

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT3118496

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
CONVEYING PARTY DATA	
Name	Execution Date
CECILWARE CORPORATION	10/31/2014
GRINDMASTER CORPORATION	10/31/2014
RECEIVING PARTY DATA	
Name:	FIDUS MEZZANINE CAPITAL, L.P.
Street Address:	1603 ORRINGTON AVENUE
Internal Address:	SUITE 100
City:	EVANSTON
State/Country:	ILLINOIS
Postal Code:	60201
PROPERTY NUMBERS Total: 25	
Property Type	Number
Patent Number:	7047870
Patent Number:	6752069
Patent Number:	D513917
Patent Number:	D515347
Patent Number:	6908012
Patent Number:	5555791
Patent Number:	6325117
Patent Number:	6067895
Patent Number:	6904840
Patent Number:	7140196
Patent Number:	D555968
Patent Number:	5558283
Patent Number:	6988444
Patent Number:	5950941
Patent Number:	7131369
Patent Number:	6622510
Patent Number:	6745592
Patent Number:	D471054
Patent Number:	7503754
PATENT	

Property Type	Number
Patent Number:	6244162
Application Number:	13964452
Application Number:	14339707
Application Number:	13963628
Application Number:	61988761
Patent Number:	5542342

CORRESPONDENCE DATA

Fax Number: (704)339-3470

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

Email: ecampbell@rbh.com

Correspondent Name: ELIZABETH CAMPBELL

Address Line 1: 101 N. TRYON STREET

Address Line 2: SUITE 1900

Address Line 4: CHARLOTTE, NORTH CAROLINA 28246

ATTORNEY DOCKET NUMBER:	18865.00085
NAME OF SUBMITTER:	ELIZABETH CAMPBELL
SIGNATURE:	/Elizabeth Campbell/
DATE SIGNED:	11/21/2014

Total Attachments: 27

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REEL: 034230 FRAME: 0490

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement") is made and entered into as of October 31, 2014 by CECILWARE CORPORATION, a Delaware corporation ("Cecilware"), and GRINDMASTER CORPORATION, a Delaware corporation ("Grindmaster" and, together with Cecilware, the "Grantors" and singly, each a "Grantor") in favor of FIDUS MEZZANINE CAPITAL, L.P., a Delaware limited partnership, in its capacity as collateral agent pursuant to the Note Purchase Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as purchasers (in such capacity, together with any successor or replacement agent, "Agent", and together with the Purchasers, the "Secured Parties").

RECITALS

A. Pursuant to that certain Note Purchase Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Note Purchase Agreement") by and among, Agent, Purchasers, Grantors and certain affiliates of Grantors dated as of the date herewith, the Purchasers have agreed to purchase certain Notes from Grantors for the amounts and for the purposes described therein and Grantors have incurred certain obligations to the Secured Parties as set forth therein and in the Note Documents. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Note Purchase Agreement.

B. In order to induce the Purchasers to extend credit to Grantors in accordance with the Note Purchase Agreement, and in consideration therefor, each Grantor has agreed to grant to the Agent a perfected lien on and security interest in all of such Grantor's trademarks, copyrights, patents, whether now or hereafter existing, owned or acquired, all pursuant to the terms of this Agreement in order to secure, for the benefit of the Purchasers, (i) the due and punctual payment of (A) the principal and interest (including, without limitation, interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding regardless of whether allowed or allowable in such proceeding) on the Notes, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (B) all other monetary obligations of Issuers under the Notes, the Note Purchase Agreement, this Agreement or the other Security Documents, including, but not limited to, fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including, without limitation monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding regardless of whether allowed or allowable in such proceeding), and (ii) the due and punctual performance (as applicable) of the covenants, agreements, obligations and liabilities of Issuers under or pursuant to the Note Purchase Agreement, the Notes, this Agreement or the other Security Documents, or any other note, letter of credit, other agreement, document or instrument with or in favor of any of the Secured Parties, their successors or assigns, each howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, due or to become due (all items set forth in this Recital are collectively, the "Secured Obligations").

C. It is a condition precedent to the purchase of the Notes by the Purchasers that each Grantor executes and delivers this Agreement.

NOW, THEREFORE, for and in consideration of the covenants and provisions set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees as follows:

Section 1. **Grant of Security Interest in the Collateral; Obligations Secured.**

(a) As security for the Secured Obligations, each Grantor hereby:

(1) sells, mortgages, conveys, assigns, pledges and grants to the Agent, for the benefit of the Secured Parties and their successors and assigns a continuing and unconditional security interest in, any and all right, title and interest of such Grantor, whether now existing or hereafter acquired or arising, in and to the following:

i. **Patents.** Patents, whether now owned or hereafter acquired, or in which such Grantor now has or hereafter acquires any rights (the term "Patent" means and includes (A) all letters patent of the United States of America or any other country or any political subdivision thereof, now existing or hereafter acquired, all registrations and recordings thereof, and all applications for letters patent of the United States of America or any other country or any political subdivision thereof, now existing or hereafter acquired, including without limitation registrations, recordings and applications therefor in the United States Patent and Trademark Office or any other country or any political subdivision thereof and (B) all reissues, continuations, continuations-in-part or extensions thereof), including without limitation each Patent listed on Schedule A-1 hereto, and all of the inventions now or hereafter described and claimed in such Grantor's Patents;

ii. **Patent Licenses.** Patent Licenses, whether now owned or hereafter acquired, or in which such Grantor now has or hereafter acquires any rights (the term "Patent Licenses" means and includes any written agreement granting to any person any right to exploit, use or practice any invention on which a Patent is owned by another person), including without limitation each Patent License listed on Schedule A-2 hereto, and all royalties and other sums due or to become due under or in respect of such Grantor's Patent Licenses, together with the right to sue for and collect all such royalties and other sums;

iii. **Trademarks.** Trademarks, whether now owned or hereafter acquired, or in which such Grantor now has or hereafter acquires any rights (the term "Trademarks" means and includes (A) all trademarks, trade names, trade styles, service marks and logos, all prints and labels on which said trademarks, trade names, trade styles, service marks and logos have appeared or appear and all designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including without limitation registrations, recordings and applications in the United States Patent and

