

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
ACF, LLC	04/01/2008
RECEIVING PARTY DATA	
Name:	M&I MARSHALL & ILSLEY BANK
Street Address:	651 Nicollet Mall
City:	Minneapolis
State/Country:	MINNESOTA
Postal Code:	55402
PROPERTY NUMBERS Total: 2	
Property Type	Number
Patent Number:	5232646
Patent Number:	5386963
CORRESPONDENCE DATA	
Fax Number:	(612)492-7077
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Email:	jhaller@fredlaw.com
Correspondent Name:	James R. Haller/Fredrikson & Byron, PA
Address Line 1:	200 South Sixth Street, Suite 4000
Address Line 4:	Minneapolis, MINNESOTA 55402
ATTORNEY DOCKET NUMBER:	45607.26
NAME OF SUBMITTER:	James R. Haller
Total Attachments: 13 source=Security Agreement M&I-ACF#page1.tif source=Security Agreement M&I-ACF#page2.tif source=Security Agreement M&I-ACF#page3.tif source=Security Agreement M&I-ACF#page4.tif	

OP \$80.00 5232646

PATENT

REEL: 020817 FRAME: 0604

500517720

source=Security Agreement M&I-ACF#page5.tif
source=Security Agreement M&I-ACF#page6.tif
source=Security Agreement M&I-ACF#page7.tif
source=Security Agreement M&I-ACF#page8.tif
source=Security Agreement M&I-ACF#page9.tif
source=Security Agreement M&I-ACF#page10.tif
source=Security Agreement M&I-ACF#page11.tif
source=Security Agreement M&I-ACF#page12.tif
source=Security Agreement M&I-ACF#page13.tif

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement"), is dated as of April 1, 2008, by and between ACF, LLC, a Minnesota limited liability company whose address is 2020 West 7th Street, St. Paul, Minnesota ("Borrower"), and M&I MARSHALL & ILSLEY BANK, a Wisconsin state banking corporation whose address is 651 Nicollet Mall, Minneapolis, MN 55402 (the "Bank").

RECITALS:

A. Borrower and Bank are parties to that certain Credit Agreement dated as of the date hereof (as amended, modified, supplemented, restated, or replaced from time to time, the "Credit Agreement"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Credit Agreement.

B. Borrower and Bank are parties to that certain Security Agreement dated as of the date hereof (as amended, modified, supplemented, restated, or replaced from time to time, the "Security Agreement").

AGREEMENTS:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Grant of Security Interest and Collateral.** To secure the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Bank whether such debt, liability or obligation now exists or is hereafter created or incurred, whether it arises under or is evidenced by this Agreement, the Credit Agreement or other agreements evidencing loans made by Bank to Borrower, or any other present or future instrument or agreement or by operation of law, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or sole, joint, several or joint and several (all such debts, liabilities and obligations are herein collectively referred to as the "Obligations"), Borrower hereby grants Bank a security interest (the "Security Interest"), with power of sale, in all of the intellectual property of Borrower (the "Collateral"), including but not limited to the intellectual property described in Exhibit A and the following:

(a) **Patents.** (i) All patents and patent applications on Schedule 1 of Exhibit A hereto, (ii) all reissues, divisions, continuations, renewals, extensions, continuations-in-part thereof, (iii) all income, royalties, damages and payments now or hereafter due and/or payable with respect thereto, including but not limited to under any licenses and any damages for past, present or future infringement thereof, (iv) the right to sue for past, present or future infringements thereof, and (v) all rights corresponding thereto throughout the world (all such items described in this subsection (a) referred to as "Patents");

(b) Trademarks. (i) All trade names, trademarks, service marks and any registrations thereof and applications therefore listed on Schedule 2 of Exhibit A hereto, (ii) any renewals thereof, (iii) all income, royalties, damages and payments now or hereafter due and/or payable with respect thereto, including but not limited to under any licenses and any damages for past, present or future infringement thereof, (iv) the right to sue for past, present or future infringements thereof, (v) all rights corresponding thereto throughout the world, (vi) all goodwill of Borrower's business connected with and symbolized by the foregoing (all such items described in this subsection (b) referred to as "Trademarks"); and (vii) license agreements with any other party in connection with any Trademarks or such other party's trademarks, registered trademarks and trademark applications, trade names, service marks, registered service marks and service mark applications, whether Borrower is a licensor or licensee under such license agreement, including but not limited to, the license agreements listed on Schedule 3 of Exhibit A, 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 Bank's rights under the Credit Agreement (all of the foregoing being hereinafter referred to collectively as the "Trademark Licenses").

