

08-31-1998



100810463

Tab settings

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

1. Name of conveying party(ies):  
 Hobson Mould Works, Inc.  
 511 North Cherry Street  
 P.O. Box 70  
 Shell Rock, IA 50670

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

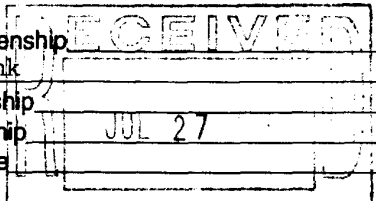
Additional name(s) of conveying party(ies) attached?  Yes  No

MRP 2-24-98

2. Name and address of receiving party(ies)  
 Name: Firststar Bank Milwaukee, N.A.  
 Internal Address: Financial Services Division  
 Street Address: 777 East Wisconsin Avenue  
 City: Milwaukee State: WI ZIP: 53202

Individual(s) citizenship  
 Association Bank  
 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: July 14, 1998

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

A. Trademark Application No.(s)  
 B. Trademark Registration No.(s)  
1,972,991

Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:  
 Name: Nolan H. Zadra  
 Internal Address: Firststar Corporation  
Law Department, JS-3S  
 Street Address: 777 East Wisconsin Avenue  
 City: Milwaukee State: WI ZIP: 53202

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00  
 Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number:  
 \_\_\_\_\_  
 (Attach duplicate copy of this page if paying by deposit account)

07/31/1998 SSNITH 00000099 1972991 DO NOT USE THIS SPACE 01 FC:481 40.00 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.*

Nolan H. Zadra      [Signature]  
 Name of Person Signing      Signature

July 16, 1998      \_\_\_\_\_  
 Date

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

**SECURITY INTEREST, PLEDGE, AND LICENSE  
OF PATENTS, TRADEMARKS AND COPYRIGHTS  
("Agreement")**

WHEREAS, HOBSON MOULD WORKS, INC. is a Iowa domestic corporation whose principal place of business is at 511 North Cherry Street, P.O. Box 70, Shell Rock, IA 50670 (hereinafter "Debtor"); and

WHEREAS, FIRSTAR FINANCIAL SERVICES, a division of Firstar Bank Milwaukee, N.A., whose principal place of business is at 777 East Wisconsin Avenue, Milwaukee, Wisconsin, 53202 (hereinafter "Lender"); and

WHEREAS, Debtor and Lender have executed a certain Revolving Loan and Security Agreement and other documents (hereinafter the "Security Agreements") which grant to Lender a security interest in Debtor's assets, including, without limitation, any and all of its accounts, inventory, equipment and general intangibles (including, but not limited to patents, patent applications, trademarks, trademark applications, trade names, service marks, logos, slogans, copyrights, all registrations pertaining to the foregoing, goodwill and licenses). The foregoing is hereinafter collectively called the "Collateral". All of the terms and provisions of the Security Agreements are incorporated herein by reference in their entirety; and the capitalized terms used herein shall have the meaning assigned to them in the Security Agreements.

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor and Lender agree as follows:

A. Pledge of Patents, Trademarks, Copyrights and Licenses. To secure the complete and timely satisfaction of all of Debtor's Obligations to Lender and to further evidence Lender's security interest in the Collateral, Debtor hereby irrevocably pledges and mortgages to Lender all of the following items now owned or hereafter acquired or arising:

1. All patents and patent applications on the inventions and improvements described and claimed therein, and including those patents (if any) listed on Schedule A attached hereto, (hereinafter the "Patents"); (a) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of the Patents; (b) all income, royalties, damages and payments now or hereafter due and/or payable with respect to the Patents, including, without limitation, all damages and payments for past or future infringements of the Patents however arising and payable; (c) all rights to sue for the past, present and future infringements of the Patents; and (d) all rights arising from or corresponding to the Patents throughout the world. All of the foregoing are collectively referred to hereinafter as the "Patents."

2. All trademarks, service marks, logos, slogans, trademark and service mark registrations, trade names, service mark and trademark applications, including, without

limitation, the trademarks, service marks and applications (if any) listed on Schedule B attached hereto (hereinafter the "Trademarks"); (a) all renewals of any of the foregoing; (b) all income, royalties, damages and payments now or hereafter due and/or payable with respect to the Trademarks, including, without limitation, all damages and payments for past or future infringements of the Trademarks; (c) all rights to sue for the past, present and future infringements of the Trademarks; and (d) all rights corresponding to the Trademarks throughout the world to the extent available to Debtor. All of the foregoing are collectively referred to hereinafter as the "Trademarks."

