

02-26-2001



FRONT SHEET
COPY

To the Honorable Commissioner

101619467

with the attached original documents or copy thereof.

1. Name of conveying party(ies):

Cadant, Inc.

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

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

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

Name: J.P. Morgan Partners, L.P.

Internal Address: 1221 Avenue of the Americas

City: New York State: New York ZIP: 10020

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

Execution Date: January 31, 2001

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

A. Trademark Application No.(s)
75/658,557

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: VEDDER,PRICE, KAUFMAN & KAMM HOLZ

Attention: Tammy S. Settle

Internal Address:

Street Address: 222 North LaSalle Street
Suite 2600

City: Chicago State: IL ZIP: 60601

6. Total number of applications and registrations involved: 7

7. Total Fee (37 CFR 3.41) \$ 40.00

- Enclosed
- Authorized to be charged to deposit account
(Any Deficiencies)

8. Deposit account number: 22-0259

(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.

Tammy S. Settle
Name of Person Signing

Tammy S. Settle
Signature

February 14, 2001
Date

13

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

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

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

02/26/2001 6TON11 00000171 75658557

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40.00 DP

TRADEMARK
REEL: 002240 FRAME: 0015

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this “**Agreement**”) is made as of January 31, 2001, by and between Cadant, Inc., a Delaware corporation (“**Borrower**”), and J.P. Morgan Partners (BHCA), L.P., as contractual representative (the “**Agent**”) for the Lenders (as such term is defined in the Loan Agreement defined below).

W I T N E S S E T H:

WHEREAS, Borrower, the Agent and the Lenders are parties to that certain Convertible Secured Bridge Loan Agreement of even date herewith (as the same may hereafter be modified, amended, restated or supplemented from time to time, the “**Loan Agreement**”), pursuant to which the Lenders are making Loans to Borrower; and

WHEREAS, Borrower and the Agent are parties to that certain Security Agreement of even date herewith (as the same may hereafter be modified, amended, restated or supplemented from time to time, the “**Security Agreement**”), pursuant to which Borrower has granted a security interest in certain of its assets to the Agent for the benefit of the Agent and the Lenders; and

WHEREAS, the Lenders have required Borrower to execute and deliver this Agreement (i) in order to secure the prompt and complete payment, observance and performance of all of the Liabilities (as defined in the Loan Agreement), and (ii) as a condition precedent to any extension of credit under the Loan Agreement;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

1. Defined Terms.

1.1 Unless otherwise defined herein, each capitalized term used herein that is defined in the Loan Agreement shall have the meaning specified for such term in the Loan Agreement. Unless otherwise defined herein, each capitalized term used herein that is defined in the Security Agreement shall have the meaning specified for such term in the Security Agreement.

1.2 The words “hereof,” “herein” and “hereunder” and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section references are to this Agreement unless otherwise specified.

1.3 All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and *vice versa*, unless otherwise specified.

2. **Incorporation of Premises.** The premises set forth above are incorporated into this Agreement by this reference thereto and are made a part hereof.

3. **Incorporation of the Loan Agreement.** The Loan Agreement and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.

4. **Security Interest in Trademarks.** To secure the complete and timely payment, performance and satisfaction of all of the Liabilities, Borrower hereby grants to the Agent, for the benefit of the Lenders, a security interest in, as and by way of a mortgage and security interest having priority over all other security interests (other than Permitted Liens), with power of sale to the extent permitted by applicable law, all of Borrower's now owned or existing and hereafter acquired or arising:

