

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

EPAS ID: PAT3345767

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Execution Date
DOUGLAS MACHINE, INC.	10/20/2014

RECEIVING PARTY DATA

Name:	WELLS FARGO BANK, NATIONAL ASSOCIATION
Street Address:	670 MCKNIGHT ROAD
Internal Address:	SUITE 402
City:	ST. PAUL
State/Country:	MINNESOTA
Postal Code:	55119

PROPERTY NUMBERS Total: 38

Property Type	Number
Application Number:	13486309
Application Number:	62031297
Application Number:	62032162
Application Number:	62073265
Application Number:	13503568
Application Number:	13581811
Application Number:	13634911
Application Number:	13642967
Application Number:	13453521
Application Number:	13734356
Application Number:	13746953
Application Number:	14114590
Application Number:	14373187
Patent Number:	5771662
Patent Number:	6094888
Patent Number:	6390276
Patent Number:	6622848
Patent Number:	6793064
Patent Number:	6837360

PATENT

Property Type	Number
Patent Number:	6843360
Patent Number:	6837664
Patent Number:	D517578
Patent Number:	7073656
Patent Number:	7155876
Patent Number:	7156607
Patent Number:	7222716
Patent Number:	7269929
Patent Number:	7328550
Patent Number:	7533768
Patent Number:	7823366
Patent Number:	7849770
Patent Number:	7921982
Patent Number:	8011495
Patent Number:	8051629
Patent Number:	8356456
Patent Number:	8448777
Patent Number:	8584828
Patent Number:	8647247

CORRESPONDENCE DATA

Fax Number: (612)604-6800

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.

Phone: (612) 604-6718

Email: trademark@winthrop.com

Correspondent Name: MICHAEL T. OLSEN

Address Line 1: 225 SOUTH SIXTH STREET

Address Line 2: CAPELLA TOWER, SUITE 3500

Address Line 4: MINNEAPOLIS, MINNESOTA 55402

ATTORNEY DOCKET NUMBER: 2432.384

NAME OF SUBMITTER: MICHAEL T. OLSEN

SIGNATURE: /mto/

DATE SIGNED: 05/08/2015

Total Attachments: 8

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PATENT SECURITY AGREEMENT

This Patent Security Agreement (the "Agreement"), dated as of October 20, 2014 is made by and between Douglas Machine, Inc., a Minnesota corporation having a business location at the address set forth below next to its signature (the "Debtor"), and Wells Fargo Bank, National Association ("Wells Fargo"), and having a business location at the address set forth below next to its signature.

Recitals

A. Company and Wells Fargo are parties to a Second Amended and Restated Credit Agreement (as amended, supplemented or restated from time to time, the "Credit Agreement") dated the same date as this Agreement, setting forth the terms on which Wells Fargo may now or hereafter extend credit to or for the account of Company.

B. As a condition to extending credit to or for the account of Company, Wells Fargo has required the execution and delivery of this Agreement by Company.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them in the Credit Agreement. In addition, the following terms have the meanings set forth below:

"Patents" means all of Company's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

"Security Interest" has the meaning given in Section 2.

2. Security Interest. Company hereby irrevocably pledges and assigns to, and grants Wells Fargo a security interest (the "Security Interest") with power of sale to the extent permitted by law, in the Patents to secure payment of the Indebtedness. As set forth in the Credit Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of Company. This Agreement grants only the Security Interest herein described, is not intended to and does not affect any present transfer of title of any trademark registration or application and makes no assignment and grants no right to assign or perform any other action with respect to any intent to use trademark application, unless such action is permitted under 15 U.S.C. § 1060.

3. Representations, Warranties and Agreements. Company represents, warrants and agrees as follows:

(a) Existence; Authority. Company is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has

been duly and validly authorized by all necessary corporate action on the part of Company.

(b) Patents. Exhibit A accurately lists all Patents owned or controlled by Company as of the date hereof, or to which Company has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, Company owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then Company shall within 60 days provide written notice to Wells Fargo with a replacement Exhibit A, which upon acceptance by Wells Fargo shall become part of this Agreement.

(c) Affiliates. As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by Company, constitute Patents. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then Company shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to Company; or (ii) notify Wells Fargo of such item(s) and cause such Affiliate to execute and deliver to Wells Fargo a patent security agreement substantially in the form of this Agreement.

(d) Title. Company has absolute title to each Patent listed on Exhibit A free and clear of all Liens except Permitted Liens. Company (i) will have, at the time Company acquires any rights in Patents hereafter arising, absolute title to each such Patent free and clear of all Liens except Permitted Liens, and (ii) will keep all Patents free and clear of all Liens except Permitted Liens.

(e) No Sale. Except as permitted in the Credit Agreement, Company will not assign, transfer, encumber or otherwise dispose of the Patents, or any interest therein, without Wells Fargo's prior written consent.