(c) Copyrights. (i) All copyrights and registrations thereof listed on Schedule 4 of Exhibit A hereto, (ii) any renewals thereof, (iii) all income, royalties, damages and payments now or hereafter due and/or payable with respect thereto, including but not limited to under any licenses and any damages for past, present or future infringement thereof, (iv) the right to sue for past, present or future infringements thereof, and (v) all rights corresponding thereto throughout the world (all such items described in this subsection (c) referred to as "Copyrights");

(d) Miscellaneous. All inventions, discoveries, ideas, technology, know-how, trade secrets, processes, formulas, models, prototypes, drawings and designs, computer software programs, and documents, computer disks, source codes, object codes, lab books or other materials related thereto; and

(e) Proceeds. All proceeds of any of the foregoing.

2. Representations, Warranties and Agreements. Borrower represents, warrants and agrees that:

(a) The Patents, Trademarks, Trademark Licenses and Copyrights listed on Schedules 1, 2, 3 and 4, respectively, constitute all of the patents, trademarks, licenses, copyrights and applications and registrations therefore now owned by Borrower. If, before the Obligations shall have been indefeasibly satisfied in full in cash and all of Bank's commitments to lend to Borrower shall have expired or been terminated, Borrower shall (i) obtain rights to any new patentable inventions, registrable trademarks, trademark registrations, trade names or registered copyrights, (ii) become entitled to the benefit of any patent, trademark, copyright or registration thereof, or patent for any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent, or (iii) become a party to or subject to any trademark

license, then the provisions of Section 1 above shall automatically apply thereto and Borrower shall give to Bank prompt written notice thereof. Borrower hereby authorizes Bank to modify this Agreement by amending Schedule 1, 2, 3 and/or 4, as applicable, to include any future patents, patent applications, trademarks, trademark registrations, trademark applications, trade names, licenses and copyright registrations which are Patents, Trademarks, Trademark Licenses or Copyrights, as applicable, under Section 1 above.

(b) Borrower has (or will have at the time Borrower acquires rights in Collateral hereafter arising) absolute title to each item of Collateral free and clear of all security interests, liens and encumbrances. Borrower will keep all Collateral free and clear of all security interests, liens and encumbrances and will defend the Collateral against all claims or demands of all persons other than Bank.

(c) Until the Obligations shall have been indefeasibly satisfied in full in cash, all of Bank's commitments to lend pursuant to the Credit Agreement shall have been terminated or expired and all Letters of Credit shall have expired or the liability of the Bank thereon shall have been discharged, Borrower will not, without Bank's prior written consent, sell any of the Collateral or enter into any agreement which is inconsistent with Borrower's obligations or Bank's rights under this Agreement. Borrower further agrees that it will not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would affect the validity of the Collateral or enforcement of Bank's rights in the Collateral.

(d) Borrower will use commercially reasonable efforts to prosecute diligently any patent application that is part of the Patents, any trademark application that is part of the Trademarks, and any copyright registration that is part of the Copyrights, pending as of the date hereof or thereafter until the Obligations shall have been indefeasibly satisfied in full in cash, all of Bank's commitments to lend to Borrower shall have been terminated or expired and all Letters of Credit shall have expired or the liability of the Bank thereon shall have been discharged. Borrower will file and prosecute applications or registrations on unpatented but patentable inventions, on trademarks and on copyrightable works, as recommended by reputable legal counsel. Borrower will preserve and maintain all rights in patent applications and patents that are part of the Patents, in trademark applications, trademarks, and trademark registrations that are part of the Trademarks, and in copyrightable works and copyright registrations that are part of the Copyrights. Any expenses incurred in connection with such registrations or applications shall be borne by Borrower.

(e) Borrower shall not abandon any right to file a patent application or trademark application, or any pending patent application, trademark application, patent, trademark or copyright without the consent of Bank.

(f) Borrower will at all times permit Bank or its representatives to examine or inspect any Collateral, wherever located, and to examine, inspect and copy Borrower's books and records pertaining to the Collateral and its business and financial condition as

more fully set forth in the Credit Agreement. Notwithstanding the foregoing, so long as no Default or Event of Default then exists (a) Bank shall give the Borrower prior reasonable notice of any such examination or inspection, and (b) any such examination or inspection shall be during normal business hours.

