

Form PTO-1594  
(Rev. 03/01)

OMB No. 0651-0027 (exp. 5/31/2002)

### RECORDATION FORM COVER SHEET TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):  
Restaurant Technologies, Inc.

- Individual(s)
- General Partnership
- Corporation-State
- 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: 06/19/2002

2. Name and address of receiving party(ies)

Name: Bayview Capital Partners LP  
 Internal Address: Suite 230  
 Street Address: 641 East Lake Street  
 City: Wayzata State: MN Zip: 55391

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership Delaware
- 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 registration number(s):

A. Trademark Application No.(s) 75/756,169, 76/125,462

B. Trademark Registration No.(s) \_\_\_\_\_

Additional number(s) attached  Yes  No

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

Name: Susan J. Lilyquist

Internal Address: \_\_\_\_\_

4200 IDS Center --

Street Address: 4200 IDS Center --

80 South Eighth Street

City: Minneapolis State: MN Zip: 55402-2205

6. Total number of applications and registrations involved: \_\_\_\_\_

2

7. Total fee (37 CFR 3.41).....\$ 65

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

500837

**DO NOT USE THIS SPACE**

9. Signature.

LINDQUIST & VENNUM P.L.L.C.

Susan J. Lilyquist  
Name of Person Signing

Susan J. Lilyquist  
Signature

06/28/2002  
Date

Date

Total number of pages including cover sheet, attachments, and document: 17

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patent & Trademarks, Box Assignments  
Washington, D.C. 20231

Recordation Form Cover Sheet  
Trademarks Only  
Continuation

Conveying party: Restaurant Technologies, Inc.

**Additional**

**Receiving Party:** Convergent Capital Partners I, L.P.  
Delaware Limited Partnership  
5353 Wayzata Boulevard  
Suite 205  
Wayzata, MN 55416

## PATENT AND TRADEMARK SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (the "Agreement") dated as of June 19, 2002, is made by and among Restaurant Technologies, Inc. a Delaware corporation (the "Borrower"), Bayview Capital Partners LP, a Delaware limited partnership ("Bayview"), and Convergent Capital Partners I, L.P., a Delaware limited partnership ("Convergent"). Bayview and Convergent are referred to in this Agreement each individually as a "Lender" and collectively as the "Lenders."

### BACKGROUND

A. The Lenders have agreed to purchase senior subordinated notes in the aggregate principal amount of up to \$7,500,000 (the "Notes") issued by the Borrower pursuant to a Note Purchase Agreement dated the date hereof by and between the Lenders and the Borrower (as it may be amended or otherwise modified from time to time, the "Purchase Agreement").

B. The Borrower has granted the Lenders a security interest in certain assets of the Borrower pursuant to a Security Agreement dated the date hereof by and among the Borrower and the Lenders (as it may be amended or otherwise modified from time to time, the "Security Agreement" and together with the Purchase Agreement, the "Financing Agreements").

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Definitions.** As used in this Agreement, all capitalized terms have the meanings set forth in the Purchase Agreement except that the following capitalized terms have the meanings indicated:

1.1 "Event of Default" means the occurrence of any one or more of the following:

(i) the occurrence of an Event of Default under the Purchase Agreement; or

(ii) a default by the Borrower in the performance or observance of any covenant, condition, undertaking or agreement contained in this Agreement and the continuance of such default for a period of 20 days after the Borrower has knowledge of the occurrence thereof; or

(iii) any warranty, representation or other statement by or on behalf of the Borrower contained in this Agreement, or in any instrument furnished in compliance with or in reference hereto, is false or misleading in any material respect at the time made.

1.2 "Obligations" means all of the indebtedness, obligations and liabilities of the Borrower to the Lenders, individually or collectively, whether direct or indirect, joint or several, absolute or contingent, due or to become due, now existing or hereafter arising under or in respect of the Purchase Agreement, the Notes any other instruments or agreements executed and delivered pursuant thereto or in connection therewith, or this Agreement; provided that, the Obligations do not include any obligation of the Borrower with respect to the Conversion Stock.

