

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM462807

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Intellectual Property Security Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
PALLETEC, LLC		12/14/2017	Limited Liability Company: MINNESOTA
VEDCO INTERNATIONAL, INC.		12/14/2017	Corporation: DELAWARE

RECEIVING PARTY DATA

Name:	CONVERGENT CAPITAL PARTNERS III, L.P.
Street Address:	505 NORTH HIGHWAY 169, SUITE 175
City:	MINNEAPOLIS
State/Country:	MINNESOTA
Postal Code:	55441
Entity Type:	Limited Partnership: DELAWARE

PROPERTY NUMBERS Total: 10

Property Type	Number	Word Mark
Registration Number:	2256874	SENTINEL
Registration Number:	1826127	VIKING
Registration Number:	1825494	VIKING
Registration Number:	1774399	PALLETS WEST
Registration Number:	1567987	VIKING LIFT TABLE
Registration Number:	1565510	VIKING DUO-MAX
Registration Number:	1565509	VIKING UNI-MATIC
Registration Number:	1524185	VIKING CHAMPION
Registration Number:	3443825	VIKING
Registration Number:	3443925	VIKING

CORRESPONDENCE DATA

Fax Number: 8166913495

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

Phone: 816 842-8600

Email: lora.gurley@stinson.com

Correspondent Name: TRADEMARK GROUP, STINSON LEONARD STREET

CH \$265.00 2256874

Address Line 1: 1201 WALNUT STREET, SUITE 2900
Address Line 4: KANSAS CITY, MISSOURI 64106-2150

ATTORNEY DOCKET NUMBER: 3003530.0004

NAME OF SUBMITTER: Lora Gurley

SIGNATURE: /LORAGURLEY/

DATE SIGNED: 02/21/2018

Total Attachments: 17

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this “*Agreement*”) dated as of December 14, 2017, is made by **PALLETEC, LLC**, a Minnesota limited liability company, and **VEDCO INTERNATIONAL, INC.**, a Delaware corporation (individually and collectively referred to herein as, “*Borrower*”), in favor of **CONVERGENT CAPITAL PARTNERS III, L.P.**, a Delaware limited partnership (together with its successors and assigns, “*Lender*”).

WITNESSETH:

WHEREAS, Borrower, **PALLETEC HOLDINGS, LLC**, a Minnesota limited liability company (“*Guarantor*”), and Lender are parties to a certain Securities Purchase Agreement of even date herewith (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “*Loan Agreement*”), which provides for Lender to make the Loan to, and for the benefit of, Borrower.

WHEREAS, to secure Borrower’s obligations under the Loan Agreement, Borrower is required to grant to Lender, for the benefit of the Lender, a security interest in substantially all of Borrower’s assets, including, without limitation, its patents, patent applications and registrations, trademarks, trademark applications and registrations, trade names, copyrights and copyright registrations, service marks, service mark applications, goodwill and licenses, and all proceeds thereof.

WHEREAS, it is a condition precedent to the effectiveness of the Loan Agreement and the making of the Loan thereunder by Lender that Borrower execute and deliver this Agreement to Lender.

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 (intending to be legally bound) hereby agrees as follows:

1. Defined Terms from Loan Agreement. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.

2. Security Interest in Intellectual Property. In order to secure the complete satisfaction and payment and performance when due or declared due of all of the indebtedness, liabilities and obligations owing by Borrower to Lender, including, without limitation, all of the obligations under the Loan Agreement and other Loan Documents (collectively, the “*Obligations*”), Borrower hereby grants a security interest and lien to Lender, in and to any and all of Borrower’s right, title and interest in and to all of the following now owned and existing and hereafter arising, created or acquired property (collectively, the “*Intellectual Property*”):

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents and patent applications listed on Exhibit A attached hereto and hereby made a part hereof, and (a) all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages, proceeds and payments now and hereafter due or payable under or 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, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a)-(d) of this subsection 2(i), are sometimes hereinafter referred to individually as a “**Patent**” and, collectively, as the “**Patents**”); and

