

12-08-1998

COVER SHEET
ONLY

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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12-4-98
Tab settings → → →



100917550

Please record the attached original documents or copy thereof.

To the Honorable Commission

1. Name of conveying party(ies):

Northwest Web Co.

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

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

3. Nature of conveyance:

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

Execution Date: Nov. 12, 1998

2. Name and address of receiving party(ies):

Name: Fremont Financial Corporation
 Internal Address: Attn: Northwest Web Account Executive
 Street Address: 2020 Santa Monica Blvd. 5th Floor
 City: Santa Monica State: CA ZIP: 90404

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State California
- 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 registration number(s):

A. Trademark Application No.(s)

N/A

B. Trademark registration No.(s)

1,417,043

Additional numbers attached? Yes No

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

Name: Sheppard, Mullin, Richter & Hampton LLP

Internal Address: Attn: J. Cravitz

Street Address: 333 S. Hope St., 48th Floor

City: Los Angeles State: CA ZIP: 90071

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)

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.

John D. Berchild, Jr., Esq.

Name of Person Signing

Signature

Dec. 3, 1998

Date

Total number of pages comprising cover sheet: 13

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

12/07/1998 DMBUYEN 00000082 1417043

01 FC:481

40.00 0P

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

TRADEMARK

REEL: 1823 FRAME: 0363

PATENT AND TRADEMARK SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of November 12, 1998, is entered into by and between NORTHWEST WEB CO., an Oregon corporation ("Debtor"), having an office at 3592 W. 5th Avenue, Eugene, Oregon 97201, and FREMONT FINANCIAL CORPORATION, a California corporation, with an office at 2020 Santa Monica Boulevard, 5th Floor, Santa Monica, California 90404 ("Secured Party").

RECITALS

A. Debtor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the patents and the applications therefor described in Schedule A annexed hereto and made a part hereof, and the trademarks, trade names, terms, designs and applications therefor described in Schedule B annexed hereto and made a part hereof.

B. Secured Party has agreed to enter into certain financing arrangements with Debtor pursuant to a Loan and Security Agreement of even date herewith by and between Debtor and Secured Party (the "Loan Agreement") (the Loan Agreement, together with this Agreement, and all other related documents, agreements and instruments, as the same may now exist or may hereafter be amended or supplemented, are referred to herein collectively as the "Agreements").

NOW, THEREFORE, in order to induce Secured Party and the Lenders to enter into the Agreements and in consideration thereof, Debtor agrees to enter into this Agreement with Secured Party.

1. SECURITY INTEREST.

Debtor hereby grants Secured Party a security interest in all of the following assets of Debtor:

(a) all of Debtor's now existing or hereafter acquired right, title and interest in and to: all of Debtor's interests in any patents, whether foreign or domestic; all applications, registrations and recordings relating to such patents in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof, any political subdivision thereof and all reissues, extensions and renewals thereof, including, without limitation, those patents, applications, registrations and recordings described in Schedule A hereto (the "Patents");

(b) all of Debtor's now existing or hereafter acquired right, title, and interest in and to: all of Debtor's trademarks, trade names, trade styles and service marks; all prints and labels on which such trademarks, trade names, trade styles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; all applications, registrations and recordings relating to the foregoing in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other countries, and all reissues, extensions and renewals thereof including those trademarks, terms, design and applications described in Schedule B hereto (the "Trademarks");

(c) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; and

(d) any and all proceeds of any of the foregoing, including, without limitation, any claims by Debtor against third parties for infringement of the Patents, Trademarks or of any licenses with respect thereto (all of the foregoing are collectively referred to herein as the "Collateral").

2. OBLIGATIONS SECURED

The security interest granted by Debtor to Secured Party in this Agreement shall secure the prompt and indefeasible payment and performance of the "Obligations" as defined in the Loan Agreement (all the foregoing hereinafter referred to as the "Obligations").

3. WARRANTIES AND COVENANTS

Debtor hereby covenants, represents and warrants that (all of such covenants, representations and warranties being continuing in nature so long as any of the Obligations are outstanding):

(a) All of the existing Collateral is valid and subsisting in full force and effect to Debtor's knowledge, and Debtor owns sole, full, and clear title thereto, and has the right and power to grant the security interests granted hereunder. Debtor will, at Debtor's expense, perform all acts and execute all documents reasonably necessary to maintain the existence of the Collateral as valid, subsisting and registered patents and trademarks including without limitation the filing of any renewal affidavits and applications. The Collateral is not subject to any lien, security interest, claim or encumbrance ("Lien"), except the security interests granted hereunder, the licenses, if any, which are specifically described in Schedule C hereto and the security interests permitted under Section 7.2 of the Loan Agreement.