1.3 "Patents" means all of the Borrower's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising patents including, without limitation, the patents and applications listed on Schedule A attached hereto, any divisions, continuations, reissues, re-examinations, extensions and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing.

1.4 "Permitted Liens" has the meaning given such term in the Purchase Agreement.

1.5 "Trademarks" means all of the Borrower's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, the trademarks and applications listed on Schedule B attached hereto, any renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing.

2. Grant of Security Interest. The Borrower grants to the Lenders, to secure the payment and performance in full of all of the Obligations, a security interest in the Patents, the Trademarks, all rights corresponding to any of the foregoing throughout the world and the goodwill of the Borrower's business connected with the use of and symbolized by the Trademarks.

3. Representations and Warranties. The Borrower represents and warrants to the Lenders as follows:

3.1 No Patent or Trademark has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Patent or Trademark been cancelled, in whole or in part and each such Patent and Trademark is presently subsisting.

3.2 Except for Permitted Liens, the Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Patent and Trademark, free and clear of any liens, charges and encumbrances, including without limitation, shop rights and covenants by the Borrower not to sue third persons. The Patents listed in Schedule A and the Trademarks listed in Schedule B constitute all the United States federal registrations or applications registered in the United States Patent and Trademark Office, as well all registrations or applications registered in any state thereof or any political subdivision thereof, that the Borrower owns.

3.3 Except as set forth in the Disclosure Schedule to the Purchase Agreement, the Borrower has no notice of (i) any suits or actions commenced or threatened with reference to any Patent or Trademark nor (ii) any third-party claim that any aspect of the Borrower's present or contemplated business operations infringes or will infringe any patent, trademark or trade name.

4. Restrictions on Future Agreements. The Borrower will not, without the prior written consent of the Lenders, sell or assign its interest in any Patent or Trademark or enter into any other agreement with respect to any Patent or Trademark which would affect the validity or enforcement of the rights transferred to Lenders under this Agreement.

5. Product Quality. The Borrower will maintain the quality of any and all products in connection with which the Patents or Trademarks are used, consistent with commercially reasonable business practices. Upon the occurrence and during the continuance of an Event of Default, the Borrower agrees that the Lenders, or a conservator appointed by the Lenders, will have the right to establish such additional product quality controls as the Lenders, or such conservator, in theirs or its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower under the Patents and Trademarks.

6. New Patents and Trademarks. If the Borrower becomes (i) aware of any existing Patents or Trademarks of which the Borrower has not previously informed the Lender, or (ii) entitled to the benefit of any Patents or Trademarks, which benefit is not in existence on the date hereof, the provisions of this Agreement will automatically apply thereto and the Borrower will give the Lenders prompt written notice thereof. The Borrower authorizes the Lenders to modify this Agreement by amending Schedule A and Schedule B to include any such Patents and Trademarks.

7. Duties of the Borrower. Except to the extent the Borrower determines, in its exercise of reasonable business judgment, that any Patent or Trademark is not necessary or materially useful in connection with the Borrower's business, the Borrower agrees to (i) file and prosecute diligently any patent or trademark applications pending as of the date hereof or hereafter until the Obligations have been paid in full, (ii) preserve and maintain all rights in the Patents and Trademarks, as commercially reasonable, and (iii) to ensure that the Patents and Trademarks are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with the Borrower's obligations under this Section 8 will be borne by the Borrower.

8. Lenders' Right to Sue. Upon the occurrence and during the continuance of an Event of Default, the Lenders will have the right, but will in no way be obligated, to bring suit in

their own name to enforce the Patents and Trademarks which are materially useful to the Borrower's business and, if the Lenders commence any such suit, the Borrower will, at the request of the Lenders, do any and all lawful acts and execute any and all proper documents required by the Lenders in aid of such enforcement and the Borrower will promptly, upon demand, reimburse and indemnify the Lenders for all costs and expenses incurred by the Lenders in the exercise of their rights under this Section 8.

9. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of the Lenders' rights and remedies with respect to the Patents and Trademarks, whether established in this Agreement or the Security Agreement, or by any other agreements or by law are cumulative and may be exercised singularly or concurrently. The Borrower authorizes the Lenders upon the occurrence and during the continuance of an Event of Default, to make, constitute and appoint any officer or agent of the Lenders as the Lenders may select, in their sole discretion, as the Borrower's true and lawful attorney-in-fact, with the power to (i) endorse the Borrower's name on all applications, documents, papers and instruments necessary or desirable for the Lenders in the use of the Patents and Trademarks, (ii) take any other actions with respect to the Patents and Trademarks as the Lenders deem to be in the best interest of the Lenders, (iii) grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents or Trademarks to anyone. To the extent permitted by law, the Borrower ratifies all that any such attorneys lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable until the termination of this Agreement under Section 20. The Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Lenders under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. The Lenders have, in addition to all other rights and remedies given it by the terms of this Agreement and the Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Minnesota.

10. Further Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, the Lenders may, by written notice to the Borrower, take any or all of the following actions: (i) declare the entire right, title and interest of the Borrower in and to each of the Patents and Trademarks vested, in which event such right, title and interest shall immediately vest, in the Lenders pursuant to the assignment of security interest in the form of Exhibit A and/or Exhibit B hereto, executed by the Borrower and filed upon such declaration, pursuant to which all of the Borrower's right, title and interest in and to the Patents and Trademarks are assigned to the Lenders; (ii) take and use or sell the Patents and the Trademarks; and (iii) direct the Borrower to refrain, in which event the Borrower will refrain, from using the Patents and Trademarks in any manner whatsoever, directly or indirectly, and, if requested by the Lenders, change the Borrower's corporate name to eliminate therefrom any use of any Trademark and execute such other and further documents that the Lenders may request to further confirm this and to transfer ownership of the Patents and Trademarks and registrations and any pending application in the United States Patent and Trademark Office or any equivalent government agency or office in any state or political subdivision thereof or in any foreign jurisdiction to the Lenders. The Borrower agrees that the use by the Lender of all Patents and Trademarks as provided in this Agreement will be without any liability for royalties or other related charges from the

Lenders to the Borrower. The Lenders will apply the proceeds of the use and/or sale of the Patents and Trademarks to the Obligations within a reasonable period of time after such receipt, such proceeds to be immediately entered after final payment in cash or other immediately available funds.

11. Expenses. All reasonable expenses incurred in connection with the performance of any of the agreements set forth in this Agreement will be borne by the Borrower. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by the Lenders in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Patents or Trademarks or in defending or prosecuting any actions or proceedings arising out of or related to the Patents or Trademarks will be borne by and paid by the Borrower and until paid will constitute Obligations.

12. No Waiver by Lenders. The Lenders will not be deemed to have waived any of their rights hereunder unless such waiver is in writing and signed by each Lender. No delay or omission on the part of any Lender in exercising any right will operate as a waiver of such right or any other right. A waiver on any one occasion will not be construed as a waiver of any right on any future occasion. All rights and remedies of the Lenders with respect to the Obligations, the Patents or the Trademarks, whether evidenced hereby or by any other instrument or papers, will be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as the Lenders deem expedient.

13. Governing Law. This Agreement will be construed and enforced in accordance with the substantive laws of the State of Minnesota without giving effect to the conflicts of laws principles of any jurisdiction.

14. Notices. All notices, consents, requests, instructions, approvals and other communications required by this Agreement will be validly given, made or served if in writing and delivered personally, sent by certified mail (postage prepaid), facsimile transmission, or by a nationally recognized overnight delivery service, addressed as follows (or such other address as is furnished in writing by a party to the other parties):

(a) If to the Lenders:

Bayview Capital Partners LP  
Attn: Cary Musech  
641 East Lake Street, Suite 230  
Wayzata, Minnesota 55391  
Tel.: 952-345-2035  
Fax: 952-345-2001

and

Convergent Capital Partners I, L.P.