(g) Borrower will keep accurate and complete records pertaining to the Collateral and pertaining to Borrower's business and financial condition and submit to Bank such periodic reports concerning the Collateral and Borrower's business and financial condition as provided for in the Credit Agreement.

(h) Borrower will pay when due or reimburse Bank on demand for all costs of collection of any of the Obligations and all other out-of-pocket expenses (including in each case all attorneys' fees) incurred by Bank in connection with the creation, perfection, satisfaction, protection, defense or enforcement of the Security Interest or the creation, continuance, protection, defense or enforcement of this Agreement or of the Obligations, including expenses incurred in any litigation or bankruptcy or insolvency proceedings.

(i) Borrower will execute, deliver or endorse any and all instruments, documents, assignments, security agreements and other agreements and writings which Bank may at any time reasonably request in order to secure, protect, perfect or enforce the Security Interest and Bank's rights under this Agreement.

(j) Borrower has delivered true and complete copies of each Trademark License to Bank, each of which is in full force and effect and no party thereto is in default thereunder. Borrower will not amend or otherwise modify any Trademark License in any way that adversely affects the value of the Collateral or the Borrower's ability to repay the Loans or Subordinated Debt, without the prior written consent of Bank.

3. **Royalties.** Neither the Security Interest granted herein, nor the exercise by Bank of any of its rights under this Agreement, shall (a) impose on Bank any liability to Borrower for royalties or other similar charges, or (b) be limited geographically.

4. **Events of Default.** The occurrence of any Event of Default shall constitute an Event of Default hereunder.

5. **Remedies upon Event of Default; Power of Attorney.** Upon the occurrence of an Event of Default and at any time thereafter, Bank may exercise those remedies set forth in the Credit Agreement. All of Bank's rights and remedies with respect to the Patents, Trademarks, Trademark Licenses and Copyrights, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. Upon the occurrence and during the continuance of an Event of Default, Borrower hereby irrevocably appoints Bank as Borrower's attorney-in-fact, with full authority in the place and stead of Borrower and in the name of Borrower or otherwise to carry out the acts described below. Subject to the terms of the Credit Agreement, upon the occurrence and during the continuance of an Event of Default and the giving by Bank of written notice to Borrower of Bank's intention to enforce its rights and

claims against Borrower, Borrower hereby authorizes Bank to, in its sole discretion (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Bank in the use of the Patents, Trademarks, Trademark Licenses and Copyrights, (ii) take any other actions with respect to the Patents, Trademarks, Trademark Licenses and Copyrights as Bank deems is in its best interest, (iii) grant or issue any exclusive or nonexclusive license under the Patents, Trademarks or Copyrights to anyone on commercially reasonable terms, and (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks or Copyrights to anyone on commercially reasonable terms. Bank shall take no action pursuant to subsection (i), (ii), (iii) or (iv) of this Section 5 without taking like action with respect to the entire goodwill of Borrower's business and related assets connected with the use of, and symbolized by, such Patents, Trademarks or Copyrights. Borrower 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. Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Bank under the Credit Agreement, 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 Bank under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks or Copyrights may be located or deemed located.

6. **Bank's Right to Sue.** From and after the occurrence of any Event of Default, Bank shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, Trademarks, Trademark Licenses and Copyrights, and, if Bank shall commence any such suit, Borrower 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 and Borrower shall indemnify and shall, upon demand, promptly reimburse Bank for all costs and expenses incurred by Bank in the exercise of its rights under this Section 6.

7. **Miscellaneous.** This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by Bank. A waiver signed by Bank shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Bank's rights or remedies. All rights and remedies of Bank shall be cumulative and may be exercised singularly or concurrently, at Bank's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Borrower shall be deemed sufficiently given if delivered or mailed by registered or certified mail, postage prepaid, to Borrower at its address set forth in the Credit Agreement or at the most recent address shown on Bank's records. Bank's duty of care with respect to Collateral in its possession (as imposed by law) shall be deemed fulfilled if Bank exercises reasonable care in physically safekeeping such Collateral or, in the case of Collateral in the custody or possession of a bailee or other third person, exercises reasonable care in the selection of the bailee or other third person, and Bank need not otherwise preserve, protect, insure or care for any Collateral. Bank shall not be obligated to preserve any rights Borrower may have against prior parties, to realize on the Collateral at all or in any particular manner or order, or to apply any cash proceeds of Collateral

