

FORM PTO-1619A
Expires 08/30/99
OMB 0651-0027



09-20-1999

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #26

U.S. Department of Commerce

09-30-1999



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RECORDATION FORM COVER SHEET
PATENTS ONLY

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

Submission Type

☒ New

☐ Resubmission (Non-Recordation)

Document ID#

☐ Correction of PTO Error

Reel #

Frame #

☐ Corrective Document

Reel #

Frame #

Conveyance Type

☐ Assignment

☒ Security Agreement

☐ License

☐ Change of Name

☐ Merger

☐ Other

U.S. Government

(For Use ONLY by U.S. Government Agencies)

☐ Departmental File

☐ Secret File

Conveying Party(ies)

☐ Mark if additional names of conveying parties attached

Name (line 1)

FELLOWS CORPORATION

Execution Date
Month Day Year

8-19-99

Name (line 2)

Second Party

Name (line 1)

Execution Date
Month Day Year

Name (line 2)

Receiving Party

☐ Mark if additional names of receiving parties attached

Name (line 1)

FLEET CORPORATION

Name (line 2)

Address (line 1)

200 GLASTONY BLVD

Address (line 2)

Address (line 3)

GLASTONY
City

CT
State/Country

06033
Zip Code

☐ 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 is attached. (Designation must be a separate document from Assignment.)

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)

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FOR OFFICE USE ONLY

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160.00 0P

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

PATENT
REEL: 010263 FRAME: 0774

Correspondent Name and Address

Area Code and Telephone Number

800 833-9848

Name TONYA CHAPPLE

Address (line 1) C/O CSC

Address (line 2) 80 STATE STREET

Address (line 3) ALBANY, NY 12207

Address (line 4)

Pages

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

19

Application Number(s) or Patent Number(s)

☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

5,345,390	4,784,538	4,542,638
4,533,858		

If this document is being filed together with a new Patent Application, enter the date the patent application was
signed by the first named executing inventor.

Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number

only if a U.S. Application Number
has not been assigned.

PCT

PCT

PCT

PCT

PCT

PCT

Number of Properties

Enter the total number of properties involved.

4

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

160.00

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.*

TONYA CHAPPLE

Name of Person Signing



Signature

9-17-99

Date

PATENT SECURITY AGREEMENT

(United States Patents)

This Patent Security Agreement ("Agreement") is made this 19 day of August, 1999, by **FELLOWS CORPORATION**, an Delaware corporation having a mailing address at 257 Clinton Street, Springfield, VT 05156 ("Borrower") and delivered to **FLEET CAPITAL CORPORATION**, a Rhode Island corporation having a mailing address at 200 Glastonbury Blvd., Glastonbury, CT 06033 as agent for the Lenders (as defined in the Loan Agreement referred to below) ("Agent").

Background

A. This Agreement is being executed contemporaneously with that certain Loan and Security Agreement of even date herewith between Borrower and other parties named therein, as borrowers, the lending institutions now or hereafter named as lenders on Annex I thereto and Agent, as agent (as it may hereafter be amended, supplemented or replaced, the "Loan Agreement"), under which, inter alia, Borrower is granting Agent a lien on and security interest in certain assets of Borrower associated with or relating to services or products sold under Borrower's Patent Collateral (as defined herein), and under which Agent is entitled to foreclose or otherwise deal with such assets under the terms and conditions set forth therein. Capitalized terms not defined herein shall have the meanings given to such terms in the Loan Agreement.

B. Borrower has adopted, used and/or is using (i) the United States Letters Patent and the inventions described and claimed therein set forth on Schedule A hereto (hereinafter referred to collectively as the "Patents") and (ii) the applications for Letters Patent and the inventions described and claimed therein set forth on Schedule A hereto and any United States Letters Patent which may be issued upon any of said applications (hereinafter referred to collectively as the "Applications"). In conjunction with the Patents and Applications, Borrower may use or adopt any reissues, extensions, divisions or continuations of the Patents or Applications (such reissues, extension, divisions and continuations being herein referred to collectively as the "Reissued Patents"); and may be entitled to all future royalties or other fees paid or payments made to Borrower in respect of the Patents (hereinafter referred to collectively as the "Royalties"), (the Patents, Applications and the Reissued Patents and the Royalties being herein referred to collectively as the "Patent Rights").