(b) Debtor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or Lien upon, encumber, grant an exclusive or non-exclusive license relating thereto, except to Secured Party, or otherwise dispose of, any of the Collateral without the prior written consent of Secured Party, which will not be unreasonably withheld.

(c) Debtor will, at Debtor's expense, perform all acts and execute all documents reasonably requested at any time by Secured Party to evidence, perfect, maintain, record, or enforce the security interest in the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Secured Party to execute and file one or more financing statements (or similar documents) with respect to the Collateral signed only by Secured Party. Debtor further authorizes Secured Party to have this or any other similar security agreement filed with the Commissioner of Patents and Trademarks or other appropriate federal, state or government office.

(d) Debtor will, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party an original of a Power of Attorney in the form of Exhibit 1 annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise of the rights and remedies granted to Secured Party hereunder. Secured Party agrees it will only exercise the Power of Attorney upon the occurrence and during the continuation of an Event of Default under (and as defined in) the Loan Agreement.

(e) Secured Party may, in its sole discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by Secured Party to maintain and preserve the Collateral, defend, protect, record, amend or enforce the Obligations, the Collateral, or the security interest granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges and reasonable attorneys' fees. Debtor will be liable to Secured Party for any such payment, which payment shall be deemed a borrowing by Debtor from Secured Party, and shall be payable on demand together with interest at the applicable rate set forth in the Agreements and shall be part of the Obligations secured hereby.

(f) As of the date hereof, Debtor does not have any Patents or Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States other than those described in Schedules A and B annexed hereto.

(g) Debtor shall notify Secured Party in writing of the filing of any application for the registration of a Patent or Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States or any state therein within thirty (30) days of such filing. Upon request of Secured Party, Debtor shall execute and deliver to Secured Party any and all assignments, agreements, instruments, documents,

and such other papers as may be requested by Secured Party to evidence the security interests of Secured Party in such Patent or Trademark.

(h) Debtor has not abandoned any of the Patents or Trademarks material to the conduct of the business and Debtor will not do any act, nor omit to do any act, whereby the Patents or Trademarks may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable. Debtor shall notify Secured Party immediately if Debtor knows or has reason to know of any reason why any application, registration, or recording may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable.

(i) Debtor will render any assistance, as Secured Party may determine is reasonably necessary, to Secured Party in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States or any state therein or any other country to maintain such application and registration of the Patents or Trademarks as Debtor's exclusive property and to protect Secured Party's interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

(j) Debtor will promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design likely to cause confusion with any Trademark or of any use any person of any other process or product which infringes upon any Patent or Trademark. If requested by Secured Party, Debtor, at Debtor's expense, shall join with Secured Party in such action as Secured Party, in Secured Party's reasonable discretion, may deem advisable for the protection of Secured Party's interest in and to the Patents or Trademarks.

(k) Debtor assumes all responsibility and liability arising from the use of the Patents or Trademarks by Debtor, and Debtor hereby indemnities and holds Secured Party harmless from and against any claim, suit, loss, damage, or expense (including reasonable attorneys' fees) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Patent or Trademark or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof).

(l) Debtor will maintain the quality of the products associated with the Trademarks at a level consistent with the quality at the time of this Agreement. Debtor will not change the quality of the products associated with the Trademarks without the Secured Party's prior written consent. Debtor hereby grants to Secured Party the right to visit Debtor's plant and facilities which manufacture or store products sold under any of the Trademarks and to inspect the products and quality-control records relating thereto at such times as permitted in the Loan Agreement.

4. RIGHTS AND REMEDIES

Upon the occurrence of an Event of Default and at any time thereafter, in addition to all other rights and remedies of Secured Party, whether provided under applicable law, the Agreements or otherwise, and after expiration of any grace period, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor, except as such notice or consent is expressly provided for hereunder:

(a) Secured Party may make use of any Patents or Trademarks for the sale of goods or rendering of services in connection with enforcing any other security interest granted by Debtor to Secured Party.

(b) Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner as Secured Party shall in its sole discretion deem appropriate. Such license or licenses may be general, special, or otherwise and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Secured Party may assign, sell, or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations, except that Secured Party agrees to provide Debtor with ten (10) days prior written notice of any proposed disposition of the Collateral. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in Secured Party's sole discretion, deem appropriate or proper to complete such assignment, sale or disposition. In any such event, Debtor shall be liable for any deficiency.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to subparagraph 4C hereof, Secured Party may at any time execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in subparagraph 3E hereof, one or more instruments of assignment of the Patents or Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording or registration. Debtor agrees to pay Secured Party on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and reasonable attorneys' fees.

