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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

Tab settings

To the Honorable Commissioner of Patents

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attached original documents or copy thereof.

1. Name of conveying party(ies):

Continental Engineering Group, Inc.

- Individual(s)
- General Partnership
- Corporation-State
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: June 30, 1998

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

Name: American National Bank and Trust Company of Chicago

Internal Address:

Street Address: 90 South LaSalle Street

City: Chicago State: IL ZIP: 60606

- Individual(s) citizenship
- Association national banking
- General Partnership
- Limited Partnership
- Corporation-State
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from Assignment)

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

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

A. Trademark Application No.(s)
74/069,637

B. Trademark registration No.(s)

1,842,717

Additional numbers attached? Yes No

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

Name: Anamaria Elejalde, Esq.

Internal Address: Seyfarth, Shaw, Fairweather & Geraldson

Street Address: 55 East Monroe Street
Suite 4200

City: Chicago State: IL ZIP: 60603

6. Total number of applications and registrations involved:

2

7. Total fee (37 CFR 3.41): \$ 65.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

19-1351

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Anamaria Elejalde
Name of Person Signing

A. Elejalde
Signature

July 17, 1998
Date

Total number of pages comprising cover sheet:

1

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2100E, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503

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PATENT AND TRADEMARK SECURITY AGREEMENT

This Patent and Trademark Security Agreement ("Agreement") is made as of the 30th day of June, 1998, between **CONTINENTAL ENGINEERING GROUP, INC.**, a California corporation (the "Debtor"), and **AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO**, a national banking association (the "Secured Party"), whose address is 120 South LaSalle Street, Chicago, Illinois.

RECITALS

The Secured Party has entered into a Secured Credit Agreement of even date herewith (the "Credit Agreement") with Vertiflex Company (the "Borrower"), an Illinois corporation that is the parent corporation of Assignor.

Under the terms of the Credit Agreement, the Second Party will extend credit to the Borrower up to a maximum principal amount of \$11,750,000 (the "Loans"). The Loans will be used, in part, for the financial benefit of Assignor.

As a condition to making the Loans under the Credit Agreement or otherwise, the Secured Party has required that the Assignor execute and deliver, among other things (i) a Security Agreement (the "Security Agreement"), and (ii) this Agreement.

Accordingly, in consideration of the mutual covenants contained in the Credit Agreement, the Security Agreement 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 therein. In addition, the following term has the meaning set forth below:

"Patents" means all of the Assignor's right, title and interest in and to patents or applications for patents, fees and 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.

"Trademarks" means all of the Assignor's right, title and interest in and to trademarks, tradenames, tradedress or applications therefor, fees and 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 trademarks listed on Exhibit B.

2. **Security Interest.** The Assignor hereby irrevocably grants and transfers to the Secured Party a security interest with power of sale to the extent permitted by law (the "Security Interest") in the Patents, Trademarks and all proceeds thereof to secure payment of the Liabilities.

3. **Representations, Warranties and Agreements.** The Assignor hereby represents, warrants and agrees as follows:

a. **Patents.** Exhibit A accurately lists all Patents owned or controlled by the Assignor as of the date hereof and accurately reflects the existence and status of registrations pertaining to the Patents as of the date hereof.

b. **Trademarks.** Exhibit B accurately lists all Trademarks owned or controlled by the Assignor as of the date hereof and accurately reflects the existence and status of registrations pertaining to the Trademarks as of the date hereof.

c. **Title.** The Assignor has absolute title to each Patent listed on Exhibit A, and each Trademark listed on Exhibit B free and clear of all security interests, liens and encumbrances, except the Security Interest. The Assignor (i) will have, at the time the Assignor acquires any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent and Trademark, free and clear of all security interests, liens and encumbrances, except the Security Interest, and (ii) will keep all Patents and Trademarks free and clear of all security interests, liens and encumbrances except the Security Interest.

d. **No Sale.** The Assignor will not sell or otherwise dispose of the Patents or Trademarks or any interest therein, without the Secured Party's prior written consent.

e. **Defense.** the Assignor will at its own expense, and using its best efforts protect and defend the Patents and Trademarks against all claims or demands of all persons other than the Secured Party.

f. **Abandonment.** The Assignor will not abandon any Patent or Trademark or application with respect thereto without first providing the Secured Party sufficient notice to allow the Secured Party to avoid such abandonment as provided in Section 3(h) below.

g. **Maintenance.** The Assignor will at its own expense maintain the Patents and Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to register and all affidavits and renewals possible with respect to issued registration. The Assignor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or Trademark, nor fail to file any required affidavit in support thereof, without first providing the Secured Party: (i) sufficient written notice to the Secured Party, as provided in the Credit Agreement or the Security Agreement, to allow the Secured Party to timely pay any such maintenance fees or annuity which may become due on any of said Patents, or to file any affidavit 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, should such be necessary or desirable.

h. **Secured Party's Right to Take Action.** If the Assignor 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 the Secured Party gives the Assignor written notice thereof, or if the Assignor notifies the Secured Party that it intends to abandon a Patent or Trademark, the Secured Party may (but need not) perform or observe such covenant or agreement on behalf and in the name, place and stead of the Assignor (or, at the

Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure.