C. Pursuant to the Loan Agreement, Agent is acquiring a lien on, security interest in and a license to use the Patent Collateral (as defined herein) and the registration thereof, as security for all of the Obligations under the Loan Agreement, and Agent desires to have its security interest in such Patent Collateral confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Loan Agreement, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the Obligations, Borrower grants to Agent a lien on and security interest in all of the Patent Rights and all proceeds thereof and all Borrower's right, title, interest, claims and demands that Borrower has or may have in profits and damages for past and future infringements of the Patent Rights (such rights, interest, claims and demand being herein called the "Claims") (the Patent Rights and Claims are collectively referred to as the "Patent Collateral").

2. Borrower hereby covenants and agrees to maintain the Patent Collateral in full force and effect until all of the Obligations are satisfied in full.

3. Borrower represents, warrants and covenants to Agent that:

(a) Except for Liens permitted under Section 8.2.5 of the Loan Agreement, Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Patent Collateral as set forth on Schedule A.

(b) The Patent Collateral is subsisting and has not been adjudged invalid or unenforceable;

(c) All of the Patent Rights is registered, valid and enforceable;

(d) Except for Liens permitted under Section 8.2.5 of the Loan Agreement, all of the Patent Collateral is free and clear of any liens, charges and encumbrances including, without limitation, pledges, assignments, licenses (other than to Borrower and Agent hereunder) and covenants by Borrower not to sue third persons;

(e) Except as may be disclosed in the Schedules to the Loan Agreement, Borrower has no notice of any suits or actions commenced or threatened against it, or notice of claims asserted or threatened against it, with reference to the Patent Collateral;

(f) Borrower has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(g) Borrower has complied with, and will continue for the duration of this Agreement to comply with the requirements set forth in 15 U.S.C. §1051-1127 and any other applicable statutes, rules and regulations in connection with its use of the Patent Collateral except where failure to comply would not have a material adverse effect on Borrower or its Property; and

(h) Borrower has used and will continue to use for the duration of this Agreement, consistent standards of quality in services or products leased or sold under the Patent Collateral and hereby grants to Agent and its employees and agents the right (with no obligation of any kind upon Agent to do so) to visit Borrower's affiliates, franchises or management locations and to inspect the use of the Patent Collateral and quality control records relating thereto at reasonable times during regular business hours to ensure Borrower's compliance with this paragraph 3(h).

4. Borrower further covenants that:

(a) Until all of the Obligations have been satisfied in full, Borrower will not enter into any agreement, including, without limitation, license agreements or options, which are inconsistent with Borrower's obligations under this Agreement, Borrower obligations under the Loan Agreement or which restrict or impair Agent's rights hereunder.

(b) If Borrower acquires rights to any new Patent Collateral, the provisions of this Agreement shall automatically apply thereto and such Patent Collateral shall be deemed part of the Patent Collateral. Borrower shall give Lender prompt written notice thereof along with an amended Schedule "A."

5. So long as this Agreement is in effect and so long as Borrower has not received notice from Lender that an Event of Default has occurred and is continuing under the Loan Agreement and that Agent has elected to exercise its rights hereunder (i) Borrower shall continue to have the exclusive right to use the Patent Collateral; and (ii) Agent shall have no right to use the Patent Collateral or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Patent Collateral to anyone else.

6. Borrower agrees not to sell, license, grant any option, assign or further encumber its rights and interest in the Patent Collateral to any entity or person other than Borrower without the prior written consent of Agent or as may be expressly permitted under the Loan Agreement.