Trademark Office or in any similar office or agency of the United States of America, any state thereof or any other country or any political subdivision thereof and (B) all renewals thereof), including without limitation each Trademark application and registration listed on Schedule B-1 hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark;

iv. **Trademark Licenses.** Trademark Licenses, whether now owned or hereafter acquired, or in which such Grantor now has or hereafter acquires any rights (the term “Trademark Licenses” means and includes any written agreement granting to any person any right to use or exploit any Trademark or Trademark registration of another person), including without limitation the agreements described in Schedule B-2 hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark licensed and all royalties and other sums due or to become due under or in respect of such Grantor’s Trademark Licenses, together with the right to sue for and collect all such royalties and other sums;

v. **Copyrights.** Copyrights and Copyright registrations, whether now owned or hereafter acquired, or in which such Grantor now has or hereafter acquires any rights (the term “Copyrights” means and includes (A) all original works of authorship fixed in any tangible medium of expression, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including without limitation registrations, recordings and applications in the United States Copyright Office or in any similar office or agency of the United States of America, any state thereof or any other country or any political subdivision thereof and (B) all renewals thereof), including without limitation each Copyright registration listed on Schedule C-1 hereto;

vi. **Copyright Licenses.** Copyright Licenses, whether now owned or hereafter acquired, or in which such Grantor now has or hereafter acquires any rights (the term “Copyright Licenses” means and includes any written agreement granting to any person any right to use or exploit any Copyright or Copyright registration of another person), including without limitation the agreements described in Schedule C-2 hereto, and all royalties and other sums due or to become due under or in respect of such Grantor’s Copyright Licenses, together with the right to sue for and collect all such royalties and other sums; and

vii. **Proceeds and Products.** All proceeds and products of the foregoing and all insurance of the foregoing and proceeds thereof, whether now existing or hereafter arising, including without limitation (A) any claim of such Grantor against third parties for damages by reason of past, present or future infringement of any Patent or any Patent licensed under any Patent License, (B) any claims by such Grantor against third parties for damages by reason of past, present or future infringement or dilution of any Trademark or of any Trademark licensed under any Trademark License, or for injury to the goodwill of the business connected with the use of, or symbolized by, any Trademark or of any Trademark licensed under any Trademark License, (C) any claim of such Grantor against third parties for damages by reason of past, present or future infringement of any Copyright or any Copyright licensed under any Copyright License,

and (D) any claim of such Grantor against third parties for damages by reason of past, present or future infringement of any Copyright or any Copyright licensed under any Copyright License, and (E) any claim by such Grantor against third parties for damages by reason of past, present or future misappropriation or wrongful use or disclosure of any trade secret or other property or right described above or of any such trade secret or other property or right licensed under any license or agreement described above, and together with the right to sue for and collect the damages described in the immediately preceding clauses (A), (B), (C) and (D);

all of the foregoing being herein sometimes referred to as the "Collateral";

(2) provided, however, the Collateral described above shall not include any interest of any Grantor in any contract, license, permit or similar general intangible if the granting of a security interest therein is prohibited by the terms of the written agreement creating or evidencing such contract, license, permit or similar intangible, provided, further, that, notwithstanding anything set forth in the proviso set forth above to the contrary, to the extent not prohibited by law, the Agent shall at all times have a security interest in all rights of the Grantors to payments of money due or to become due under any such contract, license, permit or similar general intangible, and all proceeds thereof, and, if and when the prohibition which prevents the granting of a security interest in any such property is removed, terminated or otherwise becomes unenforceable as a matter of law, the Agent will be deemed to have, and at all times to have had, a security interest in such property and the Collateral will be deemed to include, and at all times to have included, such property; and

(3) in furtherance of granting such security interests, grants, bargains, sells, transfers, conveys and assigns as security to the Agent the Patents, the Patent Licenses, the Copyrights and the Copyright Licenses. Notwithstanding anything herein to the contrary, this Agreement shall not operate as a sale, transfer, conveyance or other assignment to the Agent of any applications by any Grantor for a Trademark based on an intent to use the same if and so long as such application is pending and not matured into a registered Trademark (such pending applications which are based on intent to use being hereinafter referred to collectively as "Intent-To-Use Applications"), but rather, if and so long as any Grantor Intent-To-Use Application is pending this Agreement shall operate only to create a security interest for collateral purposes in favor of the Agent on such Intent-To-Use Application as collateral security for the Secured Obligations.

(b) This Agreement, including the security interest granted hereunder, is made and given to secure, and shall secure, the prompt payment or performance in full when due, whether by lapse of time, acceleration or otherwise, of the Secured Obligations.