(f) Defense. Company will at its own expense and using commercially reasonable efforts, protect and defend the Patents against all claims or demands of all Persons other than those holding Permitted Liens.

(g) Maintenance. Company will at its own expense maintain the Patents to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. Company covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent, nor fail to file any required affidavit or renewal in support thereof, without first providing Wells Fargo: (i) sufficient written notice, of at least 30 days, to allow Wells Fargo to timely pay any such maintenance fees or annuities which may become due on any Patents, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(h) Wells Fargo's Right to Take Action. If Company fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after Wells Fargo gives Company written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or lapse of time), or if Company notifies Wells Fargo that it intends to abandon a Patent, Wells Fargo may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of Company (or, at Wells Fargo's option, in Wells Fargo's own name) and may (but need not) take any and all other actions which Wells Fargo may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(i) Costs and Expenses. Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Company shall pay Wells Fargo on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Wells Fargo in connection with or as a result of Wells Fargo's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by Wells Fargo at the Default Rate.

(j) Power of Attorney. To facilitate Wells Fargo's taking action under subsection (i) and exercising its rights under Section 6, Company hereby irrevocably appoints (which appointment is coupled with an interest) Wells Fargo, or its delegate, as the attorney-in-fact of Company with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of Company, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by Company under this Section 3, or, necessary for Wells Fargo, after an Event of Default, to enforce or use the Patents or to grant or issue any exclusive or non-exclusive license under the Patents to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents to any third party. Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the payment and performance of all Indebtedness.

4. Debtor's Use of the Patents. Company shall be permitted to control and manage the Patents, including the right to exclude others from making, using or selling items covered by the Patents and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) Company shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, Wells Fargo may, at its option, take any or all of the following actions:

(a) Wells Fargo may exercise any or all remedies available under the Credit Agreement.

(b) Wells Fargo may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents.

(c) Wells Fargo may enforce the Patents and any licenses thereunder, and if Wells Fargo shall commence any suit for such enforcement, Company shall, at the request of Wells Fargo, do any and all lawful acts and execute any and all proper documents required by Wells Fargo in aid of such enforcement.

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 Wells Fargo. A waiver signed by Wells Fargo 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 Wells Fargo's rights or remedies. All rights and remedies of Wells Fargo shall be cumulative and may be exercised singularly or concurrently, at Wells Fargo'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 Debtor under this Agreement shall be given in the manner and with the effect provided in the Credit Agreement. Wells Fargo shall not be obligated to preserve any rights Company may have against prior parties, to realize on the Patents at all or in any particular manner or order, or to apply any cash proceeds of Patents in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Company and Wells Fargo and their respective participants, successors and assigns and shall take effect when signed by Company and delivered to Wells Fargo, and Company waives notice of Wells Fargo's acceptance hereof. Wells Fargo may execute this Agreement if appropriate for the purpose of filing, but the failure of Wells Fargo 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 signed by Company shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of Minnesota without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. 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 Indebtedness.

THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Patent Security Agreement as of the date written above.

Address:
3404 Iowa Street
Alexandria, Minnesota 56308
Attention: Tom Wosepka
Telecopy No.: (320) 762-6882
E-mail: twosepka@douglas-machine.com

DOUGLAS MACHINE INC.

By: Thomas E. Wosepka
Name: Thomas E. Wosepka
Its: CEO

Address:
MAC N9141-041
670 McKnight Road
Suite 402
St. Paul, MN 55119
Attention: Craig T. Hansen
Telecopy No.: (651) 205-5839
E-mail: craig.t.hansen@wellsfargo.com

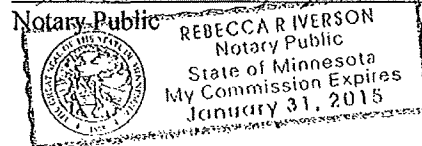
WELLS FARGO BANK,
NATIONAL ASSOCIATION

By: Craig Hansen
Name: Craig Hansen
Its: Vice President

STATE OF Minnesota
COUNTY OF Douglas

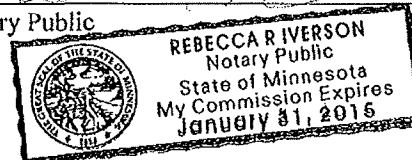
The foregoing instrument was acknowledged before me this 20th day of October, 2014,
by Thomas E. Wosepka the CEO of
Douglas Machine, a Minnesota corporation, on behalf of the
corporation.

STATE OF Minnesota
COUNTY OF Douglas



The foregoing instrument was acknowledged before me this 20th day of October, 2014,
by Craig Hansen, an Authorized Signatory of Wells Fargo Bank,
National Association, on behalf of the national association.

