	AAI Corporation	Active	749,911	
Lo-Hed	AAI Corporation	Active	181,750	

EXHIBIT A TO
GRANT OF INTELLECTUAL PROPERTY
SECURITY INTEREST

INTELLECTUAL PROPERTY SUPPLEMENT

This INTELLECTUAL PROPERTY SUPPLEMENT, dated _____, is delivered pursuant to and supplements the Grant of Intellectual Property Security Interest dated as of June __, 2001 (as it may be from time to time amended, modified or supplemented, the "Grant"), executed by AAI CORPORATION (the "Grantor") in favor of FLEET CAPITAL CORPORATION (the "Lender"). Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Grant.

In addition to the security interest previously granted to the Lender pursuant to the Grant, Grantor hereby grants to Lender a security interest in all of Grantor's right, title and interest in and to the Intellectual Property Collateral listed on Schedule A attached hereto. All such Intellectual Property Collateral shall be deemed to be part of the Intellectual Property Collateral and shall be hereafter subject to each of the terms and conditions of the Grant.

IN WITNESS WHEREOF, Grantor has caused this Supplement to be duly executed and delivered by its duly authorized officer as of this __ day of _____, 20__.

AAI CORPORATION

By: _____
Name:
Title: