

03-29-1999

Form PTO-1594 (Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)

RECORDED



HEET U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

100995435

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

3/22/99
MED

1. Name of conveying party(ies):
Zero Zone, Inc.
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State Wisconsin
 Other _____

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

2. Name and address of receiving party(ies):
Name: M&I Marshall & Ilsley Bank

Internal Address: _____

Street Address: 770 North Water Street

City Milwaukee :State: WI Zip: 53202

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporate-State Wisconsin
 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

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: March 12, 1999

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

A. Trademark Application No.(s)

75/554,365

B. Trademark Registration No.(s)

1,854,579

Additional numbers attached? Yes No

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

Name: Marta S. Levine

Internal Address: _____

Street Address: Quarles & Brady LLP

411 East Wisconsin Avenue

City: Milwaukee State: Wisconsin Zip: 53202

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

17-0055

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

03/29/1999 JSHABAZZ 00000020 170055 75554365

DO NOT USE THIS SPACE

Q1 FC:481 40.00 CH
Q2 FC:482 25.00 CH

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.

Marta S. Levine
Name of person signing

Marta S. Levine
Signature

March 15, 1999
Date

Total number of pages including cover sheet, attachments, and document: 13

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents and Trademarks, Box Assignments
Washington, D.C. 20231

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made as of the 30th day of September, 1986, as amended and restated on March 12, 1999, by and between ZERO ZONE, INC. ("Borrower") and M&I MARSHALL & ILSLEY BANK ("M&I").

The Borrower, formerly known as Zero Zone Refrigerator Manufacturing Company, Inc., and M&I entered into a General Business Security Agreement dated as of September 30, 1986. The Borrower and M&I are entering this Security Agreement to amend and restate such original security agreement in its entirety.

IN CONSIDERATION of the credit extended now and in the future by M&I to Borrower and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed that:

ARTICLE I DEFINITIONS

When used in this Security Agreement, the following terms shall have the meanings specified:

1.1 Accounts. "Accounts" shall mean all accounts, including without limitation all rights to payment for goods sold or services rendered that are not evidenced by instruments or chattel paper, whether or not earned by performance, and any associated rights thereto.

1.2 Borrower. "Borrower" shall mean Zero Zone, Inc., a Wisconsin corporation.

1.3 Collateral. "Collateral" shall mean all properties and assets of Borrower, wherever located, whether tangible or intangible, and whether now owned or hereafter acquired or arising, including without limitation:

- (a) all Inventory and documents relating to Inventory;
- (b) all Accounts and documents relating to Accounts;
- (c) all rents, issues, profits, income, revenues and receipts derived in any fashion;
- (d) all goods, equipment and fixtures, including without limitation machinery, furniture, vehicles and trade fixtures;
- (e) all general intangibles (including without limitation customer lists; sales records and other business records; contract rights; income tax refunds; insurance policies and insurance proceeds; causes of action; and licenses; permits; franchises; patents, including but not limited to the patents and registrations therefor set forth on Schedule 1 hereto; copyrights, including but not limited to the copyrights and registrations therefor set forth on Schedule 2 hereto; trademarks, including but not limited to the trademarks and registrations therefor set forth on Schedule 3 hereto; trade names; or rights to any of the foregoing and the

goodwill related thereto); chattel paper; documents; investment property and instruments;

(f) all motor vehicles;

(g) cash and cash equivalents deposited with or delivered to M&I from time to time and pledged as additional security for the Obligations; and

(h) all additions and accessions to, all spare and repair parts, special tools, equipment and replacements for, and all proceeds and products of, any and all of the foregoing.

1.5 Event of Default. "Event of Default" shall have the meaning specified in the Loan Agreement.

1.6 Inventory. "Inventory" shall mean any and all goods and inventory, including without limitation goods in transit, wheresoever located, whether now owned or hereafter acquired by Borrower, which are held for sale, lease or demonstration, furnished or to be furnished under any contract of service, goods leased to others, goods held as raw materials, work in process or supplies, and all materials used or consumed in Borrower's business, and shall include property the sale or other disposition of which has given rise to Accounts and which has been returned to or repossessed or stopped in transit by Borrower.