Section 2. **Continuing Agreement; Termination and Release.** This Agreement is made for collateral purposes only. This Agreement shall be a continuing agreement in every respect and shall remain in full force and effect until all of the Secured Obligations (other than unasserted contingent indemnification obligations) shall have been indefeasibly paid and satisfied and all commitments of the Secured Parties under the Note Purchase Agreement have been terminated. Upon such termination of this Agreement, the Agent shall, upon the request and at the expense of the Grantors, forthwith release, assign and transfer, without

recourse, and, to the extent applicable, deliver, against receipt and without recourse to the Secured Parties, such of the Collateral as may then be in the possession of the Agent and as shall not have been sold or otherwise applied pursuant to the terms hereof to or on the order of the Grantors. Said release, assignment, transfer and delivery shall include an instrument in form recordable in the United States Patent and Trademark Office and the United States Copyright Office by which the Agent shall terminate, release and, without representation, recourse or warranty, reassign to the Grantors all their respective rights in each Patent, Patent License, Trademark, Trademark License, Copyright and Copyright License, including each registration thereof and application therefor, conveyed and transferred to the Agent pursuant to this Agreement.

Section 3. **No Release.** Nothing set forth in this Agreement shall relieve the Grantors from the performance of any term, covenant, condition or agreement on the Grantors' part to be performed or observed under or in respect of any of the Collateral or from any liability to any party under or in respect of any of the Collateral or impose any obligation on the Secured Parties to perform or observe any such term, covenant, condition or agreement on the Grantors' parts to be so performed or observed or impose any liability on the Secured Parties for any act or omission on the part of the Grantors relative thereto or for any breach of any representation or warranty on the part of any Grantor contained in this Agreement or under or in respect of the Collateral or made in connection herewith or therewith.

Section 4. **Use of Collateral.** Notwithstanding anything to the contrary contained herein, until an Event of Default has occurred and is continuing and until otherwise notified by the Secured Parties, the Grantors may continue to exploit, license, use, enjoy and protect the Collateral throughout the world and the Secured Parties shall from time to time execute and deliver, upon written request of the Grantors, any and all instruments, certificates or other documents, in the form so requested, necessary or appropriate in the reasonable judgment of the Grantors to enable the Grantors to continue to exploit, license, use, enjoy and protect the Collateral throughout the world. In furtherance of the foregoing but subject to Sections 9 and 10 hereof, the Agent grants to the Grantors an exclusive, perpetual, world-wide, royalty-free right and license, with the right to exploit, license, use, enjoy and protect the Patents, the Patent Licenses, the Copyrights and the Copyright Licenses for any and all purposes.

Section 5. **Representations and Warranties of the Grantors.** Each Grantor hereby represents and warrants to the Secured Parties as follows:

(a) Such Grantor is, and, as to the Collateral acquired by it from time to time after the date hereof, such Grantor will be, the owner or, as applicable, licensee of all the Collateral. The Grantor's rights in the Collateral are and shall remain free and clear of any lien, pledge, security interest, encumbrance, assignment, collateral assignment or charge of any kind, including without limitation any filing of, or agreement to file, a financing statement as Grantor under the Uniform Commercial Code or any similar statute, except for the lien and security interest created by this Agreement and Permitted Liens. The Grantor has made no previous assignment, conveyance, transfer or agreement in conflict with the liens granted hereby. The Grantor further represents and warrants to the Secured Parties that Schedules A-1, A-2, B-1, B-2, C-1 and C-2 hereto, respectively, are true and correct lists of all Patents, Patent Licenses, Trademarks, Trademark Licenses, Copyrights and Copyright Licenses owned or used by the

Grantor as of the date hereof and that Schedules A-1, A-2, B-1, B-2, C-1 and C-2 are true and correct with respect to the matters set forth therein as of the date hereof.

(b) The Grantor has made all necessary filings and recordations to protect its interests in the Collateral.

(c) The Grantor owns directly or has rights to use all the Collateral and all rights with respect to any of the foregoing used in or necessary for the business of the Grantor in the ordinary course as presently conducted, except for such Collateral the lack of which could not reasonably be expected to have a Material Adverse Effect. The use of the Collateral and all rights with respect to the foregoing by the Grantor does not, to the actual knowledge of the Grantor, infringe on the rights of any party, nor has any claim of such infringement been made, except for such Collateral the lack of which could not reasonably be expected to have a Material Adverse Effect.

(d) Upon the filing of financing statements including the Collateral in the appropriate offices under the Uniform Commercial Code, and the filing of this Agreement in the United States Patent and Trademark Office and the United States Copyright Office, as applicable, this Agreement will create a valid and duly perfected lien on and security interest in the Collateral which is registered in and with the United States of America effective against purchasers from and creditors of the Grantor, subject to no prior liens or encumbrances other than Permitted Liens.

Section 6. **Covenants and Agreements of the Grantors.** Each Grantor hereby covenants and agrees with the Secured Parties as follows:

(a) On a continuing basis, each Grantor will, at the expense of such Grantor, subject to any prior licenses, encumbrances and restrictions and prospective licenses, encumbrances and restrictions permitted hereunder, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places within the United States of America, all such instruments, including without limitation appropriate financing and continuation statements and collateral agreements, and take all such action as may reasonably be deemed necessary or advisable by the Secured Parties (i) to carry out the intent and purposes of this Agreement, (ii) to assure and confirm to the Secured Parties the grant or perfection of the security interest in the Collateral intended to be created hereby, subject to no prior Liens or encumbrances other than Permitted Liens, for the benefit of the Secured Parties or (iii) to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to the Collateral.