(ii) trademarks, trademark registrations, trademark applications, trade names and tradestyles, brand names, service marks, service mark registrations and service mark applications, including, without limitation, the trademarks, trade names, brand names, service marks and applications and registrations thereof listed on Exhibit B attached hereto and hereby made a part hereof, and (a) all renewals or extensions thereof, (b) all income, royalties, proceeds, damages and payments now and hereafter due 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, and (d) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names and tradestyles, brand names, service marks and applications and registrations thereof, together with the items described in clauses (a)-(d) of this subsection 2(ii), are sometimes hereinafter referred to individually as a “**Trademark**” and, collectively, as the “**Trademarks**”); provided, however, that the Trademarks shall not include any intent-to-use trademark or service mark application to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark or service mark application under applicable law and, after such period, such interest in such trademark or service mark application shall be subject to a security interest in favor of Lender and shall be included in the Trademarks; and

(iii) license agreements (to the extent such license agreements may be assigned without violating the terms of any such license agreement) with respect to any of the Intellectual Property or any other patent, trademark, service mark or any application or registration thereof or any other trade name or tradestyle between Borrower and any other party, whether Borrower is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Exhibit C attached hereto and hereby made a part hereof (all of the foregoing license agreements and Borrower’s rights thereunder are referred to collectively as the “**Licenses**”); and

(iv) the goodwill of Borrower’s business connected with and symbolized by the Trademarks; and

(v) copyrights, copyright registrations and copyright applications, used in the United States and elsewhere, including, without limitation, the copyright registrations and copyright applications listed on Exhibit D attached hereto and made a part hereof, and (a) renewals or extensions thereof, (b) all income, royalties, proceeds, 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, and (d) all rights corresponding thereto throughout the world (all of the foregoing copyrights, copyright registrations and copyright applications, together with the items described in clauses (a)-(d), are sometimes hereinafter individually and/or collectively referred to as the “**Copyrights**”); and

(vi) all trade secrets, formulas, processes, devices, know-how, or compilations of information (including technical information and non-technical information such as customer lists and marketing plans), collectively referred to as trade secrets, which are not available to others and which are maintained as confidential by Borrower, and the right to prevent misappropriation and unauthorized disclosures thereof and all rights corresponding thereto throughout the world (all of the foregoing trade secrets and associated rights are sometimes hereinafter individually and/or collectively referred to as the “*Trade Secrets*”).

3. Representations and Warranties. Borrower hereby represents and warrants to Lender, which representations and warranties shall survive the execution and delivery of this Agreement, that as of the date hereof:

(i) To the best of Borrower’s knowledge, none of the Intellectual Property has been adjudged invalid or unenforceable nor has any such Intellectual Property been cancelled, in whole or in part, and each such Intellectual Property is presently subsisting;

(ii) Each of the Intellectual Property material to Borrower’s business is valid and enforceable, and Borrower has adopted reasonable precautions to protect its Trade Secrets from unauthorized or accidental disclosure;

(iii) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Intellectual Property, free and clear of any liens, security interests, mortgages, charges and encumbrances, including, without limitation, licenses, consent-to-use agreements, shop rights and covenants by Borrower not to sue third persons, except for any applicable Permitted Encumbrances;

(iv) Borrower has adopted, used and is currently using all of the Trademarks, and to the best of Borrower’s knowledge, Borrower’s use thereof does not infringe the intellectual property rights of any person or entity;

(v) Borrower has no notice or knowledge of any suits or actions commenced or threatened with reference to or in connection with any of the Intellectual Property;

(vi) Borrower has the unqualified right to execute and deliver this Agreement and perform its terms, this Agreement has been executed and delivered by a duly authorized officer of Borrower, and this Agreement is a legally valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditor’s rights and remedies generally;

(vii) No trademark opposition or cancellation proceedings have ever been filed with the United States Patent and Trademark Office against any of the Trademarks;

