

10-29-01

10-29-2001

Docket No.:

FORM PTO-1595 (Modified)  
(Rev. 6-93)  
OMB No. 0651-0011 (exp. 4/94)  
Copyright 1994-97 LegalStar  
P08/REV02

HEET

U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office



101889760

Tab settings

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

1. Name of conveying party(ies):  
Milwaukee Valve Company, Inc.

10-25-01

2. Name and address of receiving party(ies):

Name: LaSalle Bank National Association

Internal Address:

Additional names(s) of conveying party(ies)  Yes  No

Street Address: 135 South LaSalle Street

City: Chicago State: IL ZIP: 60603

3. Nature of conveyance:

- Assignment  Merger
- Security Agreement  Change of Name
- Other Patent and License Security Agreement

Additional name(s) & address(es) attached?  Yes  No

Execution Date: October 4, 2001

4. Application number(s) or registration numbers(s):

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

09779891

B. Patent No.(s)

5579804                      4526194  
 5482251                      4518008  
 5183073  
 5014528

Additional numbers attached?  Yes  No

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

Name: Mark I. Feldman, Esq.

Internal Address: Piper Marbury Rudnick & Wolfe

10/30/2001 6TON11 00000051 09779891  
 01 FC:581                      280.00 OP

Street Address: P.O. Box 64807

City: Chicago State: IL ZIP: 60664

6. Total number of applications and patents involved: 7

7. Total fee (37 CFR 3.41):.....\$ 280.00

- Enclosed - Any excess or insufficiency should be credited or debited to deposit account
- Authorized to be charged to deposit account

8. Deposit account number:

18-2284

DO NOT USE THIS SPACE

9. 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.

Mark I. Feldman

*Mark I. Feldman*

10-25-01

Name of Person Signing

Signature

11

Date

LJ

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

# PATENT AND LICENSE SECURITY AGREEMENT

**PATENT AND LICENSE SECURITY AGREEMENT** (the "Agreement") made this \_\_\_\_ day of October, 2001, between MILWAUKEE VALVE COMPANY, INC., a Wisconsin corporation, having its chief executive office and mailing address at 2375 South Burrell Street, Milwaukee, Wisconsin 53207 ("Grantor"), and LASALLE BANK NATIONAL ASSOCIATION, 135 South LaSalle Street, Chicago, Illinois 60603 ("Bank").

## WITNESSETH:

**WHEREAS**, Grantor has entered into a Loan and Security Agreement dated as of even date herewith (as amended, modified or supplemented from time to time, the "Loan Agreement"), with Bank pursuant to which Bank has agreed to provide financing to Grantor; and

**WHEREAS**, in connection with the financing and as security for all of the obligations and liabilities of Grantor (the "Obligations") under the Loan Agreement or any other document executed in connection therewith (collectively, the "Loan Documents"), Bank is requiring that Grantor shall have executed and delivered this Patent and License Security Agreement and granted the security interest contemplated hereby;

**NOW, THEREFORE**, for and in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

### Section 1. Defined Terms.

(i) Unless otherwise defined herein, the capitalized terms used herein which are defined in the Loan Agreement shall have the meanings specified in the Loan Agreement.

(ii) The words "hereof", "herein", and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and schedule references are to this Agreement unless otherwise specified.

(iii) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa unless otherwise specified.

Section 2. Security Interest in Patents. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, Grantor hereby grants to Bank a security interest in, having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of Grantor's now owned or existing and filed and hereafter acquired or arising and filed:

(i) patents and patent applications, and the inventions and improvements described and claimed therein, including, without limitation, those patents and patent applications listed on Schedule A attached hereto and made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all accounts receivable, income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and 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 the foregoing clauses (a)-(d), being sometimes hereinafter individually and/or collectively referred to as the "Patents"); and

(ii) license agreements with any other party now or hereafter entered into in connection with any Patents or such other party's patents or patent applications, whether Grantor is a licensor or licensee under any such license agreement, and to the extent permitted under any such agreement, including, but not limited to, the license agreements listed on Schedule B attached hereto and made a part hereof, and the right upon the occurrence and during the continuance of an Event of Default to use the foregoing in connection with the enforcement of the rights of Bank under the Loan Agreement or the other Loan Documents (all of the foregoing being hereinafter referred to collectively as the "Licenses"). Notwithstanding the foregoing provisions of this Section 2, the Licenses shall not include any license agreement under which Grantor is licensee which by its terms prohibits the grant of the security interest contemplated by this Agreement.

Section 3. **Restrictions on Future Agreements.** Grantor will not, without Bank's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Grantor further agrees that it will not take any action, and will use reasonable efforts not to permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Bank under this Agreement or the rights associated with those Patents and Licenses which are necessary or desirable in the operation of Grantor's business.