(b) Without limiting the generality of the foregoing paragraph (a) of this Section 6, each Grantor (i) will not enter into any agreement that would impair or conflict with such Grantor's obligations hereunder; (ii) will, promptly following its becoming aware thereof, notify the Agent of (x) any final adverse determination in any proceeding in the United States Patent and Trademark Office or the United States Copyright Office or (y) the institution of any proceeding or any adverse determination in any federal, state, local or foreign court or administrative body regarding such Grantor's claims of ownership in or right to use any of the Collateral, its right to register any such Collateral or its right to keep and maintain such registration; (iii) will preserve and maintain all rights in the Collateral, unless no longer used in

the ordinary course of such Grantor's business or no longer deemed necessary to such Grantor's business; (iv) will not grant or permit to exist any lien or encumbrance upon or with respect to the Collateral or any portion thereof except Permitted Liens and will not execute any security agreement or financing statement covering any of the Collateral except in favor of the Agent except with respect to a Permitted Lien; (v) will not permit to lapse or become abandoned (unless no longer used in the ordinary course of such Grantor's business or no longer deemed necessary to such Grantor's business), or settle or compromise any pending or future material litigation or material administrative proceeding with respect to any Collateral without the prior written consent of the Agent, or, except for licenses of Collateral in the ordinary course of business, contract for sale or otherwise sell, convey, assign or dispose of, or grant any option with respect to, the Collateral or any portion thereof; (vi) upon such Grantor obtaining knowledge thereof, will promptly notify the Agent in writing of any event that could have a Material Adverse Effect on the value of any of the Collateral, the ability of such Grantor or the Agent to dispose of any such Collateral or the rights and remedies of the Agent in relation thereto, including without limitation a levy or threat of levy or any legal process against any such Collateral; (vii) will diligently keep reasonable records respecting the Collateral; (viii) hereby authorizes the Agent, in its sole discretion, to file one or more financing or continuation statements relative to all or any part of the Collateral without the signature of such Grantor where permitted by law; (ix) will furnish to the Agent from time to time statements and schedules further identifying and describing the Collateral and such other materials evidencing or reports pertaining to the Collateral as the Secured Parties may reasonably request, all in reasonable detail; (x) will pay when due any and all taxes, levies, maintenance fees, charges, assessments, licenses fees and similar taxes or impositions payable in respect of the Collateral except to the extent being contested in good faith by appropriate proceedings which prevent the enforcement of the matter being contested (and for which such Grantor has established adequate reserves) and do not interfere with the business of such Grantor in the ordinary course or unless no longer necessary to such Grantor's business; and (xi) comply in all material respects with all laws, rules and regulations applicable to the Collateral.

(c) If, before the Secured Obligations shall have been indefeasibly paid and satisfied in full in cash and all commitments of the Secured Parties under the Note Purchase Agreement have been terminated, any Grantor shall obtain any rights to or become entitled to the benefit of any new Patent, patent application, service mark, trade name, Trademark, trademark application, trademark registration, Copyright, copyright application, copyright registration, license renewal or extension, 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 this Agreement shall automatically apply thereto and the same shall automatically constitute Collateral and be and become subject to the assignment, lien and security interest created hereby, as the case may be, without further action by any party, all to the same extent and with the same force and effect as if the same had originally been Collateral hereunder. If any Grantor so obtains or becomes entitled to any of the rights described above, such Grantor shall promptly give written notice thereof to the Agent. Such Grantor agrees to confirm the attachment of the lien and security interest created hereby to any such rights described above by execution of instruments, including, but not limited to, instruments for recordation with the United States Patent and Trademark Office and the United States Copyright Office, in form and substance acceptable to the Secured Parties.

(d) The Grantors shall promptly notify the Agent of any future Collateral and, upon receipt of such notice by the Agent, Schedules A-1, A-2, B-1, B-2, C-1 and C-2 hereto shall be deemed amended to include reference to any such future Collateral.

(e) Each Grantor shall prosecute diligently applications for the Patents, Trademarks and Copyrights now or hereafter pending and make application on unpatented but patentable inventions and registrable but unregistered Trademarks and Copyrights, that, in each case, in such Grantor's reasonable judgment would be materially beneficial to the business of such Grantor in the ordinary course as presently, and as now contemplated will be, conducted, file and prosecute opposition and cancellation proceedings and perform all acts necessary to preserve and maintain all rights in the Collateral, unless as to any Patent, Trademark or Copyright, in the reasonable judgment of such Grantor, such Patent, Trademark or Copyright has become immaterial or obsolete to such business of such Grantor. Any expenses incurred in connection with such actions shall be borne by such Grantor.

(f) The Grantors shall not abandon any right to file any material patent application, trademark application, service mark application, copyright application, Patent, Trademark or Copyright without the prior written consent of the Agent.

Section 7. **Supplements; Further Assurances.** Each Grantor (i) agrees it will join with the Agent in executing and, at such Grantor's own expense, file and refile, or permit the Agent to file and refile, such financing statements, continuation statements and other instruments and documents (including without limitation this Agreement) in such offices (including without limitation the United States Patent and Trademark Office and the United States Copyright Office) as the Agent may reasonably deem necessary or appropriate in order to perfect and preserve the rights and interests granted to the Agent hereunder and (ii) hereby authorizes the Agent to file and refile such instruments and documents and any other instruments or documents related thereto without the signature of such Grantor where permitted by law and (iii) agrees to do such further acts and things, and to execute and deliver to the Secured Parties such additional instruments and documents, as the Secured Parties may reasonably require to carry into effect the purposes of this Agreement or to better assure and confirm unto the Secured Parties their rights, powers and remedies hereunder. All of the foregoing are to be at the sole cost of such Grantor. Any reasonable costs of the foregoing incurred by the Secured Parties shall be payable by the Grantors upon demand, together with interest thereon from the date of incurrence until so paid, and shall constitute additional Secured Obligations.