3. All copyrights, copyright registrations and copyright applications, including, without limitation, those copyrights listed on Schedule C attached hereto, and all renewals, extensions and continuations of such copyrights (hereinafter the "Copyrights").

4. All licensing, distribution, royalty and exclusive dealing agreements with any other person or entity, including, without limitation, the licenses and agreements (if any) listed on Schedule D attached hereto (hereinafter the "Licenses"), and the right to prepare for advertise and sell all goods covered by such Licenses, but only to the extent Debtor is permitted to collaterally pledge the Licenses pursuant to the underlying agreements relating thereto or, if necessary, has obtained the consent of the licensor under such Licenses.

5. The goodwill and trade secrets of each of Debtor's businesses connected with and/or symbolized by the Patents, Trademarks, Copyrights and Licenses (hereinafter "Goodwill").

B. Debtor's Ownership of Intellectual Property. Debtor represents and warrants that it is the sole owner of all of the Patents, Trademarks and Copyrights (except as may be disclosed in the Schedules attached hereto) and has the right to grant Lender a security interest and to pledge and mortgage same to Lender. No other party has any claim of ownership or right to use the Patents, Trademarks and Copyrights, except as disclosed in the Schedules attached hereto. Debtor hereby agrees that Lender's rights in and to the Patents, Trademarks, Copyrights and Licenses now or hereafter pledged to Lender shall be worldwide to the extent of Debtor's rights with respect thereto.

C. Disposition of Intellectual Property. After written notice of default or demand for payment under the Security Agreements, Lender may sell, assign or convey any or all of the Patents, Trademarks, Copyrights and/or Licenses, with corresponding Goodwill, to any purchaser(s); provided Lender shall have no right to sell, assign or convey any or all of the Trademarks (and corresponding Goodwill) on any basis independent or apart from a sale of Debtor's inventory, equipment and/or product lines (or a part thereof).

D. License to Use Patents, Trademarks, Copyrights and Licenses. In addition to Lender's other rights and interests herein, Debtor grants to Lender an exclusive, royalty-free, transferable license and right to use the Patents, Trademarks, Copyrights and Licenses for the purpose of permitting Lender to manufacture and/or dispose of the Collateral for a period of 180 days commencing on the date Lender obtains the right to dispose of the Collateral and physical

possession thereof. Such 180 day period shall be tolled to the extent Lender shall be unable to liquidate and/or dispose of the Collateral due to bankruptcy or insolvency proceedings brought by or against Debtor.

E. Waiver of Payments by Lender. Lender shall have no liability to Debtor or any other party for any royalties or other charges arising from Lender's use or disposition of the Patents, Trademarks, Copyrights and/or Licenses (including under any of the Licenses). Debtor hereby indemnifies Lender from any royalties, expenses, charges, and/or liabilities incurred by Lender under this Agreement (or otherwise) and from any litigation, claim, action and/or proceeding against Lender regarding the use and/or disposition of the Patents, Trademarks, Copyrights and/or Licenses (including, but not limited to, reasonable attorneys fees).

F. Termination of Pledge and License. The term of the security interest, pledge, and license granted to Lender herein shall expire upon the earlier of: (1) the expiration of each of the respective Patents, Trademarks, Copyrights and Licenses pledged hereunder (including any renewals thereof); or (2) full satisfaction of all of Debtor's Obligations to Lender. Upon payment in full of the Obligations, Lender shall execute and deliver to Debtor all satisfactions and other instruments as may be necessary to release Lender's interest under this Agreement.

G. Grant of License to Debtor. Unless and until an "event of default" or "default" (as defined in the Security Agreements) shall have occurred, Debtor shall have the exclusive, non-transferable right and license (hereinafter "Special License") to: (1) use the Trademarks, Patents and Copyrights; (2) exercise all rights under the Licenses (except the right to terminate or permit the termination of the Licenses without the prior written consent of Lender); and (3) make, use and sell the inventions disclosed and claimed in the Patents; in each case, for Debtor's own benefit and account subject to any applicable restrictions or conditions set forth herein. Debtor agrees not to sell, assign or sublicense its rights in any of the Patents, Trademarks, Copyrights or Licenses without the prior written consent of Lender (which consent shall not be unreasonably withheld).