Section 4. **New Patents and Licenses.** Grantor represents and warrants that the Patents and Licenses listed on Schedules A and B, respectively, include all of the patents, patent applications and license agreements in connection with patents or patent applications now owned or held by Grantor. If, prior to the termination of this Agreement, Grantor shall (i) create or obtain rights to any new patentable inventions or license agreements in connection with patents or patent applications, or (ii) become entitled to the benefit of any patent, patent application or patent for any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent, the provisions of Section 2 above shall automatically apply thereto and Grantor shall give to Bank prompt written notice thereof. Grantor hereby authorizes Bank to modify this Agreement by (a) amending Schedules A or B, as the case may be, to include any future patents, patent applications and license agreements in connection with patents and patent applications that are Patents or Licenses under Section 2 above, or under this Section 4 (whether or not any such notice from Grantor has been sent or received), and (b) filing,

in addition to and not in substitution for, this Agreement, a supplement or addendum to this Agreement containing on Schedules A or B thereto, as the case may be, such patents, patent applications and license agreements which are Patents or Licenses, as the case may be, under Section 2 above or this Section 4.

Section 5. **Royalties.** Grantor hereby agrees that the use by Bank of the Patents and Licenses as authorized hereunder shall be co-extensive with Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Bank to Grantor or anyone.

Section 6. **Nature and Continuation of Security Interest.** This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Patents and the Licenses and shall remain in full force and effect until the Obligations have been paid in full and the Loan Agreement terminated.

Section 7. **Right to Inspect; Further Assignments and Security Interests.** Bank shall have the right, at any reasonable time and from time to time, to inspect Grantor's premises and to examine Grantor's books, records and operations relating to the Patents; provided, that in conducting such inspections and examinations, Bank shall use reasonable efforts not to disturb unnecessarily the conduct of Grantor's ordinary business operations. Except in the ordinary course of business, Grantor agrees not to sell or assign its respective interests in, or grant any license under, the Patents without the prior written consent of Bank.

Section 8. **Duties of Grantor.** Grantor shall have the duty to the extent desirable in the normal conduct of Grantor's business as determined in Grantor's good faith business judgment, (i) to prosecute diligently any patent application that is part of the Patents pending as of the date hereof or thereafter until the termination of this Agreement; (ii) to make application on such unpatented but patentable inventions as Grantor deems appropriate; and (iii) to preserve and maintain all of Grantor's rights in the patent applications and patents that are part of the Patents and Licenses. Any expenses incurred in connection with the foregoing shall be borne by Grantor. Grantor shall not abandon any right to file a patent application or any pending patent application or patent which is or shall be necessary or economically desirable in the operation of Grantor's business as determined in Grantor's good faith business judgment. Grantor agrees to retain any experienced patent attorney for the filing and prosecution of all such applications and other proceedings. Bank shall not have any duty with respect to the Patents and Licenses. Without limiting the generality of the foregoing, Bank shall not be under any obligation to take any steps necessary to preserve rights in the Patents or Licenses against any other parties, but may do so at its option during the continuance of an Event of Default, and all expenses incurred in connection therewith shall be or the sole account of Grantor and added to the Obligations secured thereby.

Section 9. **Bank's Right to Sue.** From and after the occurrence and during the continuance of an Event of Default, Bank shall have the right, but shall not be obligated, to bring suit or take any other action to enforce the Patents and the Licenses, and, if Bank shall commence any such suit or take any such action, Grantor shall, at the request of Bank, do any and all lawful acts and execute any and all proper documents required by Bank in aid of such enforcement. Grantor shall, upon demand, promptly reimburse and indemnify Bank for all costs and expenses incurred by Bank in the exercise of its rights under this Section 9 (including, without limitation, all attorneys' and paralegals' fees). If, for any reason whatsoever, Bank is not reimbursed with respect to the costs and expenses referred to in the preceding sentence, such costs and expenses shall be added to the Obligations secured hereby.

Section 10. **Waivers.** No course of dealing between Grantor and Bank, and no failure to exercise or delay in exercising on the part of Bank any right, power or privilege hereunder or under the Loan Agreement or the other Loan Documents shall operate as a waiver of any of Bank's rights, powers or privileges. No single or partial exercise of any right, power or privilege hereunder or under the Loan Agreement or the other Loan Documents shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 11. **Exercise of Rights and Remedies Upon Default.** Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and during the continuance of an Event of Default and after the expiration of any applicable cure periods, Bank may exercise any of the rights and remedies provided in this Agreement, the Loan Agreement, the other Loan Documents, or any other agreement executed in connection therewith. Without limiting the generality of the foregoing, Grantor acknowledges and agrees that (i) the Patents and Licenses comprise a portion of the Collateral and Bank shall have the right to exercise its rights under the Loan Agreement and the other Loan Documents with respect to the Patents and Licenses to the same extent as with respect to all other items of Collateral described therein, and (ii) from and after the occurrence of an Event of Default, Bank or its nominee may use the Patents and Licenses to complete the manufacture of, assemble, package, distribute, prepare for sale and sell any and all inventory, or otherwise use or transfer such Collateral in connection with the conduct of Grantor's business.