Section 8. **The Agent May Perform.** If the Grantors fail to perform any agreement contained herein after receipt of a written request to do so from the Secured Parties, the Agent may itself (upon ten (10) days' prior written notice to the Grantors unless the Agent in good faith determines that immediate payment or performance is reasonably necessary to protect or preserve the Collateral), but shall not be obligated to, perform, or cause performance of, such agreement, and the reasonable expenses of the Agent, including the reasonable fees and expenses of its counsel, so incurred in connection therewith shall be payable by the Grantors.

Section 9. **Remedies.** Upon the occurrence and during the continuation of any Event of Default, the Agent shall have, in addition to all other rights provided herein, in the Security Documents, in the Note Purchase Agreement or by law, the rights and remedies of a

secured party under the Uniform Commercial Code, and further the Agent may, without demand and without advertisement, notice (except as required by law), hearing or process of law, all of which each Grantor hereby waives, at any time or times, sell and deliver any or all of the Collateral at public or private sale, for cash, upon credit or otherwise, at such prices and upon such terms as the Agent deems advisable, in their sole discretion. At any public sale, or, to the extent permitted by applicable law, at any private sale, made pursuant to this Section 9, any of the Secured Parties may bid for or purchase, free from any right of redemption, stay or appraisal and all rights of marshalling or otherwise on the part of the Grantors (all said rights being also hereby waived and released by the Grantors to the fullest extent permitted by law), the Collateral and any other security for the Secured Obligations, and may make payment on account thereof by using any claim then due and payable to the Secured Parties from any Grantor as a credit against the purchase price, and any of the Secured Parties may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to the Grantors therefor. In addition to all other sums due the Secured Parties hereunder, the Grantors shall pay the Secured Parties all reasonable costs and expenses incurred by the Secured Parties, including reasonable attorneys' fees and court costs, in obtaining, liquidating or enforcing payment of the Collateral or the Secured Obligations or in the prosecution or defense of any action or proceeding by or against the Secured Parties or any Grantor concerning any matter arising out of or connected with this Agreement or the Collateral or the Secured Obligations.

Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default, the Agent may to the full extent permitted by applicable law, with ten (10) days' prior notice to the Grantors, and without advertisement, notice, hearing or process of law of any kind, all of which the Grantors hereby waive, (i) exercise any and all rights as beneficial and legal owner of the Collateral, including without limitation any and all consensual rights and powers with respect to the Collateral and (ii) sell or assign or grant a license to use, or cause to be sold or assigned or a license granted to use, any or all of the Collateral or any part hereof, in each case free of all rights and claims of the Grantors therein and thereto, but subject to any existing licenses in the Collateral permitted under the terms of this Agreement. In that connection, the Agent shall have the right to cause any or all of the Collateral to be transferred of record into the name of any of the Secured Parties or their nominees as well as the right to impose (i) such limitations and restrictions on the sale or assignment of the Collateral as the Agent may deem to be necessary or appropriate to comply with any law, rule or regulation, whether federal, state or local, having applicability to the sale or assignment and (ii) requirements for any necessary governmental approvals.

Failure by any of the Secured Parties to exercise any right, remedy or option under this Agreement or any other agreement between any Grantor and any of the Secured Parties or provided by law, or delay by any of the Secured Parties in exercising the same, shall not operate as a waiver; no waiver shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated. None of the Secured Parties nor any party acting as attorney for the Secured Parties shall be liable hereunder for any acts or omissions or for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct. The rights and remedies of the Secured Parties under this Agreement shall be cumulative and not exclusive of any other right or remedy which the Secured Parties may have.

The Secured Parties shall have and be entitled to exercise all rights, remedies and powers hereunder, together with such powers as are reasonably incidental thereto under the Note Purchase Agreement, as the Secured Parties may elect from time to time.

Section 10. **Power of Attorney.** Each Grantor hereby irrevocably appoints the Agent, its nominees, or any other person whom the Secured Parties may designate, as such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor, upon the occurrence and during the continuation of any Event of Default, or if any Grantor fails to perform any agreement contained herein within ten (10) days after the Agent's written request, then to the extent necessary to enable the Agent to perform such agreement itself, from time to time in the Agent's discretion, to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation to record an assignment of the Trademarks and Trademark Licenses, if any, to the Agent with the United States Patent and Trademark Office, to prosecute diligently any Patent, Trademark or Copyright or any application for Patents, Trademarks or Copyrights pending as of the date of this Agreement or thereafter until the Secured Obligations shall have been indefeasibly paid in full, to make application on unpatented but patentable inventions and registrable but unregistered Trademarks or Copyrights, to file and prosecute opposition and cancellation proceedings, to do all other acts necessary or desirable to preserve all rights in Collateral and otherwise to file any claims or take any action or institute any proceedings which the Secured Parties may deem necessary or desirable to accomplish the purpose of this Agreement. Each Grantor hereby ratifies and approves all acts of any such attorney and agrees that none of the Secured Parties nor any such attorneys will be liable for any acts or omissions nor for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct. The foregoing power of attorney, being coupled with an interest, is irrevocable until the Secured Obligations have been indefeasibly paid and satisfied.

Section 11. **Application of Proceeds.** The proceeds of any sale of Collateral pursuant to this Agreement or otherwise, and any Collateral consisting of cash, shall be applied after receipt by the Agent as set forth in Section 20 of the Security Agreement.

