



03-22-1999

Docket No.: 21144.000

02-26-1999

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #47



U.S. Department of Commerce
Patent and Trademark Office

100990884

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To the Honorable Commissioner of Patents and Trademarks.
Please record the attached original documents or copy thereof.

51.926.15
MLU

1. Name of conveying party(ies):
Air Flo Products, Inc.

Individual(s) Association
 General Partnership Ltd. Partnership
 Corporation - State (Wisconsin)
 Other _____
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies):
John-Donovan Enterprises-Florida, Inc.
2951 S.E. Dominica Terrace
Stuart, Florida 34997

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

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
Execution Date: February 19, 1999

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designation 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)
75/452,028

B. Trademark Registration No.(s)
1,664,047 2,020,343
2,044,864 2,130,206
2,161,896 2,178,058

Refund Ref: 03/22/1999 DNGUYEN 0000079245

CHECK Refund Total: \$90.00

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
DEWITT ROSS & STEVENS, S.C.
Firststar Financial Center
8000 Excelsior Drive, Suite 401
Madison, WI 53717-1914

6. Total number of applications and registrations involved: 7
7. Total fee (37 CFR 3.41).....\$ 280.00
 Enclosed
 Authorized to charge to deposit account
8. Deposit account number: 18-2055
(Attach duplicate copy of this page if paying by deposit account)

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.

Craig A. Fieschko, Reg. No. 39,668
Name of Person Signing

Craig Fieschko
Signature

2/23/99
Date

03/22/1999 DNGUYEN 00000083 1664047

Total number of pages including cover sheet: 6

01 FC:481
02 FC:482

40.00 DP
150.00 DP
(exp. 4/94)

OMB No. 0651-0011

**PATENT, TRADEMARK AND SERVICE MARK
SECURITY AGREEMENT**

This Patent, Trademark and Service Mark Security Agreement (hereinafter referred to as "Security Agreement") is made effective this 19th day of February, 1999, by and between John-Donovan Enterprises-Florida, Inc., of Stuart County, Florida (hereinafter referred to as "Grantor"), and Air Flo Products, Inc., of Madison, Dane County, Wisconsin (hereinafter referred to as "Grantee").

RECITALS

A. Grantor has purchased certain patents, trademarks and service marks from Grantee pursuant to a certain Asset Purchase Agreement entered into between Grantor and Grantee dated February 12, 1999 (hereinafter referred to as the "Asset Purchase Agreement").

B. As a condition of the Asset Purchase Agreement Grantor granted Grantee a lien and security interest on the patents, trademark and service marks purchased by Grantor (hereinafter referred to as the "Collateral", as further defined below) as security for the obligations of Grantor for royalty and contingent serial payments due from Grantor to Grantee pursuant to the Asset Purchase Agreement.

C. Grantee desires to have Grantee's lien and security interest in the Collateral confirmed by a document identifying that security interest and in such form as may be recorded in the United States Patent and Trademark Office.

Now, therefore, with the foregoing recitals deemed incorporated into and made a part of this Security Agreement by reference, and in consideration of the mutual promises and obligations set forth below, the parties, intending to be legally bound, agree as follows:

1. **ASSIGNMENT.** In consideration of the covenants of the parties contained in the Asset Purchase Agreement, and for other good, valuable, and sufficient consideration, the receipt of which is hereby acknowledged by Grantor, and to secure the obligations of Grantor to Grantee, Grantor does hereby collaterally assign and grant to Grantee a lien and security interest in:

a. All of Grantor's right, title, and interest in and to (i) the United States Letters Patent and the inventions described and claimed therein set forth on Schedule A attached hereto and any future patents (hereinafter referred to collectively as "patents"); (ii) the applications for Letters Patent and the inventions described and claimed therein set forth on Schedule A hereto and any United States Letters Patent and/or Canadian Letters Patent that may be issued on any of those applications and any future patent applications (hereinafter referred to collectively as the "applications"); (iii) any reissue, extension, division, or continuation of the Patents or the Applications (such reissues, extensions, divisions, and continuations being herein referred to collectively as the "reissued patents"); (iv) all future royalties or other fees paid or payment or payments made or to be made to Grantor in respect to the patents; and (v) proceeds of any and all of the foregoing (the patents, applications, reissued patents, and royalties and proceeds being herein referred to collectively as the "patent rights"), and