7. Anything herein contained to the contrary notwithstanding, if and while Borrower shall be in default hereunder or an Event of Default exists under the Loan Agreement, Borrower hereby covenants and agrees that Agent, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in Pennsylvania, may take such action permitted hereunder, in its exclusive discretion, to foreclose upon the Patent Collateral covered hereby. For such purposes, and in the event of Borrower's default hereunder or an Event of Default under the Loan Agreement and while such default or Event of Default exists, Borrower hereby authorizes and empowers Agent to make, constitute and appoint any officer or agent of Agent as Agent may select, in its exclusive discretion, as Borrower's true and lawful attorney-in-fact, with the power to endorse Borrower's name on all applications, documents, papers and instruments necessary for Agent to use the Patent Collateral or to grant or issue any exclusive or non-exclusive license under the Patent Collateral to anyone else, or necessary for Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Patent Collateral to anyone else including, without limitation, the power to execute a Patent Collateral assignment in the form attached hereto as Exhibit 1. Borrower hereby ratifies all that such attorney or agent shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or willful misconduct of such attorney or agent. This power of attorney shall be irrevocable for the life of this Agreement, the Loan Documents, and until all Borrower's Obligations are indefeasibly paid and satisfied in full.

8. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Loan Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

9. All rights and remedies herein granted to Agent shall be in addition to any rights and remedies granted to Agent under the Loan Documents. In the event of an inconsistency between this Agreement and Loan Agreement, the language of this Agreement shall control.

10. Upon Borrower's performance of all of the obligations under the Loan Documents and full and unconditional satisfaction of all of the Borrower's Obligations, Agent shall execute and deliver to Borrower all documents reasonably necessary to terminate Agent's security interest in the Patent Collateral.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Agent in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, 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 costs otherwise incurred in protecting, maintaining,

preserving the Patent Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Patent Collateral, in each case in accordance with the terms of this Agreement, shall be borne and paid by Borrower on demand by Agent and until so paid shall be added to the principal amount of the Obligations to Lender and shall bear interest at the rate prescribed in the Loan Agreement for Revolving Credit Base Rate Loans.

12. Subject to the terms of the Loan Agreement, Borrower shall have the duty to prosecute diligently any application and/or registration with respect to the Patent Collateral pending as of the date of this Agreement or thereafter, until Borrower's Obligations shall have been satisfied in full, to preserve and maintain all rights in the Patent Collateral, and upon reasonable request of Agent, Borrower shall make federal application on registerable but unregistered Patent Collateral belonging to Borrower and licensed to Borrower. Any reasonable expenses incurred in connection with such applications shall be borne exclusively by Borrower. Borrower shall not abandon any Patent Collateral without the prior written consent of the Agent, which consent shall not be unreasonably withheld.

13. Borrower shall have the right to bring suit in its own name to enforce the Patent Collateral, in which event Agent may, if Borrower reasonably deems it necessary, be joined as a nominal party to such suit if Agent shall have been satisfied, in its sole discretion, that it is not thereby incurring any risk of liability because of such joinder. Borrower shall promptly, upon demand, reimburse and indemnify Agent for all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by Agent in the fulfillment of the provisions of this paragraph.

14. Upon the occurrence of an Event of Default under the Loan Agreement or hereunder, Agent may, without any obligation to do so, complete any obligation of Borrower hereunder, in Borrower's name or in Agent's name, but at the expense of Borrower, and Borrower hereby agrees to reimburse Agent in full for all expenses, including, without limitation, all reasonable attorneys' fees incurred by Agent in protecting, defending and maintaining the Patent Collateral.

15. No course of dealing between Borrower and Agent, nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Agent's rights and remedies with respect to the Patent Collateral, whether established hereby or by the Loan Documents, or by any other future agreements between Borrower and Agent or by law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.


17. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

18. This Agreement shall be governed by and construed in conformity with the laws of the State of Pennsylvania, without regard to its otherwise applicable principles of conflicts of laws.

19. BORROWER AND AGENT EACH WAIVES ANY AND ALL RIGHTS EITHER MAY HAVE TO A JURY TRIAL ARISING IN CONNECTION WITH ANY PROCEEDING OR CONTROVERSY RELATING TO THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN BORROWER AND AGENT.