Section 12. **Miscellaneous.**

(a) Each Grantor hereby jointly and severally indemnifies each of the Secured Parties for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, reasonable costs, reasonable expenses or disbursements (including reasonable attorneys' fees) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against any of Secured Parties, in any way relating to or arising out of, directly or indirectly, (i) the manufacture, use or sale or other disposition of products or processes utilizing or embodying any Collateral (in the case of inventory, solely to the extent manufactured by or on behalf of any Grantor) or (ii) any transactions contemplated hereby or any enforcement of the terms hereof, including, but not limited to, any action of, or failure to act by, any of the Secured Parties in connection with this Agreement; provided, however, that the Grantors shall not be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of any of the Secured Parties.

(b) All communications hereunder shall be in writing and shall be given to the relevant party, and shall be deemed to have been made when given to the relevant party, in accordance with the Note Purchase Agreement.

(c) In the event that any provision hereof shall be deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by any court, this Agreement shall be construed as not containing such provision, but only as to such jurisdictions where such law or interpretation is operative, and the invalidity of such provision shall not affect the validity of any remaining provisions hereof, and any and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

(d) This Agreement shall be deemed to have been made in this State of New York and shall be governed by and construed in accordance with the laws of the State of New York, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of New York. The headings in this instrument are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

(e) This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterpart signature pages, each constituting an original, but all together one and the same instrument. This Agreement may be executed and delivered by facsimile or in electronic format (e.g., "pdf," "tif" or similar file formats), and they shall have the same force and effect as manually signed originals. Purchasers may require confirmation by a manually-signed original, but failure to request or deliver same shall not limit the effectiveness of any signature delivered by facsimile or in electronic format.

(f) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the Secured Parties that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns. The Grantors may not assign or transfer any of their respective rights or obligations hereunder without the prior written consent of the Secured Parties.

(g) EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY LITIGATION, ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER NOTE DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY, INCLUDING ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS OR ACTIONS OF ANY OF THE SECURED PARTIES RELATING TO THE ADMINISTRATION OF THE NOTES OR ENFORCEMENT OF THE NOTE DOCUMENTS AND AGREES THAT IT WILL NOT SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EACH GRANTOR AGREES THAT

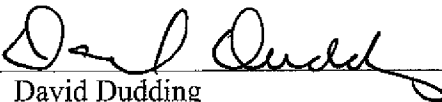
THE TERMS HEREOF SHALL SUPERSEDE AND REPLACE ANY PRIOR AGREEMENT RELATED TO ARBITRATION OF DISPUTES BETWEEN THE PARTIES CONTAINED IN ANY NOTE DOCUMENT OR ANY OTHER DOCUMENT OR AGREEMENT HERETOFORE EXECUTED IN CONNECTION WITH, RELATED TO OR BEING REPLACED, SUPPLEMENTED, EXTENDED OR MODIFIED BY THIS AGREEMENT. Except as prohibited by law, each Grantor waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. Each Grantor (a) certifies that none of the Secured Parties nor any representative, agent or attorney of the Secured Parties has represented, expressly or otherwise, that the Secured Parties would not, in the event of litigation, seek to enforce the foregoing waivers or other waivers contained in this Agreement and (b) acknowledges that, in entering into the Note Purchase Agreement and the other Note Documents to which the Secured Parties are parties, the Secured Parties are relying upon, among other things, the waivers and certifications contained in this §12.

[signatures on following pages]

IN WITNESS WHEREOF, the Grantors have caused this Agreement to be duly executed as of the date first above written.

GRANTORS:

CECILWARE CORPORATION

By: 
Name: David Dudding
Title: Chief Financial Officer

GRINDMASTER CORPORATION

By: 
Name: David Dudding
Title: Chief Financial Officer

SCHEDULE A-1
TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

Patent Numbers
And Pending Patent Application Numbers

Grindmaster Corporation:

See following report.

SCHEDULE A-1
TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

**Patent Numbers
And Pending Patent Application Numbers**

Grindmaster Corporation:

Patent Description	Jurisdiction	Registration Number	Registration Date	Expiration Date
Apparatus and Method for Brewing a Beverage With a Desired Strength	United States	7,047,870	5/23/06	5/24/26
⁺ Beverage Brewer with Pour Over Feature	United States	6,752,069	6/22/04	7/7/22
Beverage Brewer	United States	D513,917	1/31/06	1/31/20
Beverage Brewer	United States	D515,347	2/21/06	2/21/20
⁺ Beverage Dispenser With an Adjustable Drain Tray Assembly	United States	6,908,012	6/21/05	12/2/22
Beverage Dispensing Apparatus Having Articulating Basket Holding Arms for Baskets Having Varying Dimensions	United States	5,555,791	9/17/96	5/19/15
⁺ Beverage Machine Dispenser Spout	United States	6,325,117	12/4/01	10/31/20
Brewer Apparatus Having Water Flow Control	United States	6,067,895	5/30/00	8/4/19

⁺ Held in the name of Grindmaster Crathco System, Inc.