Attn: John Mason  
5353 Wayzata Boulevard, Suite 205  
Wayzata, Minnesota 55416  
Tel.: 763-595-8022  
Fax: 763-595-8113

with a copy to:

Lindquist & Vennum P.L.L.P.  
Attn: Robert E. Tunheim  
4200 IDS Center  
80 South 8<sup>th</sup> Street  
Minneapolis, Minnesota 55402  
Tel.: 612-371-3915  
Fax: 612-371-3207

(b) If to the Borrower:

Restaurant Technologies, Inc.  
Attn: Chief Executive Officer  
940 Apollo Road, Suite 110  
Eagan, Minnesota 55121  
Tel.: 651-796-1600  
Fax: 651-379-4082

15. Entire Agreement. This Agreement and the Financing Agreements contain the entire understanding of the parties hereto with respect to the subject matter contained herein. There are no restrictions, promises, warranties, covenants, or undertakings, other than those expressly provided for herein and in the Financing Agreements. This Agreement and the Financing Agreements supersede all prior agreements and undertakings between the parties with respect to such subject matter.

16. Severability of Invalid Provision. If any one or more covenant or agreement provided in this Agreement is contrary to law, then such covenant or agreement will be null and void and will in no way affect the validity of the other provisions of this Agreement, which will otherwise be fully effective and enforceable.

17. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, including one or more future holders of the Notes; provided, however, that the Borrower may not assign any of its obligations hereunder without the prior written consent of the Lenders.

18. Counterparts. This Agreement may be executed in one or more counterparts, and will become effective when one or more counterparts have been signed by each of the parties.



19. Consent to Jurisdiction. AT THE OPTION OF THE LENDERS, THIS AGREEMENT MAY BE ENFORCED IN ANY FEDERAL COURT OR MINNESOTA STATE COURT SITTING IN HENNEPIN COUNTY, MINNESOTA, AND THE BORROWER CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT. IN THE EVENT THE BORROWER COMMENCES ANY ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ALLEGING ANY BREACH OF THIS AGREEMENT, THE LENDERS AT THEIR OPTION ARE ENTITLED TO HAVE THE CASE TRANSFERRED TO ONE OF THE JURISDICTIONS AND VENUES DESCRIBED ABOVE, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

20. Waiver of Jury Trial. THE BORROWER WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION BASED ON OR PERTAINING TO THIS AGREEMENT.

21. Subordination. The Lenders have agreed to subordinate their rights and interests under this Agreement on the terms and conditions set forth in Section 10.18 of the Purchase Agreement.

22. Termination. This Agreement will terminate and be of no further force or effect upon the payment and performance of all obligations under this Agreement, the Purchase Agreement and the other Ancillary Agreements (as defined in the Purchase Agreement), provided that, the performance of unasserted indemnification obligations under Article 8 of the Purchase Agreement will not be required as a condition to termination of this Agreement. Upon such termination, the Lenders will reassign and redeliver (or cause to be reassigned and redelivered) to the Borrower, or to such person as the Borrower designates, against receipt, such of the Patents and Trademarks delivered to the Lenders as have not been sold or otherwise applied by the Lenders pursuant to the terms of this Agreement or the Security Agreement, and still held by them, together with appropriate instruments of authorization to the Borrower concerning termination, reassignment and release of liens in favor of the Lenders as the Borrower may reasonably request.

\* \* \* \* \*

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto on the day and year first above written.

**THE BORROWER:**

RESTAURANT TECHNOLOGIES, INC.

By: [Signature]  
Its: V.P./CFO

**THE LENDERS:**

BAYVIEW CAPITAL PARTNERS LP

By: Bayview Capital Management LLC  
Its: General Partner

By: [Signature]  
Its: Associate Director

CONVERGENT CAPITAL PARTNERS I, L.P.