Notary Public



Signature Page to Patent Security Agreement

EXHIBIT A

Owned Intellectual Property

Patent Applications Applied For (Unpublished/Provisional)

<u>Patent Application Title</u>	<u>Application No.</u>	<u>Application Date</u>	<u>Status</u>
SPLIT/SPLITTABLE RETAIL READY PACKAGE	13/486,309 25059		Unpublished
ARTICLE AGGREGATION APPARATUS	62/031,297		Provisional
AUTO CHANGEOVER INFEED ASSEMBLY	62/032,162		Provisional
MODULAR CASE ERECTOR	62/073,265		Provisional

Published Patent Applications

<u>Patent Application Title</u>	<u>Application No.</u>	<u>Publication Date</u>	<u>Status</u>
PACKAGING RELATED PROCESS, SYSTEM & APPARATUS	13/503568	November 29, 2012	Pending
CARTON STACKING APPARATUS AND METHODS	13/581811	December 20, 2012	Pending
APPARATUS AND METHODS FOR LOADING PRODUCT INTO CASES	13/634911	January 10, 2013	Pending
APPARATUS AND METHODS FOR PRODUCING SHRINK-WRAP PACKAGING	13/642967	February 14, 2013	Pending
PACKAGING RELATED PROCESS, SYSTEM & APPARATUS	13/453521	May 2, 2013	Pending
ARTICLE ORIENTER & ATTENDANT ORIENTATION OPERATIONS	13/734356	January 16, 2014	Pending
APPARATUS, SYSTEM & METHOD FOR ADJUSTABLE WRAPPING	13/746953	February 6, 2014	Pending
VARIABLE PITCH SYSTEM, APPARATUS & METHOD	14/114590	May 22, 2014	Pending
ARTICLE METERING APPARATUS, SYSTEM & METHODS	14/373187	December 4, 2014	Pending

Active Patents

<u>Patent Title</u>	<u>Patent No.</u>	<u>Issue Date</u>	<u>Status</u>
APPARATUS AND METHODS FOR PRODUCING SHRINK WRAP PACKAGING	5,771,662	June 30, 1998	In force
SYSTEM AND METHODS FOR MECHANICALLY PROCESSING BAGS	6,094,888	August 1, 2000	In force
METHODS AND APPARATUS FOR PACKAGING UNSTABLE PRODUCTS	6,390,276	May 21, 2002	In force
POUCH REVERSE SHINGLING SYSTEM	6,622,848	September 23, 2003	In force
RETRACTABLE TRANSFER DEVICE METERING AND PRODUCT ARRANGING AND LOADING APPARATUS AND METHODS	6,793,064	September 21, 2004	In force
RETRACTABLE TRANSFER DEVICE METERING AND PRODUCT ARRANGING APPARATUS AND METHODS	6,837,360	January 4, 2005	In force
RETRACTABLE TRANSFER DEVICE METERING APPARATUS AND METHODS	6,843,360	January 18, 2005	In force
MULTIPLE HEAD ROTARY SET-UP	6,837,664	January 4, 2005	In force
SHROUD FOR A HEAT TUNNEL OR THE LIKE	D517,578	March 21, 2006	In force
METHOD AND APPARATUS FOR REMOVING HOLES FROM NESTED PRODUCT PATTERNS	7,073,656	July 11, 2006	In force
HEAT TUNNEL FOR FILM SHRINKING	7,155,876	January 2, 2007	In force
CARTON STACKING APPARATUS AND METHOD	7,156,607	January 2, 2007	In force
RETRACTABLE TRANSFER DEVICE METERING APPARATUS AND METHODS	7,222,716	May 29, 2007	In force
HEAT TUNNEL FOR FILM SHRINKING	7,269,929	September 18, 2007	In force

<u>Patent Title</u>	<u>Patent No.</u>	<u>Issue Date</u>	<u>Status</u>
METHOD FOR PACKAGING ARTICLES USING PRE-PERFORATED HEAT SHRINK FILM	7,328,550	February 12, 2008	In force
RETRACTABLE TRANSFER DEVICE METERING APPARATUS AND METHODS	7,533,768	May 19, 2009	In force
APPARATUS AND METHOD FOR SELECTIVE PROCESSING OF MATERIALS WITH RADIANT ENERGY	7,823,366	November 2, 2010	In force
FILM CUTTER	7,849,770	December 14, 2010	In force
METHODS AND APPARATUS FOR HANDLING PRODUCTS	7,921,982	April 12, 2011	In force
TRANSFER DEVICE METERING APPARATUS AND METHODS	8,011,495	September 6, 2011	In force
HEAT TUNNEL FOR FILM SHRINKING	8,051,629	November 8, 2011	In force
APPARATUS FOR ADJUSTABLE WRAPPING	8,356,456	January 22, 2013	In force
METHODS AND APPARATUS FOR SLIP SHEET METERING FOR INDEXING PRODUCT	8,448,777	May 28, 2013	In force
FLEXIBLE RETRACTABLE TRANSFER DEVICE METERING APPARATUS AND METHODS	8,584,828	November 19, 2013	In force
CONTINUOUS MOTION CASE FORMER	8,647,247	February 11, 2014	In force

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