1.7 Liens. "Liens" shall have the meaning specified in the Loan Agreement.

1.8 Loan Agreement. "Loan Agreement" shall mean the Loan Agreement dated as of March 12, 1999, as the same shall be amended from time to time in accordance with the terms thereof, by and between Borrower and M&I, together with the Exhibits and Schedules attached thereto.

1.9 M&I. "M&I" shall mean M&I Marshall & Ilsley Bank, a Wisconsin banking corporation.

1.10 Notes. "Notes" shall mean: (a) the Revolving Credit Note dated March 12, 1999, issued by Borrower payable to M&I in the aggregate principal amount of \$2,000,000 and evidencing the revolving credit loans made pursuant to the Loan Agreement, as such Revolving Credit Note may be amended, modified, extended or renewed from time to time; (b) the Term Note A dated March 12, 1999, issued by Borrower payable to M&I in the aggregate principal amount of \$11,000,000 and evidencing the Term Loan A made pursuant to the Loan Agreement, as such Term Note A may be amended, modified, extended or renewed from time to time; and (c) the Term Note B dated March 12, 1999, issued by Borrower payable to M&I in the aggregate principal amount of \$1,400,000 and evidencing the Term Loan B made pursuant to the Loan Agreement, as such Term Note B may be amended, modified, extended or renewed from time to time.

1.11 Obligations. "Obligations" shall mean: (a) the outstanding principal of, and all interest on, the Notes; and (b) all debts, liabilities, obligations, covenants and agreements of Borrower contained in the Loan Agreement and the Collateral Documents (as defined in the Loan Agreement) to which Borrower is a party; and (c) all debts, liabilities, obligations, covenants and agreements of Borrower contained

in this Security Agreement; and (d) any and all other debts, liabilities and obligations of Borrower to M&I, including without limitation, any obligations of Borrower to M&I in respect of letters of credit or letter of credit applications.

1.12 Permitted Liens. "Permitted Liens" shall have the meaning specified in the Loan Agreement.

1.13 Person. "Person" shall mean and include an individual, partnership, limited liability company, limited liability partnership, corporation, trust, unincorporated association and any unit, department or agency of government.

1.14 Prime Rate. "Prime Rate" shall mean the rate of interest adopted by M&I from time to time as its base rate for interest determinations.

1.15 Security Agreement. "Security Agreement" shall mean this Security Agreement, as amended and restated, together with Schedules attached hereto, as the same shall be further amended from time to time in accordance with the terms hereof.

1.16 Security Interest. "Security Interest" shall mean the security interest of M&I in the Collateral granted by Borrower pursuant to this Security Agreement.

1.17 UCC. "UCC" shall mean the Uniform Commercial Code as adopted in Wisconsin and in effect from time to time.

ARTICLE II THE SECURITY INTEREST; REPRESENTATIONS AND WARRANTIES

2.1 The Security Interest. To secure the full and complete payment and performance when due (whether at stated maturity, by acceleration, or otherwise) of each of the Obligations, Borrower hereby grants to M&I a security interest in all of Borrower's right, title and interest in and to the Collateral.

2.2 Representations and Warranties. Borrower hereby represents and warrants to M&I that:

(a) The books and records of Borrower with respect to the Collateral are located only at the location(s) listed on Schedule 4 attached to this Security Agreement.

(b) The tangible Collateral is located only at the location(s) listed on Schedule 4 attached to this Security Agreement.

(c) The chief executive office and chief place of business of Borrower are located at 110 Oakridge Drive, North Prairie, Wisconsin 53153.

(d) Borrower has good and marketable title to, or valid leasehold interest in, all of the Collateral and there are no Liens on any of the Collateral except for Permitted Liens.

