

FORM PTO-1619A

Expires 06/30/99
OMB 0651-0027

04-24-2001

U.S. Department of Commerce
Patent and Trademark Office

PATENT



101684871

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

Execution Date
Month Day Year

Name (line 1)

Manufacturing Data Systems, Inc.

03292001

Name (line 2)

Second Party

Name (line 1)

Execution Date
Month Day Year

Name (line 2)

5984499

Receiving Party



Mark if additional names of receiving parties attached

Name (line 1)

Hurco Companies, Inc.

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.)

Name (line 2)

Address (line 1)

One Technology Way

Address (line 2)

P.O. Box 68180

Address (line 3)

Indianapolis

IN

46268-0180

City

State/Country

Zip Code

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)

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

PATENT
REEL: 011692 FRAME: 0872

Correspondent Name and Address

Area Code and Telephone Number (317) 569-9600

Name Michael D. Beck

Address (line 1) Baker & Daniels

Address (line 2) 300 North Meridian Street

Address (line 3) Suite 2700

Address (line 4) Indianapolis, IN 46204

Pages

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

10

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)

5,984,499	5,291,416	

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.

#

2

Fee Amount

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

80.00

Method of Payment:
Deposit AccountEnclosed ☒Deposit Account ☐

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

02-0390

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.

Michael D. Beck

Name of Person Signing

Signature

Date April 10, 2001

**SECURITY AGREEMENT
(PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES)**

FOR VALUE RECEIVED, the undersigned, MANUFACTURING DATA SYSTEMS, INC., a Michigan corporation (hereinafter referred to as "**Debtor**"), hereby grants to HURCO COMPANIES, INC., an Indiana corporation ("**Secured Party**"), a security interest in the following tangible and intangible personal property of Debtor, now owned and existing or hereafter acquired or arising, and wheresoever located (collectively, the "**Collateral**");

(a) All United States and all foreign patents, including, without limitation, the patents listed on **Schedule A** attached hereto and made a part hereof ("**Patents**");

(b) All United States and all foreign copyrights, including, without limitation, the copyrights listed on **Schedule B** attached hereto and made a part hereof ("**Copyrights**");

(c) All United States and all foreign trademarks and service marks, including, without limitation, the trademarks, trade names and service marks listed on **Schedule C** attached hereto and made a part hereof ("**Trademarks**");

(d) All United States and all foreign Patent, Copyright and Trademark licenses and all license agreements now or hereafter in existence in which Debtor is or becomes licensed to use a patent, trademark or copyright ("**Licenses**"); and

(e) All goodwill of Debtor's business connected with the use of any of the foregoing symbolized by the Trademarks;

(f) All additions, accessions, accessories, and replacements of any of the property described in clauses (a) through (e), above;

(g) The source codes for all software owned by Debtor, both now existing and hereafter arising ("**Source Code**"); and

(h) All products and "**Proceeds**" (as defined in the UCC) of all or any of the types or items of property described in clauses (a) through (g) above, including insurance proceeds and proceeds of all warranty and tort claims, and all property arising from or received by Debtor in connection with the sale or disposition thereof.

As used herein, the term: (a) "**Agreement**" shall mean this Security Agreement (Patents, Copyrights, Trademarks and Licenses), as the same may be modified, amended, supplemented, replaced, restated and/or extended from time to time and at any time; (b) "**Loan Agreement**" shall mean that certain Loan Agreement, dated of even date, between Debtor and Secured Party, as the same may hereafter be modified, amended, supplemented, replaced, restated and/or extended from time to time and at any time, and (c) "**UCC**" shall mean the Uniform Commercial Code as in effect on the date hereof, but as amended by Indiana House Enrolled Act 1326, in the State of Indiana, Ind. Code §26-1-1-1 et seq. All other capitalized

terms used in this Agreement and not defined herein are used with the meanings ascribed to such terms in the Loan Agreement.

The security interest hereby granted to Secured Party is given to secure the performance and payment when due of the following (collectively, the "**Indebtedness**"): (1) all of the "Obligations" (as such term is defined in the Loan Agreement); (2) all other obligations, liabilities and indebtedness of Debtor to Secured Party, whether now existing or hereafter arising whether such indebtedness, obligations and liabilities are direct, indirect, fixed, contingent, liquidated, unliquidated, joint, several, joint and several, or were prior to acquisition thereof by Secured Party, owed to some other person or entity, including without limiting the generality of the foregoing, all obligations, liabilities and indebtedness now existing or hereafter arising in connection with or by reason of Debtor's breach of or other failure to fully and timely perform each of the "Ancillary Agreements" (as such term is defined in the Loan Agreement) which are entered into by Debtor and Secured Party; and (3) any and all extensions, renewals, amendments, modifications or restatements of the foregoing, together with all costs, expenses and reasonable attorneys' fees incurred by Secured Party in the enforcement or collection thereof.