(viii) The Licenses listed on Exhibit C, complete copies of which have been provided to Lender, are valid and binding agreements, enforceable in accordance with their terms (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency and similar laws from time to time in effect). To Borrower’s best knowledge, each of the Licenses listed on

Exhibit C is in full force and effect and has not been amended or abrogated and there is no default under any of such listed Licenses; and

(ix) To the best knowledge of Borrower, none of the Intellectual Property infringes upon the rights or property of any other person or entity or is currently being challenged in any way, and there are no pending or, to the knowledge of Borrower, threatened claims, litigation, proceedings or other investigations regarding any of the Intellectual Property.

4. Restrictions on Future Agreements. Borrower agrees that until all Obligations shall have been satisfied and paid in full and the Loan Agreement shall have been terminated, Borrower shall not, without the prior written consent of the Lender, sell, transfer, mortgage, convey, dispose, encumber or assign any or all of, or grant any license or sublicense under, the Intellectual Property, or enter into any other agreement with respect to the Intellectual Property (except for any such action in the ordinary course of Borrower's business), and Borrower further agrees that it shall not take any action or permit any action to be taken by others subject to its control, including, without limitation, licensees or sublicensees, or fail to take any action, which would materially adversely affect the validity or enforcement of the rights provided or transferred to Lender under this Agreement.

5. New Intellectual Property. Borrower hereby represents and warrants to Lender that the Intellectual Property listed on Exhibits A, B, C and D, respectively, constitute all of the Intellectual Property registered with the U.S. Patent and Trademark Office ("PTO") and the U.S. Copyright Office/Library of Congress ("Copyright Office") now owned by Borrower. If, before all Obligations shall have been satisfied in full or before the Loan Agreement has been terminated, Borrower shall (i) become aware of any such existing Intellectual Property of which Borrower has not previously informed the Lender, (ii) obtain rights to any new patentable inventions or other Intellectual Property, or (iii) become entitled to the benefit of any such Intellectual Property which benefit is not in existence on the date hereof, the provisions of this Agreement above shall automatically apply thereto and Borrower shall give to the Lender prompt written notice thereof. Borrower hereby authorizes Lender to modify this Agreement by amending Exhibits A, B, C and D, as applicable, to include any such Intellectual Property, and to file or refile this Agreement with the PTO and the Copyright Office. Upon Lender's reasonable request, Borrower agrees to execute and deliver any and all documents and instruments necessary or advisable to record or preserve Lender's security interest in Borrower's Patents, Trademarks and Copyrights to be registered with the PTO and the Copyright Office that are added to Exhibits A, B, C and D pursuant to this Section.

6. Royalties; Terms; Rights Upon Default. The term of this Agreement shall extend until the earlier of (i) the expiration of all of the respective Intellectual Property collaterally assigned hereunder, and (ii) the indefeasible payment in full of all Obligations and the termination of the Loan Agreement. Borrower agrees that upon the occurrence and during the continuance of a Default, the use by Lender of all Intellectual Property shall be worldwide and as extensive as the rights of Borrower to use such Intellectual Property, and without any liability for royalties or other related charges from Lender to Borrower. Upon the occurrence and during the continuance of any Default, and provided that Lender has acquired such Intellectual Property through the exercise of Lender's remedies in accordance with the UCC (to the extent applicable) and any other applicable law, Borrower hereby authorizes: (a) the

Commissioner of Patents and Trademarks, United States Patent and Trademark Office (or as appropriate, such equivalent agency in foreign countries), to issue any and all Patents to Lender as assignee of Borrower's entire interest therein; (b) the Register of Copyrights, United States Copyright Office (or as appropriate, such equivalent agency in foreign countries), to issue any and all certificates of registration or renewal for all of the Copyrights to Lender as assignee of Borrower's entire interest therein; and (c) the Commissioner of Patents and Trademarks, United States Patent and Trademark Office (or as appropriate, such equivalent agency in foreign countries) to issue any and all certificates of registration or renewal for all of the Trademarks to Lender as assignee of Borrower's entire interest therein and in the goodwill of Borrower's business connected therewith and symbolized thereby.