IN WITNESS WHEREOF, the parties hereto have executed this Patent Security Agreement, under seal, the day and year first above written.

FELLOWS CORPORATION

By: 
Name: Gregory L. Goldman
Title: CEO

Addendum
to Patent Security Agreement

This is an addendum to a certain Patent Security Agreement (Agreement)

between

Fellows Corp.

and

Fleet Capital Corporation

entered into on ¹⁹..... August 1999.

In Germany, there is one patent registered for Fellows Corporation

- patent 3484412.0

with respect to this patent, the parties declare that as to their contractual relationship concerning the Patent Collateral, the provisions of the Agreement will be applied mutatis mutandis.

As to the legal situation of the patents under German law, the parties agree that Fellows Corp. hereby pledges all rights and ancillary rights related to the Patent Collateral as well as the Patent Collateral itself to Fleet Capital Corporation in accordance with German law.

Fleet Capital Corporation shall be entitled to exercise its rights without obtaining a final judgement or award (vollstreckbarer Titel) against Fellows Corp.

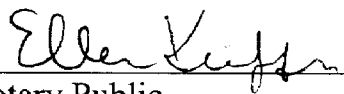
Fellows Corp. irrevocably agrees that Fleet Capital Corporation registers the pledge of the Patent with the Federal Patent Office (Bundespatentamt) or any other competent authority at any time. The agent under the Patent Security Agreement or Fleet Capital Corporation, in the sole discretion, are entitled to make all declarations necessary and conducive to the registration of the pledge with the Federal Patent Office or any other competent authority.

The national agent to be appointed is Shearman & Sterling, Couvenstr. 8, 40211 Düsseldorf, Germany.

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
~~STATE OF~~ Commonwealth of Pennsylvania SS
COUNTY OF Philadelphia :

On this 19th of August, 1999, before me personally appeared Gregory I. Goldman, to me know and being duly sworn, deposes and says that he is CEO of FELLOWS CORPORATION ("Grantor"); that he signed the Agreement thereto as such officer pursuant to the authority vested in him by law; that the within Agreement is the voluntary act of such corporation; and he desires the same to be recorded as such.



Notary Public

My Commission Expires:

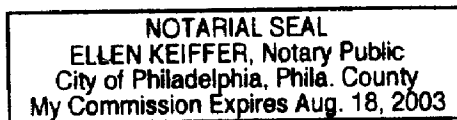


Exhibit 1

PATENT ASSIGNMENT

WHEREAS, FELLOWS CORPORATION, a Delaware corporation ("Grantor") is the registered owner of: (i) the United States Letters Patent and the inventions described and claimed therein set forth on Schedule A hereto (hereinafter referred to collectively as the "Patents"); (ii) the applications for Letters Patent and the inventions described and claimed therein set forth on Schedule A hereto and any United States Letters Patent which may be issued upon any of said applications (hereinafter referred to collectively as the "Applications"), which are registered with the United States Patent and Trademark Office.

WHEREAS, in conjunction with the Patents and Applications, Grantor may use or adopt any reissues, extensions, divisions or continuations of the Patents or Applications (such reissues, extension, divisions and continuations being herein referred to collectively as the "Reissued Patents"); may be entitled to all future royalties or other fees paid or payments made to Borrower in respect of the Patents (hereinafter referred to collectively as the "Royalties"), (the Patents, Applications and the Reissued Patents and the Royalties being herein referred to collectively as the "Patent Rights") and may be entitled to profits and damages for past and future infringements of the Patent Rights (such rights, interest, claims and demand being herein called the "Claims") (the Patent Rights and Claims are collectively referred to as the "Patent Collateral").

WHEREAS, _____ ("Grantee") having a place of business at _____ is desirous of acquiring said Patent Collateral;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Patent Collateral and all proceeds thereof and all goodwill associated therewith. No rights or duties of any kind are intended to be granted or conferred upon Grantee unless and until this Patent Assignment is recorded with the United States Patent and Trademark Office.

IN WITNESS WHEREOF, the undersigned has caused this Patent Assignment to be executed as of the ____ day of _____, _____.