Section 12. **Severability.** The provisions of this Agreement are severable, and if any clause 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 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.

Section 13. **Modification.** This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 2 and Section 4 hereof or by a writing signed by the parties hereto.

Section 14. **Cumulative Remedies; Power of Attorney.** All of Bank's rights and remedies with respect to the Patents and the Licenses, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. Grantor hereby irrevocably appoints Bank as Grantor's attorney-in-fact, with full authority in the

place and stead of Grantor and in the name of Grantor or otherwise to carry out the acts described below. Subject to the terms of the Loan Agreement and the other Loan Documents, Grantor hereby authorizes Bank to, in its sole discretion, upon the continuance of an Event of Default, (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Bank in the use or transfer of the Patents and the Licenses, (ii) take any other actions with respect to the Patents and the Licenses as Bank deems is in its best interest, (iii) grant or issue any exclusive or non exclusive license with respect to the Patents to anyone and (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents and the Licenses to anyone. Grantor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement shall have been terminated pursuant to Section 6. Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Bank under the Loan Agreement or any other Loan Document, but rather is intended to facilitate the exercise of such rights and remedies. Bank 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 Patents may be located or deemed located.

Section 15. **Binding Effect; Benefits.** This Agreement shall be binding upon Grantor and its successors and assigns, and shall inure to the benefit of Bank, and its nominees, successors and assigns. Grantor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Grantor; provided, however, that Grantor shall not voluntarily assign its obligations hereunder without the prior written consent of Bank.

Section 16. **Governing Law.** This Agreement shall be governed by, and be construed and interpreted in accordance with, the laws of the State of Illinois, except for its choice of law provisions.

Section 17. **Notices.** All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Loan Agreement.

Section 18. **Section Headings.** The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

Section 19. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

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

**MILWAUKEE VALVE COMPANY, INC.**

By: Richard Giannini

Name: Richard Giannini

Title: President

By: John D. Seder

Name: John D. Seder

Title: Vice President

Accepted and agreed to in Chicago, Illinois as of this 4th day of October, 2001.

**LASALLE BANK NATIONAL ASSOCIATION**

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

Name: Victor P. Stasica

Title: Senior Vice President

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

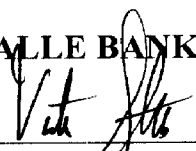
**MILWAUKEE VALVE COMPANY, INC.**

By: \_\_\_\_\_  
Name: Richard Giannini  
Title: President

By: \_\_\_\_\_  
Name: John D. Seder  
Title: Vice President

Accepted and agreed to in Chicago, Illinois as of this 4th day of October, 2001.

**LASALLE BANK NATIONAL ASSOCIATION**

By:  \_\_\_\_\_  
Name: Victor P. Stasica  
Title: Senior Vice President



**SCHEDULE A**  
(to Patent and License Security Agreement)

**PATENTS**

- 1) Status: Pending  
Application No.: 09779891  
Date Filed: 02/08/2001  
Title: VALVE INCLUDING SEAL ASSEMBLY RETAINER
  
- 2) Patent No.: 5579804  
Date of Patent: 12/03/1996  
Application No.: 541687  
Date Filed: 10/10/1995  
Title: TAMPER-PROOF HANDLE EXTENSION FOR QUARTER  
TURN VALVES
  
- 3) Patent No.: 5482251  
Date of Patent: 01/09/1996  
Application No.: 288,684  
Date Filed: 08/11/1994  
Title: STEM EXTENSION FOR QUARTER-TURN VALVES
  
- 4) Patent No.: 5183073  
Date of Patent: 02/02/1993  
Application No.: 862330  
Date Filed: 04/02/1992  
Title: HANDLE LOCKING MECHANISM FOR QUARTER TURN  
VALVES
  
- 5) Patent No.: 5014528  
Date of Patent: 05/14/1991  
Application No.: 573491  
Date Filed: 08/27/1990  
Title: TAMPER-PROOF LOCKING MECHANISM FOR QUARTER  
TURN VALVES
  
- 6) Patent No.: 4526194  
Date of Patent: 07/02/1985  
Application No.: 540099  
Date Filed: 10/7/1983  
Title: TAMPER-PROOF VALVE
  
- 7) Patent No.: 4518008  
Date of Patent: 05/21/1985

Application No.: 507791  
Date Filed: 06/24/1983  
Title: QUARTER TURN VALVE INCLUDING SUPERVISORY  
SWITCH ASSEMBLY

A-2

CHGO1:30044428:10:10/23/01

**PATENT**  
**REEL: 012273 FRAME: 0893**

**SCHEDULE B**  
(to Patent and License Security Agreement)

**LICENSES**

None.

B-1

CHGO1:30044428:10:10/23/01

**RECORDED: 10/29/2001**

**PATENT**  
**REEL: 012273 FRAME: 0894**