(e) Secured Party may apply the proceeds actually received from any such license, assignment, sale or other disposition of Collateral first to the reasonable costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel, and other expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations as Secured Party may in its sole discretion determine. Debtor shall remain liable to Secured Party for any expenses or obligations remaining unpaid after the application of such proceeds, and Debtor

will pay Secured Party on demand any such unpaid amount, together with interest at the default rate set forth in the Loan Agreement.

(f) In the event that any such license, assignment, sale or disposition of the Collateral (or any part thereof) is made after the occurrence of an Event of Default, Debtor shall supply to Secured Party or Secured Party's designee Debtor's knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks or to which the Patents relate and Debtor's customer lists and other records relating to the Patents and Trademarks and the distribution thereof.

Nothing contained herein shall be construed as requiring Secured Party to take any such action at any time. All of Secured Party's rights and remedies, whether provided under law, the Agreements, this Agreement, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

5. MISCELLANEOUS

(a) Any failure or delay by Secured Party to require strict performance by Debtor of any of the provisions, warranties, terms and conditions contained herein or in any other agreement, document, or instrument, shall not affect Secured Party's right to demand strict compliance and performance therewith, and any waiver of any Event of Default shall not waive or affect any other Event of Default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein or in any other agreement, document, or instrument shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers, or employees, but only by an instrument in writing, signed by an officer of Secured Party and directed to Debtor, specifying such waiver.

(b) All notices, requests and demands to or upon the respective parties hereto shall be deemed to have been duly given or made: if by hand, immediately upon delivery; if by facsimile (fax), telex or telegram, immediately upon sending; if by any overnight delivery service, one day after dispatch; and if mailed by first class or certified mail, three (3) days after mailing. All notices, requests and demands are to be given or made to the respective parties at the following addresses (or to such other addresses as either party may designate by notice in accordance with the provisions of this paragraph):

If to Debtor: NORTHWEST WEB CO.
3592 W. 5th Avenue
Eugene, Oregon 97401
Attn: Mark Marth

If to Secured Party: FREMONT FINANCIAL CORPORATION
2020 Santa Monica Boulevard
Fifth Floor
Santa Monica, California 90404
Attn: Northwest Web Account Executive

C. In the event any term or provision of this Agreement conflicts with any term or provision of the Loan Agreement, the term or provision of the Loan Agreement shall control.

D. In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Agreement.

E. This Agreement shall be binding upon and for the benefit of the parties hereto and their respective legal representatives, successors and assigns. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement signed by the party to be charged thereby.

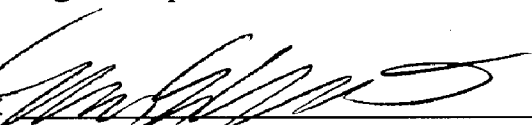
F. The security interest granted to Secured Party shall terminate and the Collateral will be reassigned to Debtor, at Debtor's sole expense, upon termination of the Loan Agreement and indefeasible payment in full to Secured Party and the Lenders of all Obligations thereunder.

G. THE VALIDITY, INTERPRETATION AND EFFECT OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE UNITED STATES OF AMERICA AND THE LAWS OF THE STATE OF CALIFORNIA.

IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

DEBTOR:

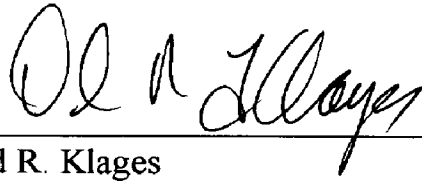
NORTHWEST WEB CO.,
an Oregon corporation

By: 
Mark Marth
President

SECURED PARTY:

FREMONT FINANCIAL CORPORATION
a California corporation

By: _____



David R. Klages
Vice President

SCHEDULE A
to
PATENT AND TRADEMARK SECURITY AGREEMENT

Patents and Applications

<u>Title</u>	<u>Patent No./ Application No.</u>	<u>Filing Issue Date</u>
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NONE

SCHEDULE B
to
PATENT AND TRADEMARK SECURITY AGREEMENT

Trademarks / Service Marks

<u>Trademark/ Service Mark</u>	<u>Registration No.</u>	<u>Registration Date</u>
NORTHWEST WEB	1,417,043	11/16/86

SCHEDULE C
to
PATENT AND TRADEMARK SECURITY AGREEMENT

Permitted Licenses

NONE