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, the Assignor shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under Section 3(h) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Secured Party at the highest rate then applicable to any of the Liabilities.

j. **Power of Attorney.** To facilitate the Secured Party's taking action under Section 3(h) and exercising its rights under Section 6, the Assignor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Assignor 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 the Assignor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Assignor under this Section 3, or, necessary for the Secured Party, after an Event of Default, to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. The Assignor 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 Liabilities (as defined therein).

4. **Assignor's Use of the Patents and Trademarks.** The Assignor shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks 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 under said Credit Agreement; or (b) the Assignor shall fail promptly to perform any covenant or agreement in the Security Agreement or 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 thereunder the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Credit Agreement, the Security Agreement or this Agreement.

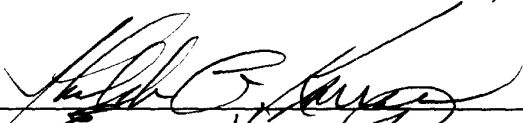
(b) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents or Trademarks.

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

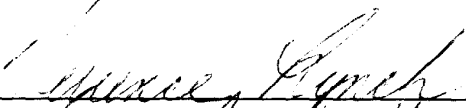
7. **Miscellaneous.** This Agreement has been duly and validly authorized by all necessary action, corporate or otherwise. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. A waiver signed by the Secured Party 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 the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party'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. The Secured Party shall not be obligated to preserve any rights the Assignor may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Assignor and the Secured Party and their respective successors and assigns and shall take effect when signed by the Assignor and delivered to the Secured Party, and the Assignor waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party 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 the Assignor 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 the State of Illinois 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 Liabilities.

IN WITNESS WHEREOF, the Assignor and the Secured Party have executed this Patent and Trademark Security Agreement as of the date written above.

CONTINENTAL ENGINEERING GROUP, INC.

By: 
Title: Exec. Vice Pres

**AMERICAN NATIONAL BANK AND TRUST
COMPANY OF CHICAGO**

By: 
Title: Vice President

1198347.1

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, MARIA D. RIVERA, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY THAT TERRENCE J. LYNCH, personally known to me and known by me to be the VICE PRESIDENT of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, in whose name the above and foregoing instrument is executed, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his free and voluntary act and as of the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 30th day of June, 1998.

Maria D. Rivera
Notary Public

My Commission Expires:

November 7, 2000



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

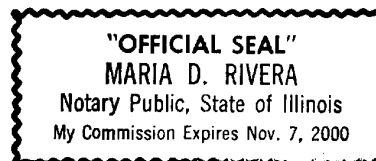
I, MARIA D. RIVERA, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY THAT SHELDON G. KARRAS, personally known to me and known by me to be the EXEC. VICE PRESIDENT of CONTINENTAL ENGINEERING GROUP, INC., a California corporation, in whose name the above and foregoing instrument is executed, appeared before me this day in person and acknowledged that _____ signed and delivered the said instrument as _____ free and voluntary act and as of the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 30th day of June, 1998.

Maria D. Rivera
Notary Public

My Commission Expires:

November 7, 2000



1198347.1

EXHIBIT A

CONFIDENTIAL
**C353 - CONTINENTAL ENGINEERING GROUP, INC.
 U.S. AND FOREIGN PATENT PROGRAM**

CHRISTIE, PARKER & HALE, LLP
 FILE: C353-30

LISTED IN ORDER BY CPH DOCKET NO.

INVENTION TITLE <i>Inventor</i>	Client Attys	CPH Docket Year Reference	Case Type Ref Case	SERIAL NO. PATENT NO.	FILED ISSUED	STATUS	SCHEDULED ACTIONS
COMPUTER WORKSTATION <i>Ugalde, et al.</i>	C353 R/W	18960-USA UNITED STATES	DES-ORD	086840 D313517	08/19/1987 01/08/1991	ISSUED	
DESIGN: COMPUTER WORKSTATION <i>Ugalde, et al.</i>	C353 R/W	19312-USA UNITED STATES	DES-ORD	D287319	1223/1986	ISSUED	
COMPUTER WORKSTATION* <i>Ugalde, et al.</i>	C353 R/W	19920-USA UNITED STATES	UTL-ORD	233561	08/18/1988	ABANDONED 03/21/1990	
DESIGN: COMPUTER WORKSTATION <i>Ugalde, et al.</i>	C353 R/W	19921-USA UNITED STATES	DES-ORD	233571 D311291	08/18/1988 10/16/1990	ISSUED	
DESIGN: COMPUTER WORKSTATION <i>Ugalde, et al.</i>	C353 R/W	21047-USA UNITED STATES	DES-ORD	07/447384 D3330301	12/07/1989 10/20/1992	ISSUED	
COMPUTER WORKSTATION <i>Ugalde, et al.</i>	C353 R/W	21926-GER GERMANY	UTL-UTM	09103509.0 09103509.0	03/21/1991 07/04/1991	ISSUED	ANNUITY DUE 03/21/1999
COMPUTER WORKSTATION <i>Ugalde, et al.</i>	C353 R/W	21926-USA UNITED STATES	UTL-CIP of 19920	07/496795 5118172	03/21/1990 06/02/1992	ISSUED	MAINT FEE 75 DUE 12/02/1999 MAINT FEE 11.3 DUE 12/02/2003
CONVERTIBLE COMPUTER WORKSTATION <i>Carlos P. Ugalde, et al.</i>	C353 R/W	22383-USA UNITED STATES	UTL-ORD	07704482 3364177	03/23/1991 11/15/1994	ISSUED	MAINT FEE 55 DUE 05/15/1998 MAINT FEE 75 DUE 05/15/2002 MAINT FEE 11.3 DUE 05/15/2006