Debtor represents and warrants to and agrees with Secured Party as follows:

1. The Collateral.

(a) Title. Debtor has or will acquire, and will maintain full and absolute title in Debtor to the Collateral, free of all security interests, liens and encumbrances other than the security interest herein granted to Secured Party and liens, security interests and encumbrances that are Permitted Encumbrances, and has good right to subject the Collateral to the security interest granted by this Agreement. Except with respect to liens enumerated in Section 4.02(b) of the Loan Agreement ("**Permitted Liens**") and the security interest granted by this Agreement, no financing statement, mortgage, Agreement or similar or equivalent document or instrument covering all or any part of the Collateral is on file or of record in any jurisdiction in which such filing or recording would be effective to perfect a lien or security interest on such Collateral.

2. Financing Statements, Certificates, Etc. and Escrow Agreement. Debtor will, from time to time, at its expense, execute, deliver, file and record any statement, assignment, instrument, document, agreement or other paper and take any other action, (including, without limitation, any filings with the United States Patent and Trademark Office and United States Copyright Office and any filings of financing or continuation statements under the UCC) that from time to time may be necessary, or that Secured Party may reasonably request, in order to create, preserve, perfect, confirm, validate, or protect the security interests granted or created pursuant to this Agreement or to enable Secured Party to obtain the full benefits of this Agreement, or to enable Secured Party to exercise and enforce any of its rights, powers and remedies hereunder with respect to any of the Collateral. To the extent permitted by law, Debtor hereby authorizes Secured Party to execute and file financing statements and continuation statements without Debtor's signature appearing thereon. Debtor agrees that a carbon, photographic, photostatic or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement. To the full extent permitted by law, Debtor authorizes Secured Party and grants to Secured Party a power of attorney (which is coupled with

an interest and is irrevocable) to sign on Debtor's behalf and file financing statements, continuations statements, applications for certificates of title, notices, affidavits, and other documents and amendments thereto that Secured Party reasonably deems necessary or desirable for the purpose of perfecting, protecting, and preserving the liens and security interests of Secured Party in the Collateral. Secured Party agrees to provide Debtor with a carbon, photographic or photostatic copy of any financing or continuation statement or other document concerning the Collateral filed by Secured Party without Debtor's signature or signed by Secured Party pursuant to the power of attorney granted herein. Debtor shall pay the reasonable costs, fees, and expenses of, or incidental to, the perfection, protection and preservation of Secured Party's lien and security interest in the Collateral, including without limitation any recording or filing fees, recording taxes, stamp taxes, and certificate of title application fees incurred in connection with the filing and recording of financing and continuation statements and other documents concerning the Collateral.

Without in any respect limiting the generality of the foregoing, Debtor agrees that it will execute, acknowledge, and deliver to Secured Party an assignment of its registrations and recordings of and applications for Copyrights in the United States Copyright Office and Trademarks and Patents in the United States Patent and Trademark Office and the goodwill of the business in connection with which each of such Trademarks are used and which is symbolized by such Trademarks, in form and substance acceptable to Secured Party and appropriate for recording in the United States Copyright Office and the United States Patent and Trademark Office, in the event Secured Party determines by reason of one or more changes in or clarifications of applicable statutes or regulations or judicial decisions occurring after the date hereof, and/or the discovery of existing legal precedent or authority not previously considered by Secured Party, that the recording of such an assignment or assignments in such offices is necessary to create, perfect or preserve a lien upon, security interest in, or collateral assignment of such Copyrights, Patents and Trademarks that is valid against subsequent purchasers, lienholders, secured parties, or assignees under the UCC and such assignment will not adversely affect Debtor's rights to use such Copyrights, Patents and Trademarks in its business and protect them from infringement.

3. General Covenants.

(a) Debtor agrees to pay promptly when due all taxes, assessments and governmental charges upon or against the Collateral, or Debtor, or for the property or operations of Debtor, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith by appropriate proceedings and for which Debtor has established adequate reserves. Debtor shall give written notice to Secured Party of all happenings and events adversely affecting the Collateral or the value or amount thereof in any material respect, including, without limitation, the creation or assertion of any lien or security interest against any of the Collateral that is not a Permitted Lien.

