

11-05-2002



R. 102272347
TRADEMARKS ONLY

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

Submission Type

New 10-30-02

Resubmission (Non-Recordation)

Document ID#

Correction of PTO Error

Reel # Frame #

Corrective Document

Reel # Frame #

Conveyance Type

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

OFFICE OF PATENT RECORDATION
FINANCE SECTION
NOV 01 2002 11:20

11/01/2002 6TOM11 00000149 76223243
01 FC:8521 40.00 OP
02 FC:8522 375.00 OP

FOR OFFICE USE ONLY

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

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

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

#

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.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

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:

#

Authorization to charge additional fees:

Yes

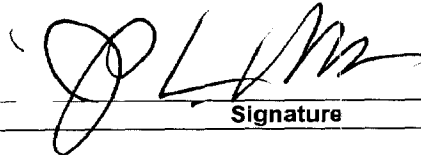
No

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.

James L. Vana

Name of Person Signing



Signature

10/22/02

Date Signed

Registration of Security Interest between ARROWHEAD SYSTEMS LLC and
FIRST BUSINESS CAPITAL CORP.

TRADEMARK REGISTRATIONS (CONTINUED)

1257166
1268209
1199338

SECURITY AGREEMENT
FOR TRADEMARKS, LICENSES, PATENTS AND DOMAIN NAMES

THIS SECURITY AGREEMENT FOR TRADEMARKS, LICENSES, PATENTS AND DOMAIN NAMES ("Agreement") is made as of the 29th day of August, 2002, by ARROWHEAD SYSTEMS LLC, a Delaware limited liability company, debtor in possession, having its chief executive office at 3255 Medalist Drive, Oshkosh, Wisconsin 54903 ("Debtor"), for the benefit of FIRST BUSINESS CAPITAL CORP., a Wisconsin corporation, having its chief executive office at 401 Charmany Drive, Madison, Wisconsin 53744-4961 (the "Secured Party").

W I T N E S S E T H:

WHEREAS Debtor and Secured Party are parties to a certain Loan and Security Agreement ("Loan Agreement") of even date herewith, which provides, among other things, for the grant by Debtor to Secured Party of a security interest in all assets of Debtor, including without limitation the Trademarks, Licenses, Patents and Domain Names (as defined below);

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, Debtor and Secured Party agree as follows:

1. **Incorporation of Loan Agreement.** The Loan Agreement and the terms and provisions thereof are incorporated herein in their entirety by this reference thereto, which Loan Agreement provides for, among other things, a grant of a security interest in the trademarks, trade names, licenses, patents and domain names which are the subject of this Agreement. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement. All references herein to "trademarks" shall include "service marks" as well.

2. **Security Interest in Trademarks, Licenses and Patents.** To secure the complete and timely satisfaction of all of the Obligations, Debtor hereby grants to Secured Party a security interest, having priority over all other security interests, in all of Debtor's following assets:

(i) trademarks, trademark registrations, trade names, trade name registrations, and trademark or trade name applications, including without limitation those listed on Schedule A, attached hereto and made a part hereof, as the same may be amended from time to time, and (a) renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, (d) all rights corresponding thereto throughout the world, and (e) the goodwill of the business operated by Debtor connected with and symbolized by any trademarks or trade names (all of the foregoing trademarks, trademark registrations, trade names, trade name registrations, and

applications, together with the items described in clauses (a) - (e), are sometimes herein individually and/or collectively referred to as the "Trademarks");

(ii) license agreements, including without limitation such as are listed on Schedule B attached hereto and made a part hereof, and the right to prepare for sale, sell, and advertise for sale any inventory now or hereafter owned by Debtor and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Licenses");

(iii) patents and patent applications, registered or pending, including without limitation such as are listed on Schedule C, attached hereto, together with all income, royalties, shop rights, damages and payments thereto, the right to sue for infringements thereof, and all rights thereto throughout the world and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, and the goodwill of the business connected with the use of and symbolized by such patents (all of the foregoing are sometimes herein individually and/or collectively referred to as the "Patents");

(iv) domain names, including without limitation such as are listed on Schedule D attached hereto and made a part hereof (all of the foregoing are herein referred to as "Domain Names").

3. **Representations and Warranties.** Debtor represents and warrants that:

(a) The Trademarks, Licenses, Patents and Domain Names are to the best of its knowledge, valid and existing;

(b) It is not aware of any claim that the use of the Trademarks, Licenses, Patents or Domain Names violates or may violate the rights of any third person; and

(c) Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, Licenses, Patents and Domain Names, free and clear of any Liens, charges and encumbrances including without limitation pledges, assignments, licenses, registered-user agreements, shop rights and covenants by Debtor not to sue third persons, except as disclosed in Schedule E attached hereto.