FELLOWS CORPORATION

By: _____
As Attorney-in-fact

SCHEDULE A**Patents of Fellows Corporation**

<u>Application/ Patent #</u>	<u>Country</u>	<u>File/Issue Date</u>	<u>Title</u>
5,345,390	U.S.	9/6/94	Control Graphics System for Gear Shaping Machines
4,784,538	U.S.	11/15/88	Disposable Disk Cutter
4,542,638	U.S.	9/24/85	Automatic Calibration of Sensor Circuits in Gear Shapers
4,533,858	U.S.	8/6/85	Temperature Compensation Apparatus for Gear Shapers
3484412.0	Germany	02/03/94	Temperature Compensation Apparatus for Gear Shapers
0212860	EPO	02/03/94	Disposable Disk Cutter
0212860	France	02/03/94	Same as above
0212860	Germany	02/03/94	Same as above
0212860	Gr. Britain	02/03/94	Same as above
0212860	Italy	02/03/94	Same as above
1710959	Japan	11/11/92	Control System for Machine Tool Hydraulically Stroked Cutter
1710960	Div. I	11/11/92	Same as above
1710961	Div. II	11/11/92	Same as above
1710961	Div. III	11/11/92	Same as above
1710962	Div. IV	11/11/92	Same as above

POWER OF ATTORNEY

FELLOWS CORPORATION, a Delaware corporation, ("Grantor"), hereby authorizes FLEET CAPITAL CORPORATION its successors and assigns, and any officer or agent thereof (collectively, "Agent") as Grantor's true and lawful attorney-in-fact, with the power to endorse Grantor's name on all applications, assignments, documents, papers and instruments necessary for Agent to enforce and effectuate its rights under a certain Patent Security Agreement (United States Patents) between Grantor and Agent dated the date hereof (as it may hereafter be supplemented, restated, superseded, amended or replaced, the "Patent Agreement"), including, without limitation, the power to use the Patent Collateral (as defined in the Patent Agreement), to grant or issue any exclusive or nonexclusive license under the Patent Collateral to anyone else, or to assign, pledge, convey or otherwise transfer title in or dispose of the Patent Collateral.


This Power of Attorney is given and any action taken pursuant hereto is intended to be so given or taken pursuant to a certain Loan and Security agreement bearing even date herewith between Grantor and Agent as it may be hereinafter supplemented, restated, superseded, amended or replaced.

Grantor hereby unconditionally ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

This Power of Attorney shall be irrevocable for the life of the Patent Agreement.

IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney, under seal,
this 19 day of ~~July~~, 1999.
August

FELLOWS CORPORATION

By: 
Name: Gregory I. Goldman
Title: CEO

SCHEDULE A

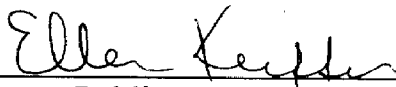
Patents of Fellows Corporation

<u>Application/ Patent #</u>	<u>Country</u>	<u>File/Issue Date</u>	<u>Title</u>
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0212860	EPO	02/03/94	Disposable Disk Cutter
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0212860	Germany	02/03/94	Same as above
0212860	Gr. Britain	02/03/94	Same as above
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1710959	Japan	11/11/92	Control System for Machine Tool Hydraulically Stroked Cutter
1710960	Div. I	11/11/92	Same as above
1710961	Div. II	11/11/92	Same as above
1710961	Div. III	11/11/92	Same as above
1710962	Div. IV	11/11/92	Same as above

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
~~STATE OF~~ ^{Commonwealth of} Pennsylvania : SS
COUNTY OF ^{Philadelphia} :

On this 19th of August, 1999, before me personally appeared Gregory I. Goldman, to me know and being duly sworn, deposes and says that he is CEO of FELLOWS CORPORATION the Grantor corporation described in the foregoing Power of Attorney; that he signed the Power of Attorney as such officer pursuant to the authority vested in him by law; that the within Power of Attorney is the voluntary act of such corporation; and he desires the same to be recorded as such.



Notary Public