b. All of Grantor's right, title, and interest in and to the Trademarks and Service Marks set forth on Schedule A attached hereto (the trademarks and service marks, and

royalties and proceeds thereon being herein referred to collectively as "trademark and service mark rights"), and

c. All rights, interests, claims, and demands that Grantor has or may have in existing and future profits and damages for past and future infringements of the patent, trademark and service mark rights (such rights, interest, claims, and demands being herein call the "claims") (the patent rights, trademark and service mark rights, and claims are collectively referred to as the "Collateral").

d. This is a Purchase Money Security Interest.

2. GRANTOR'S WARRANTY. Grantor warrants and represents to Grantee that:

a. Grantor is the true and lawful exclusive owner of the patent, trademark and service mark rights set forth on Schedule A, including all rights and interest herein granted;

b. Grantor has full power and authority to execute and deliver this agreement;

c. Grantor has no notice of any suits or actions commenced or threatened against Grantor, or notice of claims asserted or threatened against Grantor, with reference to the patent rights and the interest granted herein, except such matters as were disclosed by Grantee to Grantor; and

d. The patent, trademark and service mark rights and all interest granted herein are so granted free from all liens, charges, claims, options, licenses, pledges, and encumbrances of every kind and character.

3. GRANTOR'S FURTHER COVENANTS. Grantor further covenants that, until all of Grantor's obligation to Grantee pursuant to the said Asset Purchase Agreement have been satisfied in full, Grantor will:

a. Not enter into any agreement(s) including, without limitation, license agreements, which are inconsistent with Grantor's undertakings and covenants under this Security Agreement and/or the Asset Purchase Agreement; and

b. Maintain the Collateral in full force and effect.

4. USE OF PATENT, TRADEMARK AND SERVICE MARK RIGHTS; LICENSES.

So long as this Security Agreement is in effect and so long as Grantor has not received notice from Grantee that an event of default has occurred under the said Asset Purchase Agreement and that Grantee has elected to exercise its rights hereunder, Grantor shall continue to have the exclusive right to use the patent, trademark and service mark rights and grant licenses with respect thereto as described in this Security Agreement.

5. RESTRICTIONS ON SALE OR FURTHER ENCUMBRANCE. Except as provided in paragraph 10.05 of the Asset Purchase Agreement, Grantor agrees not to sell, assign, or

further encumber Grantor's rights and interests in the Collateral without prior written consent of Grantee.

6. GRANTEE'S RIGHTS ON DEFAULT. If an event of default shall occur under the said Asset Purchase Agreement or hereunder, Grantee, as the holder of a security interest under the Uniform Commercial Code as now or hereafter in effect in any applicable jurisdiction, may take such action as is permitted by law or equity, in the Grantee's sole discretion, to foreclose on or otherwise realize on the Collateral covered hereby. For those purposes, Grantor hereby authorizes and empowers Grantee to make, constitute, and appoint any officer or agent of Grantee as Grantee may select in Grantee's sole discretion, as Grantor's true and lawful attorney-in-fact with the power to endorse Grantor's name on and/or file of record, all assignments, applications, documents, papers, and instruments, whether signed by Grantor or by Grantee on Grantor's behalf, necessary for Grantee or its transferee, successors, or assigns, to obtain title to and the right to use the Collateral or to grant or issue any exclusive or nonexclusive license under the Collateral to any other person or to assign, pledge, convey, or otherwise transfer title in or dispose of all or any part of the Collateral to any other person. Grantor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Security Agreement.

7. FILING OF DOCUMENTS WITH PATENT AND TRADEMARK OFFICE. Grantor shall, at Grantor's own expense, diligently file and prosecute all patent applications relating to the inventions described and claimed in the Collateral in the United States Patent and Trademark Office, and shall pay or cause to be paid in their customary fashion all fees and disbursements in connection therewith, and shall not abandon any such application before the exhaustion of all administrative and judicial remedies or disclaim or dedicate any patent without the prior written consent of Grantee. Grantor shall not abandon any Collateral without the prior written consent of Grantee, which consent shall not be unreasonably withheld.