7. Effect on Loan Agreement. Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Loan Agreement but rather is intended to facilitate the exercise of such rights and remedies. The Lender shall have, in addition to all other rights and remedies given it by the terms of this Agreement and the Loan Agreement, all rights and remedies allowed by law, in equity, and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Minnesota.

8. Lender's Right to Inspect. Lender shall have the right, at any reasonable time and from time to time during normal business hours and prior to payment in full of all Obligations and termination of the Loan Agreement, to inspect Borrower's premises and to examine Borrower's books, records and operations as to the Intellectual Property, provided that in the exercise of this right, Lender agrees to use its best efforts to avoid material interference with Borrower's business operations. Upon the occurrence and during the continuance of a Default, Borrower agrees that Lender, or a conservator appointed by Lender, shall have the right to establish such additional product quality controls as Lender, or said conservator, in its sole but reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower under the Trademarks. The foregoing notwithstanding, unless and until a Default shall have occurred and Lender has acquired such Intellectual Property through the exercise of Lender's remedies in accordance with the UCC (if applicable) or other applicable law, Lender agrees to hold confidential and not disclose or use any non-public information regarding any Intellectual Property, or License unless such disclosure is required by applicable law or court order. This obligation shall survive the termination of this Agreement, the release of the security interest herein and such reassignment of the Intellectual Property, as applicable, unless such termination is due to a Default.

9. Release of Agreement. Upon the payment and performance in full of the Obligations, and the full and final termination of any commitment to extend any loan or financial accommodations under the Loan Agreement, this Agreement shall terminate, and Lender shall promptly execute and deliver any document or instrument (in recordable form, as applicable) reasonably requested by Borrower, at Borrower's sole cost and expense, as shall be necessary to evidence or confirm termination of the security interest granted by Borrower to Lender hereunder. At such time, Borrower shall be entitled to file or record such instruments and documents as may be necessary or advisable to evidence or confirm the termination of Lender's security interest provided hereby, including, without limitation, cancellation of this Agreement by written notice from Lender to the PTO and to the Copyright Office, as the case may be.

10. Expenses. All costs and expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Borrower. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' and paralegals' fees and legal expenses, incurred by Lender 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 (other than Permitted Liens) or otherwise in protecting, maintaining or preserving the Intellectual Property, or in defending or prosecuting any actions or proceedings arising out of or related to the Intellectual Property, shall be borne by and paid by Borrower on demand by Lender and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the default interest rate.

11. Duties of Borrower. Borrower shall have the duty to the extent commercially reasonable and in Borrower's good faith business judgment: (i) to file and prosecute diligently any patent, trademark or service mark applications pending as of the date hereof or hereafter until all Obligations shall have been paid in full and the Loan Agreement has been terminated, (ii) to make application on unpatented but patentable inventions and on trademarks and service marks, (iii) to preserve and maintain all rights in the Intellectual Property (including, but not limited to, with respect to Trademarks, the filing of affidavits of use and, incontestability, where applicable, under §§8 and 15 of the Lanham Act (15 U.S.C. § 1058, 1065) and renewals and, to the extent commercially reasonable, initiating opposition or cancellation proceedings or litigation against users of the same or confusingly similar marks who seriously threaten the validity or rights of Borrower in its Trademarks), and (iv) to ensure that the Intellectual Property is and remains enforceable. Any and all costs and expenses incurred in connection with Borrower's obligations under this Section 11 shall be borne by Borrower. Borrower shall not knowingly and unreasonably abandon any right to file any patent, trademark or service mark application, or abandon any pending patent application, or any other Intellectual Property, in each case to be registered with the U.S. Patent and Trademark Office and the U.S. Copyright Office/Library of Congress without the prior written consent of Lender, which consent shall not be unreasonably withheld or delayed.