- (i) trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including, without limitation, the trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications listed on **Schedule A** attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (c) the right to sue for past, present and future infringements and dilutions thereof, (d) the goodwill of Borrower's business symbolized by the foregoing and connected therewith, and (e) all of Borrower's rights corresponding thereto throughout the world (all of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications, together with the items described in **clauses (a)-(e)** in this **paragraph 4(i)**, are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**"); and
- (ii) rights under or interest in any trademark license agreements or service mark license agreements with any other party, whether Borrower is a licensee or licensor under any such license agreement, including, without limitation, those trademark license agreements and service mark license agreements listed on **Schedule B** attached hereto and made a part hereof, together with any goodwill connected with and symbolized by any such trademark license agreements or service mark license agreements, and the right to prepare for sale and sell any and all Inventory now or hereafter owned by Borrower and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "**Licenses**"). Notwithstanding the foregoing provisions of this **Section 4**, the Licenses shall not include any license agreement in effect as of the date hereof which by its terms prohibits the grant of the security contemplated by this Agreement; **provided, however**, that upon the termination such prohibitions for any reason whatsoever, the provisions of this **Section 4** shall be deemed to apply thereto automatically.

5. Restrictions on Future Agreements. Borrower will not, without the Agent's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Borrower further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any respect affect the validity or enforcement of the rights transferred to the Agent under this Agreement or the rights associated with the Trademarks or Licenses. Notwithstanding the foregoing, in the event Borrower reasonably determines that any Trademark or License is not material to the conduct of its business, Borrower shall take such action as it reasonably deems appropriate under the circumstances to protect the Trademarks and the Licenses.

6. New Trademarks and Licenses. Borrower represents and warrants that, from and after the Closing Date, (except for new trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications as to which Borrower notifies the Agent as set forth below) (a) the Trademarks listed on **Schedule A** include all of the trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications now owned or held by Borrower, (b) the Licenses listed on **Schedule B** include all of the trademark license agreements and service mark license agreements under which Borrower is the licensee or licensor, and (c) no liens, claims or security interests (other than Permitted Liens) in such Trademarks and Licenses have been granted by Borrower to any Person other than the Agent. If, prior to the termination of this Agreement, Borrower shall (i) obtain rights to any new trademarks, registered trademarks, trademark applications, service marks, registered service marks or service mark applications, (ii) become entitled to the benefit of any trademarks, registered trademarks, trademark applications, serial numbers, filing dates, trademark licenses, trademark license renewals, service marks, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor, or (iii) enter into any new trademark license agreement or service mark license agreement, the provisions of **paragraph 4** above shall automatically apply thereto. Borrower shall give to the Agent written notice of events described in **clauses (i), (ii) and (iii)** of the preceding sentence promptly after the occurrence thereof, but in any event not less frequently than on a quarterly basis. Borrower hereby authorizes the Agent to modify this Agreement unilaterally (i) by amending **Schedule A** to include any future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications and by amending **Schedule B** to include any future trademark license agreements and service mark license agreements which are Trademarks or Licenses under **paragraph 4** above or under this **paragraph 6**, and (ii) by filing, in addition to and not in substitution for this Agreement, a duplicate original of this Agreement containing on **Schedule A** or **Schedule B** thereto, as the case may be, such future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, and trademark license agreements and service mark license agreements.

7. Royalties. Borrower hereby agrees that the use by the Agent of the Trademarks and Licenses as authorized hereunder in connection with the Agent's exercise of its rights and remedies under **paragraph 15** or pursuant to **Section 8** of the Security Agreement shall be coextensive with Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Agent or the other Lenders to Borrower.

8. Right to Inspect; Further Assignments and Security Interests. The Agent may at all reasonable times (and at any time when an Event of Default has occurred and is continuing) have access to, examine, audit, make copies (at Borrower's expense) and extracts from and inspect Borrower's premises and examine Borrower's books, records and operations relating to the Trademarks and Licenses; provided, that, in conducting such inspections and examinations, the Agent shall use reasonable efforts not to disturb unnecessarily the conduct of Borrower's ordinary business operations. From and after the occurrence of an Event of Default, Borrower agrees that the Agent, or a conservator appointed by the Agent, shall have the right to establish such reasonable additional product quality controls as the Agent or such conservator, in its sole and absolute judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower under the Trademarks and the Licenses or in connection with which such Trademarks and Licenses are used. Borrower agrees (i) not to sell or assign its respective interests in, or grant any license under, the Trademarks or the Licenses without the prior and express written consent of the Agent, (ii) to maintain the quality of such products as of the date hereof, and (iii) not to diminish the quality of such products in any material respect without the Agent's prior and express written consent.

