

PATENT ASSIGNMENT

Electronic Version v1.1

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SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
M & R Printing Equipment, Inc.	07/23/2007

RECEIVING PARTY DATA

Name:	LaSalle Bank National Association
Street Address:	1000 S. York Road
City:	Elmhurst
State/Country:	ILLINOIS
Postal Code:	60126

PROPERTY NUMBERS Total: 30

Property Type	Number
Patent Number:	5195434
Patent Number:	5199353
Patent Number:	5216820
Patent Number:	5383400
Patent Number:	5595113
Patent Number:	5649479
Patent Number:	5678482
Patent Number:	5845569
Patent Number:	5881641
Patent Number:	5921176
Patent Number:	5943953
Patent Number:	5953987
Patent Number:	6105494
Patent Number:	6142070
Patent Number:	6161304

PATENT

500354108

REEL: 019825 FRAME: 0156

CH \$1200.00 5195434

Patent Number:	D436368
Patent Number:	6276274
Patent Number:	6422548
Patent Number:	6439370
Patent Number:	6484629
Patent Number:	D480753
Patent Number:	6910419
Patent Number:	6968998
Patent Number:	6913171
Application Number:	10603018
Application Number:	10723452
Application Number:	10814373
Application Number:	11358938
Application Number:	60759887
Application Number:	60742195

#### CORRESPONDENCE DATA

Fax Number: (312)264-2494

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Correspondent Name: Roger H. Stein

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Address Line 4: Chicago, ILLINOIS 60601

ATTORNEY DOCKET NUMBER:	40934-39005 M&R PATS
NAME OF SUBMITTER:	Roger H. Stein

#### Total Attachments: 9

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## PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (the "Security Agreement") made as of this 23 day of July, 2007, by M & R Printing Equipment, Inc., a Delaware corporation ("Printing"), in favor of LaSalle Bank National Association with an office at 1000 S. York Road, Elmhurst, Illinois 60126, Chicago, Illinois 60126 ("**Lender**"):

### W I T N E S S E T H

WHEREAS, M & R HOLDINGS, INC., a Delaware corporation, having its principal place of business at 1 N. 372 Main Street, Glen Ellyn, Illinois 60137 ("Holdings"), M & R PRINTING EQUIPMENT, INC., a Delaware corporation, having its principal place of business at 1 N. 372 Main Street, Glen Ellyn, Illinois 60137 ("Printing"), M & R SALES & SERVICE, INC., a Delaware corporation, having its principal place of business at 1 N. 372 Main Street, Glen Ellyn, Illinois 60137 ("Sales"), PRECISION SCREEN MACHINES, INC., a Delaware corporation, having its principal place of business at 1 N. 372 Main Street, Glen Ellyn, Illinois 60137 ("Precision"), NUARC COMPANY, INC., a Delaware corporation, having its principal place of business at 1 N. 372 Main Street, Glen Ellyn, Illinois 60137 ("nuArc"), and AMSCOMATIC, INC., a Delaware corporation, having its principal place of business at 1 N. 372 Main Street, Glen Ellyn, Illinois 60137 ("Amscomatic") (Holdings, Printing, Sales, Precision, nuArc and Amscomatic are collectively referred to as "**Borrowers**") and Lender are parties to a certain Loan and Security Agreement of even date herewith (as amended, amended and restated or otherwise modified from time to time, the "**Loan Agreement**") and other related loan documents of even date herewith (collectively, with the Loan Agreement, and as each may be amended or otherwise modified from time to time, the "**Financing Agreements**"), which Financing Agreements provide (i) for Lender to, from time to time, extend credit to or for the account of Borrowers and (ii) for the grant by each Borrower to Lender of a security interest in certain of each Borrower's respective assets, including, without limitation, its patents and patent applications;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Printing agrees as follows:

1. Incorporation of Financing Agreements. The Financing Agreements and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Liabilities, Printing hereby grants to Lender, and hereby reaffirms its prior grant pursuant to the Financing Agreements of, a continuing security interest in Printing's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, all

patentable inventions and those patents and patent applications listed on Schedule A attached hereto and made a part hereof and all patents and the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Patents").