in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Borrower and Bank and their respective representatives, successors and assigns and shall take effect when signed by Borrower and delivered to Bank, and Borrower waives notice of Bank's acceptance hereof. Bank may execute this Agreement if appropriate for the purpose of filing, but the failure of Bank to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement or other recording document signed by the Borrower shall have the same force and effect as the original for all purposes of a financing statement or other recording document. Borrower will execute, from time to time, and authorizes Bank to execute from time to time as Borrower's attorney-in-fact, such financing statements, assignments, and other documents covering the Collateral, including Proceeds, as Bank may reasonably request in order to create, evidence, perfect, maintain or continue its security interest in the Collateral (including additional Collateral acquired by Borrower after the date hereof), and Borrower will pay the cost of filing the same in all public offices in which Bank may deem filing to be appropriate and will notify Bank promptly upon acquiring any additional Collateral that may require an additional filing. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and either of the parties hereto may execute this Agreement by signing any such counterpart. Whenever possible, each provision of this Agreement and any other statement, instrument or transaction contemplated hereby or relating hereto shall be interpreted in such manner as to be effective and valid under such applicable law, but, if any provision of this Agreement or any other statement, instrument or transaction contemplated hereby or relating hereto shall be held to be prohibited or invalid under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other statement, instrument or transaction contemplated hereby or relating hereto. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

8. **Governing Law.** The parties to this Agreement have contracted for Minnesota law to govern this Agreement and it is controllingly agreed that this Security Agreement is made pursuant to and shall be construed and governed by the laws of the State of Minnesota without regard to the principles of conflicts of law.

9. **Consent to Jurisdiction.** BORROWER SUBMITS AND CONSENTS TO PERSONAL JURISDICTION OF THE COURTS OF THE STATE OF MINNESOTA AND COURTS OF THE UNITED STATES OF AMERICA SITTING IN MINNESOTA FOR THE ENFORCEMENT OF THIS AGREEMENT AND WAIVES ANY AND ALL PERSONAL RIGHTS UNDER THE LAWS OF ANY STATE OR THE UNITED STATES OF AMERICA TO OBJECT TO JURISDICTION IN THE STATE OF MINNESOTA. AT THE ELECTION OF BANK, LITIGATION MAY BE COMMENCED IN ANY STATE COURT OF GENERAL JURISDICTION FOR THE STATE OF MINNESOTA OR ANY UNITED STATES DISTRICT COURT LOCATED IN MINNESOTA. NOTHING CONTAINED HEREIN SHALL PREVENT BANK FROM BRINGING ANY ACTION AGAINST BORROWER OR EXERCISING ANY RIGHTS AGAINST ANY SECURITY GIVEN TO SECURED PARTY, OR AGAINST BORROWER PERSONALLY, OR AGAINST ANY PROPERTY OF BORROWER, WITHIN ANY

OTHER STATE. COMMENCEMENT OF ANY SUCH ACTION OR PROCEEDING IN ANY OTHER STATE SHALL NOT CONSTITUTE A WAIVER OF CONSENT TO JURISDICTION OR OF THE SUBMISSION MADE BY DEBTOR TO PERSONAL JURISDICTION WITHIN THE STATE OF MINNESOTA.

15. Waiver. BORROWER WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING TO WHICH BORROWER IS INVOLVED DIRECTLY OR INDIRECTLY AND ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT OR THE RELATIONSHIP ESTABLISHED HEREUNDER, AND WHETHER ARISING OR ASSERTED BEFORE OR AFTER THE DATE OF THIS SECURITY AGREEMENT.

(The signature page follows.)

EXHIBIT A

Collateral

See attached.

SCHEDULE 1

Patents and Patent Applications

1. Re-examined United States patent number 5,232,646
2. Re-examined United States patent number 5,386,963
3. United States patent number 6,129,329
4. United States patent number 5,632,922
5. United States patent number 5,536,557
6. United States patent number 5,225,134
7. United States patent number 6,808,667

Patent Applications: None.

SCHEDULE 2

Trademarks and Trademark Applications

1. Service mark "Custom Rock" (registration no. 1,871,584)
2. Service mark "Custom Rock International" (registration no. 1,748,872)
3. Trademark "Custom Rock International" (registration no. 1,879,773)

SCHEDULE 3

Trademark Licenses

None.

SCHEDULE 4

Copyrights and Copyright Applications

None.

A-4

4338735_4.DOC