H. Duties of Debtor. Debtor shall have the unconditional duty to: (1) pay all taxes, fees or other amounts necessary to maintain in full force and effect all of the Patents, Trademarks, Copyrights and Licenses; (2) prosecute diligently any Patent, Copyright and/or Trademark rights and/or application acquired by Debtor now or hereafter; (3) make application on all patentable inventions and on all Trademarks and Copyrights, as appropriate; (4) preserve and maintain all of Lender's rights in and to the Patent(s), Trademark(s), Copyright(s) and License(s); and (5) promptly notify Lender in writing of any new Patent, Trademark, Copyright or License, or any material change in the status of Debtor's interests in any Patent, Trademark, Copyright or License. All expenses incurred in fulfilling Debtor's duties hereunder shall be borne solely and exclusively by Debtor. Lender shall have no obligation or liability to pay any taxes or fees regarding Lender's interest in or use of the Patents, Trademarks, Copyrights or Licenses; nor shall Lender have any duties in connection with application for, protection and/or maintenance of any Patents, Trademarks, Copyrights or Licenses. Debtor shall not abandon any rights in and to any patentable invention or in any Trademark or Copyright without the prior written consent of Lender.

I. Lender's Rights to Protect the Patents, Trademarks, Copyrights and Licenses.

Lender shall have the right, but shall in no way be obligated, to bring suit in its own name or otherwise to enforce its rights (and those of Debtor) in the Patents, Copyrights and Trademarks and Licenses. If Lender shall commence any such suit, Debtor shall, at the request of the Lender, do all lawful acts and execute all proper documents required by Lender in aid of such enforcement. Debtor shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Agreement. In the event Lender incurs any expense or cost in protecting and/or enforcing its rights under this Agreement (or its rights and interests in and to the Patents, Trademarks, Copyrights and Licenses) such expense and cost shall be deemed an "Obligation" under the Security Agreements. Upon the request of Lender, Debtor shall promptly provide such other documents, certificates or information as may be necessary for Lender to properly record or evidence this pledge and mortgage with the appropriate governmental authority.

J. Entire Agreement/Waivers. This Agreement constitutes the entire agreement of the parties. No provision of this Agreement may be waived or modified in any manner (including this paragraph) without the prior written consent of Debtor and Lender. No course of dealing between Debtor and Lender, nor any failure to exercise, or any delay in exercising, on the part of Lender, any right or privilege hereunder shall operate as a waiver of such right or privilege, or preclude Lender from any other or further exercise of any right or privilege.

K. Cumulative Remedies. All of Lender's rights and remedies with respect to the Patents, Trademarks, Copyrights and Licenses, whether established hereunder or by the Security Agreements, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. Foreclosure and disposition of Lender's rights and interests in the Patents, Trademarks, Copyrights and Licenses may be made pursuant to Chapter 409 of the Wisconsin Statutes (except to the extent expressly superseded by federal law).

L. Choice of Law and Forum/Beneficiaries. THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF WISCONSIN (IRRESPECTIVE OF SUCH STATE'S RULES ON CONFLICTS OF LAWS) EXCEPT TO THE EXTENT EXPRESSLY SUPERSEDED BY FEDERAL LAWS. DEBTOR AND LENDER CONSENT TO THE PERSONAL JURISDICTION OF ANY STATE OR FEDERAL COURT IN MILWAUKEE COUNTY, WISCONSIN, REGARDING ANY CLAIMS ARISING, DIRECTLY OR INDIRECTLY, UNDER THIS AGREEMENT, AND WAIVE ANY OBJECTION BASED ON FORUM NON CONVENIENS AND TRIAL BY JURY. THIS AGREEMENT SHALL BE BINDING UPON THE DEBTOR, AND ITS SUCCESSORS AND ASSIGNS; AND SHALL INURE TO THE BENEFIT OF LENDER, AND ITS RESPECTIVE SUCCESSORS AND ASSIGNS.

Dated this 14 day of July, 1998, at Milwaukee, Wisconsin.

HOBSON MOULD WORKS, INC.

By: Gerald E. Hobson President  
Name and Title: GERALD R. HOBSON Pres.

FIRSTAR FINANCIAL SERVICES,  
a division of Firstar Bank Milwaukee, N.A.

By: Kenneth P. Norgord  
Name and Title: Kenneth P. Norgord  
Division Account  
Executive Officer

SCHEDULE A

**Patents:**

- 4,746,283 "Head Tooling Parison Adapter Plates"
- 5,480,607 "Method And Apparatus For Molding Plastic Products With Flash Removed"
- 5,698,236 "Method And Apparatus For In Mold Trimming"