REEL: 1756 FRAME: 0809

CONFIDENTIAL
C353 - CONTINENTAL ENGINEERING GROUP, INC.
U.S. AND FOREIGN PATENT PROGRAM

LISTED IN ORDER BY CRI DOCKET NO.

INVENTION TITLE Inventor	Client A/B/C	CRI Docket Year Reference	Case Type Ref Case	SERIAL NO. PATENT NO.	FILED ISSUED	STATUS	SCHEDULED ACTIONS
CONVERTIBLE COMPUTER WORKSTATION <i>Ugalde, et al.</i>	C353 R/W	26657-USA UNITED STATES	DES-ORD	07634499 D333225	12/27/1990 05/04/1993	ISSUED	MAINT FEE 3.5 DUE MAINT FEE 7.5 DUE MAINT FEE 11.5 DUE 06/29/1998 06/29/2002 06/29/2006
FLIP-TOP COMPUTER WORKSTATION <i>Edward A. Buinas, et al.</i>	C353 R/W	24719-USA UNITED STATES	UTL-ORD	07976910 5368377	11/16/1991 11/29/1994	ISSUED	
ADJUSTABLE FOOTREST <i>Carlos Y. Ugalde, et al.</i>	C353 R/W/C/M	26535-PCT PATENT COOPERATION TREATY	UTL-ORD	US95/13266	10/10/1995	ABANDONED 04/14/1997	
ADJUSTABLE FOOTREST <i>Carlos Y. Ugalde, et al.</i>	C353 R/W/C/M	26535-USA UNITED STATES	UTL-ORD	08722320 5377806	10/13/1994 11/26/1996	ISSUED	MAINT FEE 3.5 DUE MAINT FEE 7.5 DUE MAINT FEE 11.5 DUE 05/26/2000 05/26/2004 05/26/2008
CONVERTIBLE COMPUTER WORKSTATION <i>Carlos Y. Ugalde, et al.</i>	C353 R/W	26654-USA UNITED STATES	UTL-COM of 22383	087320448 5480224	10/11/1994 01/02/1996	ISSUED	MAINT FEE 3.5 DUE MAINT FEE 7.5 DUE MAINT FEE 11.5 DUE 07/02/1999 07/02/2003 07/02/2007
DESIGN: MOBILE COMPUTER WORKSTATION <i>Carlos Y. Ugalde, et al.</i>	C353 R/W	27696-USA UNITED STATES	DES-ORD	29/041923 D381529	07/17/1995 07/29/1997	ISSUED	
COMBINATION KEYBOARD TRAY AND WRITING SHELF <i>Andrew K. Ozols, et al.</i>	C353 R/W/K/S/J	30207-USA UNITED STATES	UTL-ORD	08/782651	01/14/1997	PENDING	FILING RECEIPT RCVD 11/03/1997 FU: NEXT PTO ACTION FOREIGN FILING REVIEW DEADLINE TO CLAIM PRIORITY 08/05/1998 01/14/1998

EXHIBIT B

CONFIDENTIAL
 C353 - CONTINENTAL ENGINEERING GROUP, INC.
 U.S. AND FOREIGN MARK PROGRAM

CHRISTIE, PARKER & HALE, LLP
 FILE: C33330

LISTED IN ALPHABETICAL ORDER

MARK	Class City	CI# Year Reference	Mark Type Class	SERIAL NO. REG. NO.	FILED ISSUED	STATUS	SCHEDULED ACTIONS
MICROCENTRE	C113 RTW	24757-JUSA UNITED STATES	TM 109	74/503992 1842717	08/10/1992 07/09/1994	REGISTERED	RENEWAL DUE SECTIONS #417 DUE 07/09/2004 07/09/2000
PEANUT	C113 RTW	21782-JUSA UNITED STATES	TM 120	74/069637	06/13/1990	ARCHIVED 05/08/1992	