(b) In the event Debtor fails to pay taxes, assessments, costs and expenses which Debtor is required to pay or in the event Debtor fails to keep the Collateral free from other security interests, liens or encumbrances not permitted under the terms of this Agreement, Secured Party may make expenditures for any and all such purposes. All costs and expenses of

Secured Party in retaking, holding, preparing for sale and selling or otherwise realizing upon any Collateral or enforcing any provisions hereof, including reasonable attorneys' fees, shall constitute part of the Indebtedness, and shall bear interest from the date incurred at the Default Interest Rate.

(c) Debtor shall: (i) at all reasonable times allow Secured Party and its agents or representatives to examine, inspect and/or make abstracts from Debtor's books and records and to arrange for verification of Collateral under reasonable procedures; and (ii) Debtor will furnish or cause to be furnished to Secured Party written reports of any changes that would be required to be made to the Schedules to this Agreement in order for the information contained in such Schedules to remain accurate, which reports shall be furnished to Secured Party at or before the time events requiring such changes occur.

4. Performance by Secured Party of Debtor's Agreements. Secured Party may, but shall have no duty to, perform any agreement of Debtor hereunder which Debtor shall have failed to perform and Debtor will forthwith reimburse Secured Party for any payment made or any expense incurred by Secured Party in connection with such performance. Such payments and expenses shall constitute part of the Indebtedness and shall bear interest at the Default Interest Rate from the date incurred by Secured Party.

5. Events of Default. The occurrence of each of the following events shall constitute an Event of Default by Debtor under this Agreement (referred to herein as an "**Event of Default**"):

(a) Breach by Debtor of any term, covenant or provision of this Agreement;
and

(b) The occurrence of any "Event of Default," as such term is defined in the Loan Agreement.

6. General Authority. Debtor hereby irrevocably appoints Secured Party its true and lawful attorney, with full power of substitution, in the name of Debtor, Secured Party, or otherwise, for the sole use and benefit of Secured Party, but at Debtor's expense, to the extent permitted by law to exercise, at any time and from time to time while an Event of Default has occurred and is continuing, all or any of the following powers with respect to all or any of the Collateral:

(a) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due thereon or by virtue thereof;

(b) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto;

(c) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof, as fully and effectually as if Secured Party were the absolute owner thereof;

(d) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto; and

(e) to make all necessary or appropriate transfers of all or any part of the Collateral in connection with any sale, lease or other disposition thereof pursuant to this Agreement, and execute and deliver any documents necessary or appropriate to effect, evidence or facilitate such sale, lease or other disposition.

7. Remedies Upon Default. Time is of the essence of this Agreement. Upon the occurrence of any Event of Default and at any time thereafter (such Event of Default not previously having been cured), Secured Party shall be entitled, by written or telegraphic notice to Debtor, to declare all of the Indebtedness owed to it to be immediately due and payable, whereupon the same shall become immediately due and payable, without presentation, demand, protest, notice of protest, or other notice of dishonor of any kind, all of which are hereby expressly waived. In addition, upon the occurrence of any Event of Default and at any time thereafter (such Event of Default having not previously been cured), Secured Party shall have all the remedies of a secured party under the UCC and as otherwise provided by applicable law.

8. Nonwaiver-Expenses. No waiver by Secured Party of any of its rights shall be effective unless in writing, and in no event shall it operate as a waiver of any other of its rights or of the same rights on any future occasion. Debtor shall pay to Secured Party on demand any and all expenses, including reasonable attorneys' fees, incurred or paid by Secured Party in perfecting, protecting or enforcing its rights upon or under Indebtedness or Collateral.

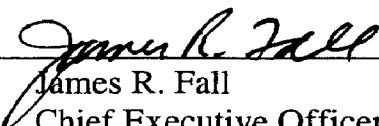
9. Successors in Interest. This Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective successors, assigns and legal representatives. If at any time or times by assignment or otherwise Secured Party transfers any of the Collateral, such transfer shall carry with it Secured Party's power and rights under this Agreement with respect to the Collateral transferred and the transferee shall become vested with said powers and rights whether or not they are specifically referred to in the transfer. If and to the extent Secured Party retains any other Collateral, Secured Party will continue to have the rights and powers herein set forth with respect thereto.

10. Notices. Any and all notices or other communications required or permitted under this Agreement shall be in writing and shall be sufficiently given if delivered in accordance with the terms of the Loan Agreement.