4. **Subsequent Trademarks and Patents.** If, before the Obligations have been satisfied in full, Debtor shall obtain rights to any other patents or new patentable inventions, trademarks or trade names, or registrations thereof or applications or licenses therefor, the provisions of this Agreement shall apply thereto. Debtor shall be deemed to have granted and does hereby grant to Secured Party a security interest therein to secure the complete and timely satisfaction of all of the Obligations, and Debtor shall give Secured Party prompt written notice thereof.

5. **Restrictions on Future Agreements.** Debtor agrees that until the Obligations shall have been satisfied in full and the security interest granted hereby has been

released, Debtor will not, without Secured Party's prior written consent, enter into any agreement (for example, a license agreement) which is inconsistent with Debtor's obligations under this Agreement, and Debtor further agrees that it will not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would affect the validity or enforceability of the rights transferred to Secured Party under this Agreement.

6. **Secured Party's Right to Inspect.** Secured Party shall have the rights, at any time during Debtor's regular business hours and from time to time, to inspect Debtor's premises and to examine Debtor's books, records and operations, including, without limitation, Debtor's quality control processes. From and after the occurrence of an Event of Default and the giving by Secured Party of written notice to Debtor of Secured Party's intention to enforce its rights and claims against any of the Trademarks, Licenses, Patents and Domain Names, Debtor agrees that Secured Party, or a conservator appointed by Secured Party, shall have the right to establish such additional product quality controls as Secured Party, or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Debtor under the Trademarks. Debtor agrees (i) not to sell or assign its interest in, or grant any license under, the Trademarks, Licenses, Patents or Domain Names, without the prior written consent of Secured Party; (ii) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof, and (iii) not to change the quality of said products without Secured Party's express written consent.

7. **Termination of Secured Party's Security Interest.** This Agreement is made for collateral purposes only. Upon payment and performance in full of the Obligations and release of the security interests granted to Secured Party by Debtor hereunder, Secured Party shall promptly execute and deliver to Debtor all agreements, termination statements and other instruments as may be necessary or proper to terminate Secured Party's security interest in the Trademarks, Licenses, Patents and Domain Names, subject to any disposition thereof which may have been made by Secured Party pursuant hereto, or pursuant to the Loan Agreement.

8. **Duties of Debtor.** Debtor shall have the duty (i) to observe all covenants concerning Trademarks, Patents, Licenses and Domain Names contained in the Loan Agreement, (ii) to prosecute diligently any trademark application or patent application which is part of the Trademarks or Patents respectively, pending as of the date hereof or thereafter until the Obligations shall have been paid and performed in full, and (iii) to preserve and maintain all rights in trademarks, trade names, patents, and trademark, trade name and patent applications and registrations which are part of the Trademarks and Patents. Any expenses or filing fees incurred in connection with such applications or the maintenance of the Trademarks and Patents shall be borne by Debtor. Debtor shall not abandon any right to file an application, or any pending application, trademark, trade name, or patent, without the consent of Secured Party, which consent shall not be unreasonably withheld.

In connection with the discharge of its duties under this section, Debtor shall not file any application to register a Trademark based on Debtor's "intent to use" such trademark (as opposed to Debtor's actual use of such Trademark) without prior written authorization from the Secured Party.

9. **Secured Party's Right to Sue.** From and after the occurrence of an Event of Default and the giving by Secured Party of written notice to Debtor of Secured Party's intention to enforce its rights and claims against any of the Trademarks, Licenses, Patents and Domain Names, Secured Party shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Licenses, Trademarks, Patents or Domain Names, and any licenses thereunder, and, if Secured Party shall commence any such suit, Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement, and Debtor shall promptly, upon demand, reimburse and indemnify Secured Party for all costs and expenses incurred by Secured Party in the exercise of its rights under this paragraph 9.

10. **Waivers.** No course of dealing between Debtor and Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of Secured Party, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. **Severability.** The provisions of this Agreement are severable, and if any clause or provisions 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 provisions, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provisions in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

12. **Modification.** This Agreement cannot be altered, amended or modified in any way, except by a writing signed by the parties hereto.