12. Lender's Right to Sue. Upon the occurrence and during the continuance of a Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Intellectual Property to be registered with the PTO and the Copyright Office, and, if Lender shall commence any such suit, Borrower shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents and instruments reasonably required by Lender in aid of such enforcement and Borrower shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Lender in the exercise of its rights under this Section 12.

13. Waivers. No course of dealing between Borrower and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, 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.

14. Severability. 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.

15. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

16. Cumulative Remedies; Power of Attorney. All of Lender's rights and remedies with respect to the Intellectual Property, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Borrower hereby authorizes Lender upon the occurrence and during the continuance of a Default, to make, constitute and appoint any officer or agent of Lender as the Lender may select, in its sole discretion, as Borrower's true and lawful attorney-in-fact, with power to (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Intellectual Property, or (ii) take any other actions with respect to the Intellectual Property as Lender deems to be in the best interest of Lender, or (iii) grant or issue any exclusive or non-exclusive license under the Intellectual Property to any Person, or (iv) assign, pledge, sell, convey or otherwise transfer title in or dispose of any of the Intellectual Property to any Person. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney being coupled with an interest shall be irrevocable until all Obligations shall have been paid in full and the Loan Agreement has been terminated.

17. Indemnification. Borrower hereby agrees to and shall defend, indemnify, save, and hold Lender and each of Lender's Affiliates and any of its respective successors and/or assigns, directors, officers, partners, shareholders, members, employees, agents, trustees and representatives harmless from and against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any Person arising out of or relating to this Agreement or the transactions contemplated hereby, and (b) all costs, expenses, charges, penalties, damages, and losses (including, without limitation, reasonable attorneys' fees and out-of-pocket costs and expenses) in any way suffered, incurred, or paid by Lender as a result of or in any way arising out of, following, or consequential to this Agreement or the transactions contemplated hereby, except for any demands, claims, liabilities and losses suffered or incurred by Lender because of its willful misconduct or gross negligence as finally determined in a non-appealable judicial proceeding. The indemnification obligations of Borrower provided hereby shall survive the termination of this Agreement and the Loan Agreement.

18. Binding Effect; Benefits. This Agreement shall be binding upon Borrower and its respective successors and permitted assigns, and shall inure to the benefit of Lender, its successors, nominees and assigns; provided, however, Borrower shall not assign this Agreement or any of Borrower's obligations hereunder without the prior written consent of Lender.

19. Governing Law. This Agreement shall be governed by, enforced and construed in accordance with the internal laws of the State of Minnesota, without regard to choice of law or conflict of law principles that would require the application of any other laws.

20. Headings; Counterparts. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede. This Agreement may be signed in one or more counterparts, but all of such counterparts shall constitute and be deemed to be one and the same instrument. A signature hereto sent or delivered by facsimile or other electronic transmission shall be as legally binding as a signed original for all purposes.

21. Further Assurances. Borrower agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Lender shall reasonably request from time to time in order to carry out the purpose of this Agreement and agreements set forth herein. Borrower acknowledges that a copy of this Agreement will be filed by Lender with the United States Patent and Trademark Office and, if applicable, the United States Copyright Office or Library of Congress, at the sole cost and expense of Borrower.

22. Survival of Representations. All representations and warranties of Borrower contained in this Agreement shall survive the execution and delivery of this Agreement and shall be remade on the date of each borrowing under the Loan Agreement.

23. Foreign Patents, Copyrights and Trademarks. Upon the request of Lender at any time or from time to time, and at the sole cost and expense (including, without limitation, reasonable attorneys' fees) of Borrower, Borrower shall take all actions and execute and deliver any and all instruments, agreements, assignments, certificates and/or documents, reasonably required by Lender to collaterally assign any and all of Borrower's material foreign patent, copyright and trademark registrations and applications now owned or hereafter acquired to and in favor of Lender. Upon the execution and delivery of any such collateral assignments or documents, the terms "Patents", "Copyrights", and "Trademarks" as used herein shall automatically be deemed amended to include such foreign patent, copyright and trademark registrations and applications, without any action required by any person or entity.