By: Convergent Capital, LLC  
Its: General Partner

By: [Signature]  
Its: President

**SCHEDULE A**

**PATENTS**

<b>Title of Patent</b>	<b>Patent Number</b>	<b>Date Issued</b>
Bulk Cooking Oil Distribution and Waste Removal System	5,249,511	October 5, 1993
Cooking Oil Supply and Disposal Transport System	5,964,258	October 12, 1999
Device for Waste Grease Removal	6,365,046	April 2, 2002

**PATENT APPLICATIONS**

<b>Title of Patent Application</b>	<b>Serial Number</b>	<b>Date Filed</b>

**SCHEDULE B**

**TRADEMARK REGISTRATIONS**

<b>Trademark Description</b>	<b>Registration Number</b>	<b>Date Registered</b>

**TRADEMARK APPLICATIONS**

<b>Trademark Application Description</b>	<b>Serial Number</b>	<b>Date Applied</b>
"Restaurant Technologies, Inc." in international classes 11 and 29	S/N 75/756,169	July 15, 1999
"RTI" and the logo design in international classes 11 and 37	S/N 76/125,462	September 8, 2000

**EXHIBIT A**

**ASSIGNMENT OF SECURITY INTEREST IN PATENTS**

Pursuant to a Patent and Trademark Security Agreement (the "Agreement"), dated as of \_\_\_\_\_, 2002, Restaurant Technologies, Inc., a Delaware corporation (the "Grantor"), whose address is 940 Apollo Road, Suite 110, Eagan, Minnesota 55121, as assignor, hereby grants and assigns to Bayview Capital Partners LP, a Delaware limited partnership, whose address is 641 East Lake Street, Suite 2400, Wayzata, Minnesota 55391, and Convergent Capital Partners I, L.P., a Delaware limited partnership, whose address is 5353 Wayzata Boulevard, Suite 205, Wayzata, Minnesota 55416, as assignees, a continuing security interest in and a continuing lien upon, all patents and patent applications now or hereafter acquired by the Grantor, including without limitation the below listed patents and patent applications:

<b>Registrations</b>		
<b>Patent Number</b>	<b>Issue Date</b>	<b>Title</b>
5,249,511	October 5, 1993	Bulk Cooking Oil Distribution and Waste Removal System
5,964,258	October 12, 1999	Cooking Oil Supply and Disposal Transport System
6,365,046	April 2, 2002	Device for Waste Grease Removal

<b>Applications</b>		
<b>Application Number</b>	<b>Filing Date</b>	<b>Title</b>

The assignees' security interest in the patents and patent applications can be terminated only in accordance with the terms of the Agreement.

RESTAURANT TECHNOLOGIES, INC.

By: \_\_\_\_\_  
 Its: \_\_\_\_\_



**EXHIBIT B**

**ASSIGNMENT OF SECURITY INTEREST IN TRADEMARKS**

Pursuant to a Patent and Trademark Security Agreement (the "Agreement"), dated as of \_\_\_\_\_, 2002, Restaurant Technologies, Inc., a Delaware corporation (the "Grantor"), whose address is 940 Apollo Road, Suite 110, Eagan, Minnesota 55121, as assignor, hereby grants and assigns to Bayview Capital Partners LP, a Delaware limited partnership, whose address is 641 East Lake Street, Suite 2400, Wayzata, Minnesota 55391, and Convergent Capital Partners I, L.P., a Delaware limited partnership, whose address is 5353 Wayzata Boulevard, Suite 205, Wayzata, Minnesota 55416, as assignees, a continuing security interest in and a continuing lien upon, all trademarks and service marks, registrations and applications for registration now owned or hereafter acquired by Grantor, together with the goodwill associated therewith (the "Goodwill"), including without limitation the below listed registrations and applications for registration:

<b>Registrations</b>		
<b>Registration Number</b>	<b>Issue Date</b>	<b>Mark</b>

<b>Applications</b>		
<b>Application Number</b>	<b>Filing Date</b>	<b>Mark</b>
S/N 75/756,169	July 15, 1999	Restaurant Technologies, Inc.
S/N 76/125,462	September 8, 2000	RTI and design

The assignees' security interest in the trademarks, service marks, registrations, applications for registration and Goodwill can be terminated only in accordance with the terms of the Agreement.

RESTAURANT TECHNOLOGIES, INC.

By: \_\_\_\_\_  
 Its: \_\_\_\_\_