Patent Description	Jurisdiction	Registration Number	Registration Date	Expiration Date
Brewer Apparatus With Improved Tray Assembly	United States	6,904,840	6/14/05	8/2/24
Chilled Beverage Dispenser With Cradle Evaporator	United States	7,140,196	11/28/06	8/1/25
Chilled Beverage Dispenser With Cradle Evaporator	Indonesia	ID P0025910B	6/6/10	11/10/25
Chilled Beverage Dispenser With Cradle Evaporator	Mexico	270064	9/14/09	11/10/25
Chilled Beverage Dispenser With Cradle Evaporator	Hong Kong	HK 1110558	10/2/09	11/10/25
Chilled Beverage Dispenser With Cradle Evaporator	Malaysia	MY-141141-A	3/15/10	4/13/27
Chilled Beverage Dispenser	Argentina	75553	10/2009	8/11/21
Chilled Beverage Dispenser	Mexico	24008	10/8/07	8/14/21
Chilled Beverage Dispenser	United States	D555,968	11/27/07	11/27/21
Chilled Beverage Dispenser	Canada	117083	3/26/08	3/28/18
Chilled Beverage Dispenser	European Union	00574757	8/11/06	8/11/31
Chilled Beverage Dispenser	India	205629	7/13/07	2/13/21
Chilled Beverage Dispenser	Japan	1297987	3/9/07	3/9/22
Chilled Beverage Dispenser	Singapore	D2006/768/F	11/6/06	8/11/21
Chilled Beverage Dispenser	Brazil	DI6602831-0	10/9/07	8/14/31
Chilled Beverage Dispenser	China	ZL200630124166	7/4/07	8/14/16
Chilled Beverage Dispenser	South Korea	0455422	7/2/07	7/2/22
Chilled Beverage Dispenser	Malaysia	06-00632	7/5/07	2/13/21

Patent Description	Jurisdiction	Registration Number	Registration Date	Expiration Date
Chilled Beverage Dispenser	Philippines	3-2006-000616	4/21/08	4/21/23
Chilled Beverage Dispenser With Cradle Evaporator	China	ZL200580040940.2	4/8/09	11/10/25
Coffee Grinder and Brewer Apparatus With Basket Sensing and Grind Only Feature	United States	5,542,342	8/6/96	8/8/15
Coffee Grinder Device With Feed Worm and Reversed Grinding Burr Positioning	United States	5,558,283	9/24/96	5/9/15
+ Combination Grinder and Brewer	United States	6,988,444	1/24/06	5/5/23
Dissipator for Reducing Electrostatic Charge in Fines Generated By a Coffee Grinder	United States	5,950,941	9/14/99	9/14/19
+ Drawer and Latching Mechanism for Positioning and Securing a Pod Below the Brew Head of a Beverage Brewer	United States	7,131,369	11/7/06	6/24/25
+ Frozen Beer Product, Method and Apparatus	United States	6,622,510	9/23/03	11/1/21
Apparatus and Method for Dispensing a Frozen Alcoholic Beverage	United States	+6,745,592	6/8/04	11/15/22 11/1/21

Patent Description	Jurisdiction	Registration Number	Registration Date	Expiration Date
Portable Beverage Dispenser	United States	D471,054	3/4/03	3/4/17
Pump assembly for chilled beverage dispenser	United States	+7,503,745	3/17/09	5/24/26
Pump assembly for chilled beverage dispenser	Indonesia	ID P 0025305	3/17/10	5/26/26
Spray Head for Coffee Brewer	United States	6,244,162	6/12/01	1/24/20
Chilled Beverage Dispenser With Cradle Evaporator	European	1819542	4/17/13	11/10/25
Chilled Beverage Dispenser With Cradle Evaporator	France	1819542	4/17/13	11/10/25
Chilled Beverage Dispenser With Cradle Evaporator	Spain	1819542	4/17/13	11/10/25
Chilled Beverage Dispenser With Cradle Evaporator	United Kingdom	1819542	4/17/13	11/10/25
Chilled Beverage Dispenser With Cradle Evaporator	India	245798	2/2/11	11/10/25
Chilled Beverage Dispenser	Indonesia	ID 0 017 448-D	7/30/10	11/11/16
Chilled Beverage Dispenser With Cradle Evaporator	Germany	60 2005 039 175.4	4/17/13	11/10/25
Chilled Beverage Dispenser With Cradle Evaporator	Philippines	1-2007-500892	9/21/11	4/24/27
Pump Assembly for Chilled Beverage Dispenser	Mexico	289046	8/4/11	5/26/26
Pump Assembly for Chilled Beverage	Philippines	1-2008-500641	3/15/12	5/26/26

Patent Description	Jurisdiction	Registration Number	Registration Date	Expiration Date
Dispenser				

Patent Application	Jurisdiction	Application/Serial Number	Application Date
Chilled Beverage Dispenser With Cradle Evaporator	Brazil	PI0517866-5	11/10/05
Chilled Beverage Dispenser	Thailand	0602002365	8/11/06
Chilled Beverage Dispenser	Venezuela	01868-2006	8/11/06
Pump Assembly for Chilled Beverage Dispenser	European	06771301.6	5/26/06
Pump Assembly for Chilled Beverage Dispenser	India	1107/KOLNP/2008	5/26/06
* Beverage Dispenser For Partially Frozen Beverages With An Improved Drive and Sealing System	United States	13/964,452	8/12/13
* Beverage Dispenser For Partially Frozen Beverages With An Improved Drive and Sealing System	China	201180053256.3	5/3/13
* Beverage Dispenser For Partially Frozen Beverages With An Improved Drive and Sealing System	Hong Kong	14100053.8	1/3/14
* Beverage Dispenser For Partially Frozen Beverages With An Improved Drive and Sealing System	Mexico	MX/a2013/002442	2/28/13
* Beverage Dispenser	United States	14/339,707	7/24/14

* These properties are new since the parties entered into the October 29, 2010 Intellectual Property Security Agreement.