24. **Venue: Jury Trial Waiver.** (a) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY (I) SUBMITS, FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE EXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF MINNESOTA IN HENNEPIN COUNTY, THE COURTS OF THE UNITED STATES OF AMERICA OF MINNESOTA LOCATED IN SUCH COUNTY AND APPELLATE COURTS FROM ANY THEREOF; (II) CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME; AND (III) AGREES THAT SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING

MAY BE EFFECTED BY MAILING A COPY THEREOF BY CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, RETURN RECEIPT REQUESTED, TO BORROWER AT ITS ADDRESS SET FORTH IN THE LOAN AGREEMENT OR AT SUCH OTHER ADDRESS OF WHICH LENDER SHALL HAVE BEEN NOTIFIED PURSUANT THERETO. BORROWER AGREES THAT SUCH SERVICE, TO THE FULLEST EXTENT PERMITTED BY LAW (A) SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON BORROWER IN ANY SUIT, ACTION OR PROCEEDING, AND (B) SHALL BE TAKEN AND HELD TO BE VALID PERSONAL SERVICE UPON AND PERSONAL DELIVERY TO BORROWER. NOTHING HEREIN SHALL AFFECT LENDER'S RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW, OR LIMIT LENDER'S RIGHT TO BRING PROCEEDINGS AGAINST BORROWER OR ANY OTHER LOAN PARTY OR ITS RESPECTIVE PROPERTY IN ANY COURT OR ANY OTHER JURISDICTION.

(a) EACH PARTY HERETO IRREVOCABLY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY LAW) ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING, WITHOUT LIMITATION, ANY COUNTERCLAIM) ARISING OUT OF THIS AGREEMENT OR TRANSACTIONS RELATED HERETO, INCLUDING, WITHOUT LIMITATION, ANY ACTION OR PROCEEDING (A) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH, OR (B) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS AGREEMENT. EACH PARTY HERETO AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.

25. Inconsistencies with the Loan Agreement. To the extent any terms hereof are inconsistent with the terms of the Loan Agreement, the terms of the Loan Agreement will control.

26. Subordination. The Lender acknowledges and agrees that the rights of the Lender and the obligations of the Borrower under this Agreement are subject to the terms and conditions of the Intercreditor Agreement with the Bank.

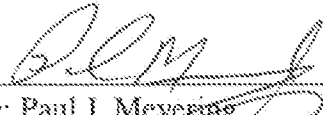
[Signature Pages Follow]

IN WITNESS WHEREOF, Borrower has duly executed this Intellectual Property Security Agreement in favor of Lender, as of the date first written above.

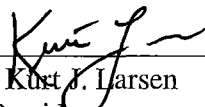
PALLETEC, LLC, a Minnesota limited liability company

By: Palletec Holdings, LLC, a Minnesota limited liability company

Its: Sole Member

By: 
Name: Paul J. Meyering
Title: President and CEO

VEDCO INTERNATIONAL, INC., a Delaware
corporation

By: 
Name: Kurt J. Larsen
Title: President

[Signature Page to Intellectual Property Security Agreement]

TRADEMARK
REEL: 006276 FRAME: 0570

Agreed and Accepted

CONVERGENT CAPITAL PARTNERS III, L.P.,
as Lender

By: Convergent Capital III, LLC
Its: General Partner

By: Keith S. Bares
Name: Keith S. Bares
Title: Manager

[Signature Page to Intellectual Property Security Agreement]

EXHIBIT A

PATENTS

A. Issued Patents

None.