3. Warranties and Representations. Printing warrants and represents to Lender that:

(i) no Patent has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Patent been cancelled, in whole or in part and each such Patent is presently subsisting;

(ii) Printing is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Patent, free and clear of any liens, charges and encumbrances, including without limitation, shop rights and covenants by Printing not to sue third persons;

(iii) Printing has no notice of any suits or actions commenced or threatened with reference to any Patent; and

(iv) Printing has the unqualified right to execute and deliver this Security Agreement and perform its terms.

4. Restrictions on Future Agreements. Printing agrees that until Printing's Liabilities shall have been satisfied in full and the Financing Agreements shall have been terminated, Printing shall not, without the prior written consent of Lender, sell or assign its interest in any Patent or enter into any other agreement with respect to any Patent which would affect the validity or enforcement of the rights transferred to Lender under this Security Agreement.

5. New Patents. Printing represents and warrants that, based on a diligent investigation by Printing, the Patents listed on Schedule A constitute all of the federally registered Patents and Patent applications now owned by Printing. If, before Printing's Liabilities shall have been satisfied in full or before the Financing Agreements have been terminated, Printing shall (i) become aware of any existing Patents of which Printing has not previously informed Lender, (ii) obtain rights to any new patentable inventions or Patents, or (iii) become entitled to the benefit of any Patents, which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and Printing shall give to Lender prompt written notice thereof. Printing hereby authorizes Lender to modify this Security Agreement by amending Schedule A to include any such Patents.

6. Royalties; Terms. The term of this Security Agreement shall extend until the earlier of (i) the expiration of each of the Patents, and (ii) the payment in full of Printing 's Liabilities and the termination of the Financing Agreements. Printing agrees that upon the occurrence of an Event of Default, the use by Lender of all Patents shall be without any liability for royalties or other related charges from Lender to Printing.

7. Release of Security Interest. This Security Agreement is made for collateral purposes only. Upon payment in full of Printing 's Liabilities and termination of the Financing Agreements, Lender shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Financing Agreements

8. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Printing. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' 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 or otherwise in protecting, maintaining or preserving the Patents or in defending or prosecuting any actions or proceedings arising out of or related to the Patents shall be borne by and paid by Printing and until paid shall constitute Liabilities.

9. Duties of Printing. Printing shall have the duty (i) to file and prosecute diligently any patent applications pending as of the date hereof or hereafter until Printing 's Liabilities shall have been paid in full and the Financing Agreements have been terminated, (ii) to make application on unpatented but patentable inventions, as commercially reasonable, (iii) to preserve and maintain all rights in the Patents, as commercially reasonable and (iv) to ensure that the Patents are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with Printing 's obligations under this Section 9 shall be borne by Printing.

10. Lender's Right to Sue. After an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and, if Lender shall commence any such suit, Printing shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and Printing shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 10.

11. Waivers. No course of dealing between Printing 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 Financing Agreements 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.

12. Severability. The provisions of this Security 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 Security Agreement in any jurisdiction.

13. Modification. This Security 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.

14. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Lender's rights and remedies with respect to the Patents, whether established hereby or by the Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Printing hereby authorizes Lender upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as Printing's true and lawful attorney-in-fact, with power to (i) endorse Printing's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Patents or (ii) take any other actions with respect to the Patents as Lender deems to be in the best interest of Lender, or (iii) grant or issue any exclusive or non-exclusive license under the Patents to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents to anyone. Printing hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until Printing's Liabilities shall have been paid in full and the Financing Agreements have been terminated. Printing acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Illinois.

15. Binding Effect; Benefits. This Security Agreement shall be binding upon Printing and its respective successors and assigns, and shall inure to the benefit of Lender, its successors, nominees and assigns.

16. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and applicable federal law.


17. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

18. Further Assurances. Printing 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 Security Agreement and agreements set forth herein.