Patent Application	Jurisdiction	Application/Serial Number	Application Date
For Partially Frozen Beverages With An Improved Drive and Sealing System			
* Funnel Assembly For a Beverage Brewer	United States	13/963,628	8/9/13
* Chilled Beverage Dispenser	United States	61/988,761	5/5/14

SCHEDULE A-2
TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

Patent Licenses

None.

SCHEDULE B-1
TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

**Registered Trademarks
And Trademark Applications**

Cecilware Corporation:

Trademark	Jurisdiction	Registration Number	Registration Date	Expiration Date (assuming Section 15 Affidavit is filed)
Cecilware (design of banner containing word)	United States	3,484,342	8/12/08	8/12/18
The Whipper (words only)	United States	1,439,644	5/12/87	5/12/17
Frigogranita (words only)	United States	2,305,909	1/4/00	1/4/20
Sta-Hot (words only)	United States	684,925	9/8/59	9/8/19
Cecilware (words only)	United States	1,303,572	11/6/84	11/6/14
Frigodrink (words only)	United States	2,305,908	1/4/00	1/4/20
Cecilware & Design	China	6211543	02/14/10	02/14/20
Cecilware	China	6211542	02/14/10	02/14/20
Cecilware & Design	China	5883164	11/15/09	11/15/19
Cecilware	China	5883163	11/15/09	11/15/19
* Cecilware & Design	China	952078	1/16/08	1/16/18
* Cecilware & Design	International	952078	1/16/08	1/16/18

Trade Names

GMCW
Grindmaster-Cecilware
Cecilware
Commodore Products

Grindmaster Corporation:

Trademark	Jurisdiction	Registration Number	Registration Date	Expiration Date (assuming Section 15 Affidavit is filed)
BrewControl	China	840601	7/27/04	7/27/24
BrewControl	United States	3,130,706	8/15/06	8/15/16
BrewControl	WIPO	840601	7/27/04	7/27/14
Columbia	United States	2,245,048	5/11/99	5/11/19
CrathCo	Australia	A450794	8/22/86	8/22/17
CrathCo	Brazil	812961366	1/3/89	1/3/19
CrathCo	Canada	440581	3/17/95	3/17/24
CrathCo	Germany	1181817	10/23/91	8/29/20
CrathCo	Hong Kong	95/03419	9/2/93	9/02/24
CrathCo	Japan	1942139	3/27/87	3/27/17
CrathCo	Mexico	401,578	10/25/91	4/24/21
CrathCo	Malaysia	98011572	7/10/98	7/10/18
CrathCo	Philippines	4-1998-006064	11/20/05	11/20/15
CrathCo	Singapore	T9307121H	9/10/93	9/10/23
CrathCo	South Korea	301,568	11/8/94	11/7/24
CrathCo	Taiwan	00605854	7/16/93	7/16/23
CrathCo	Thailand	91683	7/24/98	7/23/18
CrathCo	United Kingdom	1295060	12/8/86	12/8/17
CrathCo	United States	1,282,357	6/19/84	6/19/24
CrathCo logo (Design of a Circle)	United States	1,661,613	10/22/91	10/22/21
Easypod	United States	3,101,907	6/6/06	6/6/16
Espresso	United States	1,870,466	12/27/94	12/27/14
G-Cool	United States	3,468,840	7/15/08	7/15/18
Grindmaster	Canada	440999	3/24/95	3/24/25
Grindmaster	France	93/483719	9/15/93	9/15/23
Grindmaster	Germany	2096589	5/16/95	9/14/23
Grindmaster	Hong Kong	95/04419	9/1/93	9/1/24
Grindmaster	Japan	4298261	7/23/99	7/23/19
Grindmaster	Mexico	401,997	11/18/91	4/24/21
Grindmaster	Singapore	T9307122F	9/10/93	9/10/23
Grindmaster	South Korea	40-0308142	2/17/95	2/16/25
Grindmaster	Taiwan	633339	2/15/94	2/15/24
Grindmaster	Taiwan	0671280	2/15/95	2/15/25
Grindmaster	United Kingdom	1547615	9/8/93	9/8/20

Trademark	Jurisdiction	Registration Number	Registration Date	Expiration Date (assuming Section 15 Affidavit is filed)
Grindmaster	United States	920,629	9/21/71	9/21/21
Grindmaster	United States	1,750,028	2/2/93	2/2/23
Grindmaster Corporation plus design	United States	3,114,617	7/11/06	7/11/16
Mini-Quad	United States	1,678,406	3/10/92	3/10/22
Mini-Twin	United States	1,370,017	11/12/85	11/12/15
Opod	China	840599	7/27/04	7/27/24
Opod	United States	3,151,289	10/3/06	10/3/16
Opod	WIPO	840599	7/27/04	7/27/24
PrecisionBrew	China	840597	7/27/04	7/27/24
PrecisionBrew	United States	3,136,623	8/29/06	8/29/16
PrecisionBrew	United States	3,252,481	6/12/07	6/12/17
PrecisionBrew	WIPO	840597	7/27/04	7/27/14
Shuttle	United States	2,223,719	2/16/99	2/16/19
The Bubbler	United States	3,551,788	12/23/08	12/23/18
PrecisionGrind	United States	3,920,001	2/15/11	2/15/21

Trade Names

GMCW

Grindmaster Crathco Systems

Spectrum

American Metal Ware

Wilch

SCHEDULE B-2
TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

Trademark Licenses

None.

SCHEDULE C-1
TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

Registered Copyrights and Copyright Applications

None.

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PATENT
REEL: 034230 FRAME: 0516

SCHEDULE C-2
TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

Copyright Licenses

None.

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RECORDED: 11/21/2014

PATENT
REEL: 034230 FRAME: 0517