9. Nature and Continuation of the Agent's Security Interest; Termination of the Agent's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks and Licenses and shall terminate only when the Liabilities have been paid in full in cash or converted in full into securities of Borrower in accordance with the Loan Agreement and the Loan Agreement and the Security Agreement have been terminated. When this Agreement has terminated, the Agent shall promptly execute and deliver to Borrower, at Borrower's expense, all termination statements and other instruments as may be necessary or proper to terminate the Agent's security interest in the Trademarks and the Licenses, subject to any disposition thereof which may have been made by the Agent pursuant to this Agreement or the Security Agreement.

10. Duties of Borrower. Borrower shall have the duty, to the extent desirable in the normal conduct of Borrower's business, to: (i) prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or hereafter until the termination of this Agreement, and (ii) make application for trademarks or service marks. Borrower further agrees (i) not to abandon any Trademark or License without the prior written consent of the Agent, and (ii) to use its best efforts to maintain in full force and effect the Trademarks and the Licenses that are or shall be necessary or economically desirable in the operation of Borrower's business. Any expenses incurred in connection with the foregoing shall be borne by Borrower. Neither the Agent nor any of the Lenders shall have any duty with respect to the Trademarks and Licenses. Without limiting the generality of the foregoing, neither the Agent nor any of the Lenders shall be under any obligation to take any steps necessary to preserve rights in the Trademarks or Licenses against any other parties, but the Agent may do so at its option from and after the occurrence of an Event of Default, and all expenses incurred in connection therewith shall be for the sole account of Borrower and shall be added to the Liabilities secured hereby.

11. The Agent's Right to Sue. From and after the occurrence and during the continuance of an Event of Default, the Agent shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks and the Licenses and, if the Agent shall commence any such suit, Borrower shall, at the request of the Agent, do any and all lawful acts and execute any all proper documents required by the Agent in aid of such enforcement. Borrower shall, upon demand, promptly reimburse the Agent for all costs and expenses incurred by the Agent in the exercise of its rights under this **paragraph 11** (including, without limitation, reasonable fees and expenses of attorneys and paralegals for the Agent).

12. Waivers. The Agent's failure, at any time or times hereafter, to require strict performance by Borrower of any provision of this Agreement shall not waive, affect or diminish any right of the Agent thereafter to demand strict compliance and performance therewith nor shall any course of dealing between Borrower and the Agent have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of Borrower contained in this Agreement shall be deemed to have been suspended or waived by the Agent unless such suspension or waiver is in writing signed by an officer of the Agent and directed to Borrower specifying such suspension or waiver.

13. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but 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 part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

14. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in **paragraph 6** hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney. Borrower hereby irrevocably designates, constitutes and appoints the Agent (and all Persons designated by the Agent in its sole and absolute discretion) as Borrower's true and lawful attorney-in-fact, and authorizes the Agent and any of the Agent's designees, in Borrower's or the Agent's name, to take any action and execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, from and after the occurrence and during the continuance of an Event of Default and the giving by the Agent of notice to Borrower of the Agent's intention to enforce its rights and claims against Borrower, to (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for the Agent in the use of the Trademarks or the Licenses, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks or the Licenses to anyone on commercially reasonable terms, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks or, to the extent permitted, under the Licenses, to anyone on commercially reasonable terms, and (iv) take any other actions with respect to the Trademarks or the Licenses as the Agent deems in its own or the Lenders' best interest. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney

is coupled with an interest and shall be irrevocable until all of the Liabilities shall have been paid in full in cash or converted in full into securities of Borrower in accordance with the Loan Agreement and the Loan Agreement shall have been terminated. Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Agent or the other Lenders under the Security Agreement, but rather is intended to facilitate the exercise of such rights and remedies. In exercising its rights and remedies, Agent and Lenders shall be subject to the Intercreditor Agreement.

The Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies 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 Trademarks or the Licenses may be located or deemed located. Upon the occurrence of an Event of Default and the election by the Agent to exercise any of its remedies under Section 9-504 or Section 9-505 of the Uniform Commercial Code with respect to the Trademarks and Licenses, Borrower agrees to assign, convey and otherwise transfer title in and to the Trademarks and the Licenses to the Agent or any transferee of the Agent and to execute and deliver to the Agent or any such transferee all such agreements, documents and instruments as may be necessary, in the Agent's sole discretion, to effect such assignment, conveyance and transfer. All of the Agent's rights and remedies with respect to the Trademarks and the Licenses, whether established hereby, by the Security Agreement, by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that, upon the occurrence and during the continuance of an Event of Default, the Agent may exercise any of the rights and remedies provided in this Agreement, the Security Agreement and any of the other Loan Documents. Borrower agrees that any notification of intended disposition of any of the Trademarks and Licenses required by law shall be deemed reasonably and properly given if given at least ten (10) days before such disposition; provided, however, that the Agent may give any shorter notice that is commercially reasonable under the circumstances.

16. Successors and Assigns. This Agreement shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of each of the Lenders and its nominees, successors and assigns. Borrower's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Borrower; provided, however, that Borrower shall not voluntarily assign or transfer its rights or obligations hereunder without the Agent's prior written consent.

17. Governing Law. This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the internal laws (as opposed to conflict of laws provisions) and decisions of the State of Illinois.

18. Notices. All notices or other communications hereunder shall be give in the manner and to the addresses set forth in the Loan Agreement.

19. **Section Titles.** The section titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

20. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

21. **Merger.** This Agreement represents the final agreement of Borrower with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between Borrower and the Agent or any Lender.

22. **Intercreditor Agreement.** The security interests and liens now or hereafter held by Agent or any Lender in the Collateral shall be subject to and subordinate in priority to the security interests and liens now or hereafter held by Comdisco in the Collateral in accordance with the terms of the Intercreditor Agreement.

Signature Page for Trademark Security Agreement

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

CADANT, INC.

By: (Signature)
Name: Venkata C. Majeti
Title: President & CEO

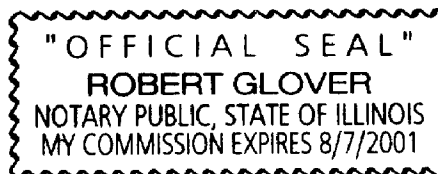
ATTEST:

By: (Signature)

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

The foregoing Trademark Security Agreement was acknowledged before me this 25 day of January, 2001, by VENKATA MAJETI, the PRES. & CEO of Cadant, Inc., a Delaware corporation, on behalf of such corporation.

(Signature)
Notary Public
My commission expires: 8/7/2001



SCHEDULE A

to

Trademark Security Agreement

dated as of January 31, 2001

Trademarks

BANNER & WHITCOFF FILE NUMBER	SERIAL NUMBER	TRADEMARK	FILING DATE	TYPE OF MARK
4807.84798	75/658,557	CADANT	03/11/99	Trademark
4807.00015	N/A	THE DOCSIS 1.1 COMPANY	Not Yet Filed	Trademark
4807.00016	N/A	THE DOCSIS 1.1 COMPANY	Not Yet Filed	Trademark
4807.00018	N/A	INNOVATIONS IN BROADBAND	Not Yet Filed	Trademark
4807.00019	N/A	INNOVATIONS IN BROADBAND	Not Yet Filed	Trademark

Trademark and Service Mark Applications

Foreign Trademarks

SCHEDULE B

to

Trademark Security Agreement

dated as of January 31, 2001

License Agreements

Trademarks