13. **Cumulative Remedies; Power of Attorney.** All of Secured Party's rights and remedies with respect to the Trademarks, Licenses, Patents and Domain Names, whether established by this Agreement, by the Loan Agreement, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. Debtor hereby authorizes Secured Party to make, constitute and appoint any officer or agent of Secured Party as Secured Party may select, in its sole discretion, as Debtor's true and lawful attorney-in-fact, with power (i) at any time from and after the occurrence of an Event of Default to (a) endorse Debtor's name on all applications, documents, papers and instruments necessary or desirable for the Secured Party in the use of the Trademarks, Licenses, Patents or Domain Names, or (b) take any other actions (other than those identified in clause (ii) below) with respect to the Trademarks, Licenses, Patents or Domain Names as the Secured Party deems in the best interest of the Secured Party, and (ii) from and after the occurrence of an Event of Default and the giving by Secured Party of written notice to Debtor of Secured Party's intention to enforce its rights and claims against any of the Trademarks, Licenses, Patents or Domain Names, to (a) grant or issue any exclusive or nonexclusive license under the Trademarks or Patents to anyone, or (b) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks, Licenses, Patents or Domain Names to anyone. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Obligations shall have been paid and performed in full or the security interests granted to Secured Party by this Agreement have been released. Debtor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Secured Party

under the Loan Agreement but rather is intended to facilitate the exercise of such rights and remedies. Secured Party 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, Licenses, Patents or Domain Names may be located.

14. **Binding Effect; Benefits.** This Agreement shall be binding upon the Debtor and its respective successors and permitted assigns and shall inure to the benefit of Secured Party, its nominees and assigns.

15. **Governing Law.** This Agreement shall be deemed to have been executed and delivered in the State of Wisconsin and shall be governed by and construed in accordance with the internal laws (as opposed to conflicts of law provisions) of the State of Wisconsin.

[SIGNATURE PAGE FOLLOWS]

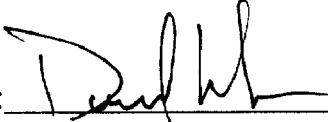
- [SIGNATURE PAGE/SECURITY AGREEMENT FOR TRADEMARKS, LICENSES,
PATENTS AND DOMAIN NAMES]

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

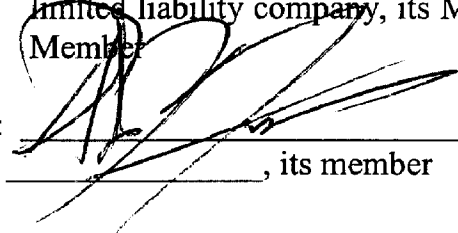
Debtor:

ARROWHEAD SYSTEMS LLC, a Delaware limited liability company

Signed in the presence of the undersigned


Witness: 
Name: DANIEL W. GENTES

By: Arrowhead Advisors LLC, a Delaware limited liability company, its Managing Member

By: 
_____, its member

Secured Party:

FIRST BUSINESS CAPITAL CORP., a Wisconsin corporation

By: 
Name: Peter Lowmy
Title: Senior Vice President

STATE OF WISCONSIN)
) ss.
COUNTY OF MILWAUKEE)

This instrument was acknowledged before me on August 29, 2002 by Thomas J. Young, as member of Arrowhead Advisors LLC, a Delaware limited liability company, on behalf of the company as Managing Member of Arrowhead Systems LLC, a Delaware limited liability company.

(Seal)

Notary
Public Kenneth J. Rebert
My Commission
Expires: 7/10/05

My Commission Expires:
7/10/05

STATE OF WISCONSIN)
) ss.
COUNTY OF MILWAUKEE)

On this the 29th day of August, 2002, before me, Kenneth J. Richert, the undersigned officer, personally appeared Peter J. Lowney, who acknowledged himself/herself to be the Senior Vice President of FIRST BUSINESS CAPITAL CORP., a Delaware corporation, and that he/she, as such Senior Vice President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as Senior Vice President.

In witness whereof I hereunto set my hand and official seal.

Kenneth J. Richert
Notary Public

My Commission Expires:

7/10/05

SCHEDULE A

**TRADEMARK, TRADEMARK REGISTRATION,
TRADE NAMES, TRADE NAME REGISTRATIONS,
TRADEMARK OR TRADE NAME APPLICATIONS**

<u>TRADEMARK</u>	<u>NUMBER</u>	<u>DATE</u>
Advantage	76/220969	March 7, 2001
Eclipse	76/211594	February 15, 2001
Arrowhead	2600689	March 7, 2001
Buffalo Design	2604168	March 7, 2001
Classic R	76/223243	March 12, 2001
Classic W	76/223205	March 12, 2001
Pattern-Rite	1660525	October 15, 1991
Busse	2017015	November 19, 1996
Turbo	2013223	November 5, 1996
Turbo-Flo	2130921	January 20, 1998
Viper	2151342	April 14, 1998
SJI	2522400	December 25, 2001
Arrow-Flex	1257166	
Arrow-Line	1257165	
Arrow-Guide	1256635	
Sani-Top	1268209	
Misc. Design	1199338	
Sani-Top	WI3000032197	
Arrowhead Conveyor Co., Inc.	WI3000032196	
Arrow-Flex	WI3000031080	
Arrow Line	WI3000031079	
Arrow Guide	WI3000024591	