11. DEBTOR AND SECURED PARTY HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN DEBTOR AND SECURED PARTY ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT. THIS PROVISION IS A MATERIAL INDUCEMENT TO SECURED PARTY TO PROVIDE THE FINANCING DESCRIBED IN THE LOAN AGREEMENT OR IN THE OTHER LOAN DOCUMENTS. THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF INDIANA WITHOUT REGARD TO ITS CHOICE OR CONFLICTS OF LAWS PROVISIONS. DEBTOR AGREES THAT THE COURTS OF THE STATE OF INDIANA LOCATED IN INDIANAPOLIS, INDIANA, AND THE FEDERAL COURTS LOCATED IN THE SOUTHERN DISTRICT OF INDIANA, MARION COUNTY, HAVE EXCLUSIVE JURISDICTION OVER ANY AND ALL ACTIONS AND PROCEEDINGS INVOLVING THIS AGREEMENT OR ANY OTHER AGREEMENT MADE IN CONNECTION HERewith AND DEBTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES TO SUBMIT TO THE JURISDICTION OF SUCH COURTS FOR PURPOSES OF ANY SUCH ACTION OR PROCEEDING. DEBTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING, INCLUDING ANY CLAIM THAT SUCH COURT IS AN INCONVENIENT FORUM, AND CONSENTS TO SERVICE OF PROCESS PROVIDED THE SAME IS IN ACCORDANCE WITH THE TERMS HEREOF. FINAL JUDGMENT IN ANY SUCH PROCEEDING AFTER ALL APPEALS HAVE BEEN EXHAUSTED OR WAIVED SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT.

IN WITNESS WHEREOF, Debtor has executed this Agreement as of the 29th day of March, 2001.

MANUFACTURING DATA SYSTEMS, INC.

By: 
James R. Fall
Chief Executive Officer

("Debtor")

ACKNOWLEDGMENT

STATE OF Indiana)
COUNTY OF Marion) SS:

Before me, a Notary Public in and for the State of Indiana,
personally appeared James R. Fall, the Chief Executive Officer of Manufacturing Data Systems,
Inc., who, first being duly sworn, acknowledged the execution of the foregoing instrument for
and on behalf of each of said corporation as its duly authorized officer.

WITNESS my hand and Notarial Seal this 29th day of March, 2001.

Vicki L. Gross

Notary Public

VICKI L. GROSS

Printed

I am a resident of
Marion County, Indiana

My commission expires:

8/20/06

PATENTS AND PATENT APPLICATIONS

<u>Owner</u>	<u>Description (Including Number)</u>
Manufacturing Data Systems, Inc.	U.S. Patent No. 5,984,499 - "Method and Apparatus for a Numerical Control System for Processing Multiple Job Streams"
Software Algorithms, Inc. Manufacturing Data Systems, Inc.	U.S. Patent No. 5,291,416 – "Event Feedback for Numerically Controlled Machine Tool and Network Implementation Thereof"
Any and all additional Pending U.S. and foreign patent applications to be identified by Debtor	

Done

Schedule B

COPYRIGHTS

<u>Owner</u>	<u>Description</u>
Manufacturing Data Systems, Inc.	U.S. Copyright Reg. No. TX-4-834-291 Title: "OpenCNC", computer program Registered July 31, 1998
Manufacturing Data Systems, Inc.	U.S. Copyright Reg. No. TX-4-938-060 Title: "OpenCNC operator manuals", text Registered July 31, 1998
Manufacturing Data Systems, Inc.	U.S. Copyright Reg. No. TX-4-938-061 Title: "OpenCNC integrator manuals", text Registered July 31, 1998



TRADEMARKS, TRADEMARK REGISTRATIONS AND APPLICATIONS
AND TRADENAMES

<u>Owner</u>	<u>Description</u>
Manufacturing Data Systems, Inc.	U.S. Trademark Registration No. 2,034,983 Mark: OPENCNC and design Registered: February 4, 1997
Manufacturing Data Systems, Inc.	U.S. Trademark Registration No. 2,131,716 Mark: OPENCNC stylized Registered: January 27, 1998
Manufacturing Data Systems, Inc.	U.S. Trademark Registration No. 2,243,077 Mark: MDSI Registered: May 4, 1999
Manufacturing Data Systems, Inc.	U.S. Trademark Registration No. 2,367,902 Mark: OPENCNC Registered: July 18, 2000
Manufacturing Data Systems, Inc.	U.S. Trademark Application No. 76/064,834 Mark: WINMOTION Filed: June 1, 2000
Manufacturing Data Systems, Inc.	Canadian Trademark Application No. 101153900 Mark: MDSI
Manufacturing Data Systems, Inc.	Canadian Trademark Application No. 101885400 Mark: OPENCNC
Manufacturing Data Systems, Inc.	C.T.M. Trademark Registration No. 330316 Mark: OPENCNC and design
Manufacturing Data Systems, Inc.	C.T.M. Trademark Application No. 1074723 Mark: MDSI
Manufacturing Data Systems, Inc.	C.T.M. Trademark Application No. 1229244 Mark: OPENCNC