19. Survival of Representations. All representations and warranties of Printing contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Financing Agreements.


IN WITNESS WHEREOF, Printing has duly executed this Security Agreement  
as of the date first written above.

M & R PRINTING EQUIPMENT, INC.

By   
Its VP

Agreed and Accepted  
As of the Date First Written Above

By LASALLE BANK NATIONAL  
ASSOCIATION

Its   
First VP



**SCHEDULE A**

**PATENTS**

<u>Patent Description</u>	<u>U.S. Patent No.</u>	<u>Issue Date</u>
TRANSFER PRINTING PRESS	5,195,434	March 23, 1993
PRINTING MACHINE PALLET ASSEMBLY	5,199,353	April 6, 1993
CURING UNIT AND METHOD OF CURING INK	5,216,820	June 8, 1993
ARTICLE DETECTOR FOR PRINTING PRESS	5,383,400	January 24, 1995
SEQUENCING SYSTEM FOR PRINTING MACHINE	5,595,113	January 21, 1997
INK RECOVERY DEVICE	5,649,479	July 22, 1997
SEQUENCING SYSTEM FOR PRINTING MACHINE	5,678,482	October 21, 1997
MULTI-TIERED SCREEN PRINTING MACHINE	5,845,569	December 8, 1998
HINGED ARM ASSEMBLIES FOR SCREEN PRINTING MACHINE SYSTEM	5,881,641	March 16, 1999
SCREEN PRINTING REGISTRATION SYSTEM	5,921,176	July 13, 1999
SCREEN PRINTING REGISTRATION SYSTEM	5,943,953	August 31, 1999
SCREEN PRINTING REGISTRATION SYSTEM	5,953,987	September 21, 1999
EXTENDABLE GRIPPING MEANS FOR UNLOAD AN	6,105,494	August 22, 2000

ARTICLE FOR A SCREEN  
PRINTING MACHINE

INK DEFLECTOR FOR SQUEEGEE ON PRINTING MACHINE	6,142,070	November 2, 2000
DRYER ASSEMBLY	6,161,304	December 19, 2000
PLATEN FOR A PRINTING MACHINE DES.	Des. 436,368	January 16, 2001
PLATEN FOR A PRINTING MACHINE	6,276,274	August 21, 2001
ADJUSTABLE ZONED VACUUM BED	6,422,548	July 23, 2002
METHOD AND APPARATUS FOR THE AUTOMATIC LOADING OF AN ARTICLE ONTO A PRINTING MACHINE	6,439,370	August 27, 2002
AUTOMATIC TEXTILE UNLOADER FOR A PRINTING MACHINE	6,484,629	November 26, 2002
PALLET FOR A PRINTING MACHINE	Des. 480,753	October 14, 2003
MULTI-USE PALLET WITH TORSION CONTROL FOR A PRINTING MACHINE	6,910,419	June 28, 2005
SYSTEM AND METHOD FOR ENSURING PAYMENT FOR SOLD OR LEASED EQUIPMENT	6,968,998	November 29, 2005
BOTTOM PULLING BELT FOR FOLDING MACHINE	6,913,171	July 5, 2005

PATENT APPLICATIONS

<u>Patent Application Description</u>	<u>U.S. Patent Application No.</u>	<u>Date Applied</u>
SYSTEM AND METHOD FOR CONTROLLING THE OPERATING PARAMETERS OF A SETTING SYSTEM	10/603,018	June 24, 2003
SYSTEM AND METHOD FOR COMMUNICATION BETWEEN TWO OR MORE LOCATIONS	10/723,452	November 26, 2003
INDIVIDUAL HEAD OFF- CONTACT SHIMS	10/814,373	March 31, 2004
DRYER ASSEMBLY	11/358,938	February 21, 2006
LINEAR SCREEN PRINTING APPARATUS	60/759,887	January 18, 2006
FLOCKER SHIELD	60/742,195	December 2, 2005

**096-20528D**