8. FEES, COSTS AND EXPENSES. Any and all fees, costs, and expenses, including reasonable attorney fees and expenses incurred by Grantee in connection with defending or prosecuting any actions or proceedings arising out of or related to the Collateral, shall be paid by Grantor on demand by Grantee and, until paid, shall be added to the obligations secured hereby.

9. SUIT TO ENFORCE COLLATERAL. Grantor shall have the right, with the prior written consent of Grantee, which consent shall not be unreasonably withheld, to bring suit in Grantor's own name to enforce the Collateral, in which case Grantee may, at Grantee's option, be joined as a nominal party to the suit if Grantee shall be satisfied that joinder is necessary and that Grantee is not thereby incurring any risk of liability by that joinder. Grantor shall promptly, on demand, reimburse and indemnify, defend, and hold Grantee harmless from all damages, costs, and expenses, including reasonable attorney fees, incurred by Grantee pursuant to this Section and all other actions and conduct of Grantor with respect to the patent rights during the term of this Security Agreement.

10. MODIFICATION; WAIVER. No modification or waiver of any provisions set forth in this Security Agreement shall be effective unless the same shall be in writing and signed by the party against whom enforcement is being sought.

11. **EXPENSES INCURRED IN PROTECTING PATENT COLLATERAL.** If Grantor fails to comply with any of Grantor's understandings and covenants hereunder, Grantee may, at Grantee's sole option, do so in Grantee's name, but at Grantor's expense. Grantor agrees to reimburse Grantee in full for all expenses, including reasonable attorney fees, incurred by Grantee in protecting, defending, enforcing, and maintaining the Collateral.

12. **TERMINATION OF GRANTEE'S INTERESTS IN PATENT COLLATERAL.** On full and unconditional satisfaction of all Grantor's obligations to Grantee, Grantee shall execute and deliver to Grantor all documents reasonably necessary to terminate Grantee's interest in the Collateral.

13. **RECORDATION OF AGREEMENT.** Grantor hereby acknowledges and agrees that this Security Agreement shall be recorded in the United States Patent and Trademark Office.

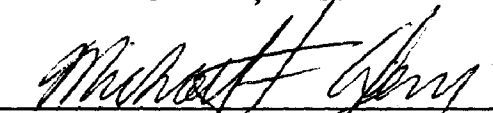
14. **PARTIES BOUND.** This agreement shall be binding on Grantor, Grantor's successors, and assigns, and shall inure to the benefit of Grantee, its successors, and assigns.

15. **GOVERNING LAW.** This agreement shall be governed by and construed in accordance with the laws of Wisconsin.

IN WITNESS WHEREOF, the parties have executed this agreement on the day and year first written above.

JOHN-DONOVAN ENTERPRISES-
FLORIDA, INC.

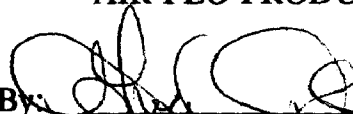
By:



Michael F. Ciferri, President
(print name and title)

AIR FLO PRODUCTS, INC.

By:



Greg Onken, President

SCHEDULE A

1. U.S. Patent No. 5,807,046, together with all continuation Patents filed with respect thereto: Application Serial No. 09/118,566 filed July 17, 1998
2. Canadian Patent Application No. 2,198,500 filed February 25, 1997,
3. The following trade or corporate names and service marks:

Air Flo (application pending)

Air Flo Products, Inc. service mark (Reg. No. 2,178,058)

Air Flo Products, Inc. service mark (Reg. No. 2,020,343)

AirHead (Reg. No. 1,664,047)

AirHead Flex System (Reg. No. 2,044,864)

Making Cool Things For Your Trailer (Reg. No. 2,130,206)

Performance Development Team (Reg. No. 2,161,896)