B. Pending Patent Applications¹

Title	Inventor(s)	Patent No./Patent Pub. No.	File Date	Grant Date
Pallet Machine With Improved Nailing System	Jonathon E. Gudim	US 2017-0320231	8/13/2016	Pending
Methods and Machines For Constructing Pallets	Paul Howard Wagner	US 2017-0312934	4/28/2017	Pending
Sprint Iix Provisional Patent Application	Unknown	62/476,203	3/24/2017	Pending
Methods and Systems for Fastening Components (Atty. Dkt. No.: vkg-AMFC-ORI)	Paul Howard Wagner	Unknown	Planned 11/3 (Claims benefit of provisional 62/476,203)	Pending
Skute II Provisional Patent Application	Unknown	62/452,401	01/31/17	Pending
Methods and Systems for Fastening Bed Foundations (Atty. Dkt. No.: vkg-MSFBB-ORI)	Paul Howard Wagner; James Thomas Kirk; Jon Denney; Marcus Keith Drayton	15/488,877	4/17/17 (Claims benefit of provisional 62/452,401)	Pending




¹ Held by Viking Engineering & Development, Incorporated, to be assigned to Palletec, LLC.

EXHIBIT B
TRADEMARKS²

A. Registered Trademarks

Name of Mark	Goods and Services	Date Filed/ Serial Number	Registration Date/ Number	Expiration Date
SENTINEL	Class 7: Automatic pallet assembly machines for the manufacture of wooden pallets	3/6/98 75/445,925	6/29/99 2,256,874	6/29/2019
VIKING	Class 7: Hydraulically, pneumatically and mechanically powered machine to assemble wood pallets	6/21/93 74/404,516	3/15/94 1,826,127	3/15/2024
VIKING	Class 37: Repair and service of machinery used in manufacture of wooden pallets	6/21/93 74/404,514	3/8/94 1,825,494	3/8/2024
PALLETS WEST	Class 35: Arranging and conducting trade shows and expositions in the field of wooden pallet manufacturing machines	7/1/92 74/290,321	6/1/93 1,774,399	6/1/2023
VIKING LIFT TABLE and Design 	Class 7: Hydraulically powered table with a foot activated control for regulating the transfer of material to the most convenient height for the operator	2/21/89 73/782,116	11/28/89 1,567,987	11/28/2019

² All marks held by Viking Engineering & Development, Incorporated, to be assigned to Palletec, LLC.

Name of Mark	Goods and Services	Date Filed/ Serial Number	Registration Date/ Number	Expiration Date
VIKING DUO-MAX and Design 	Class 7: Automatic pallet assembly machines for the manufacture of wooden pallets	2/21/89 73/782,079	11/14/89 1,565,510	11/14/2019
VIKING UNI-MATIC and Design 	Class 7: Automatic pallet assembly machines for the manufacture of wooden pallets	2/21/89 73/782,070	11/14/89 1,565,509	11/14/2019
VIKING CHAMPION and Design 	Class 7: Electrically, hydraulically and air-powered machine which automatically converts precut lumber into pallets and/or skids	6/13/88 73/734,393	2/14/89 1,524,185	2/14/2019
VIKING	Class 37: Repair and service of machinery used in manufacture of wall panel systems	4/3/2007 77/147,243	6/10/2008 3,443,825	6/10/2018
VIKING	Class 7: Hydraulically, pneumatically and mechanical powered machine to assemble wall panel systems	4/3/2007 77/163,120	6/10/2008 3,443,925	6/10/2018

B. Pending Trademark Applications

None.

C. Other Trademarks

None.

EXHIBIT C
LICENSE AGREEMENTS

None.

EXHIBIT D
COPYRIGHTS³

Registered Copyrights:

Type of Work	Title	Serial Publication Year	Description	Frequency	Variant title	Copyright Number
Serial	Pallet World: Viking engineering magazine	1993	Print material	Quarterly	Masthead title: Pallet world magazine	CSN0101826
Serial	Pallet World: Viking engineering magazine	1991	Print material	Quarterly	Masthead title: Pallet world magazine	CSN0101826; TX0003555350

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