ARTICLE III
AGREEMENTS OF BORROWER

From and after the date of this Security Agreement and until: (i) all Obligations are performed and paid in full; and (ii) the commitment of M&I to make loans under Sections 1.1 and 1.3 of the Loan Agreement has ended, Borrower shall:

3.1 Sale of Collateral. Not sell or otherwise dispose of Collateral or any interest therein, except as permitted pursuant to the Loan Agreement.

3.2 Maintenance of Security Interest. (a) At the expense of Borrower, defend the Security Interest against any and all claims of any Person adverse to M&I, except for Persons holding Permitted Liens, and take such action and execute such financing statements and other documents as M&I may from time to time reasonably request to maintain the perfected status of the Security Interest. Borrower shall not further encumber or grant a security interest in any of the Collateral except for Permitted Liens without the prior written consent of M&I.

(b) Upon the request of M&I, note, or cause to be noted, the Lien of M&I on the certificate of title for any motor vehicle owned by Borrower, and deliver to M&I the original certificate of title for each such motor vehicle.

3.3 Locations. Give M&I at least ten (10) days prior notice of Borrower's intention to relocate the Collateral or any of the books and records relating to the Collateral from the locations listed on Schedule 4, attached to this Security Agreement, in which event Schedule 4 shall be deemed amended to include the new location. Any additional filings or refilings reasonably requested by M&I as a result of any such relocation in order to maintain the Security Interest in the Collateral shall be at Borrower's expense.

3.4 Insurance. Keep the tangible Collateral insured in accordance with the terms of the Loan Agreement.

3.5 Change of Name or Address. Immediately advise M&I in writing of any change of name or mailing address.

3.6 Liens. Not incur, create, assume or permit to be created or allowed to exist any Lien upon any of the Collateral, except Permitted Liens.

ARTICLE IV
RIGHTS AND REMEDIES

4.1 M&I's Right to Cure. In case of failure by Borrower to procure or maintain insurance, or to pay any fees, assessments, charges or taxes arising with respect to the Collateral, M&I shall have the right, but shall not be obligated, to effect such insurance or pay such fees, assessments, charges or taxes, as the case may be, and, in that event, the cost thereof shall be payable by Borrower to M&I immediately upon demand, together with interest at an annual rate equal to the Prime Rate plus two percent (2%) from the date of disbursement by M&I to the date of payment by Borrower.

4.2 Rights of Parties. Upon the occurrence and during the continuance of an Event of Default, in addition to all the rights and remedies provided in the Loan Agreement or in Article 9 of the UCC and any other applicable law, M&I may (but is under no obligation so to do):

(a) require Borrower to assemble the Collateral at a place designated by M&I, which is reasonably convenient to the parties; and

(b) take physical possession of Inventory and other tangible Collateral and of Borrower's books and records pertaining to all Collateral that are necessary to properly administer and control the Collateral or the handling and collection of Collateral, and sell, lease or otherwise dispose of the Collateral in whole or in part, at public or private sale, on or off the premises of Borrower; and

(c) collect any and all money due or to become due and enforce in Borrower's name all rights with respect to the Collateral; and

(d) settle, adjust or compromise any dispute with respect to any Account; and

(e) receive and open mail addressed to Borrower; and

(f) on behalf of Borrower, endorse checks, notes, drafts, money orders, instruments or other evidences of payment.

4.3 Power of Attorney. Borrower does hereby constitute and appoint M&I as Borrower's true and lawful attorney with full power of substitution for Borrower in Borrower's name, place and stead for the purposes of carrying out the provisions of this Security Agreement and taking any action and executing any instrument which M&I may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest.

4.4 Right to Collect Accounts. Upon the occurrence, and during the continuance, of an Event of Default and without limiting Borrower's obligations under the Loan Agreement: (a) Borrower authorizes M&I to notify any and all debtors on the Accounts to make payment directly to M&I (or to such place as M&I may direct); (b) Borrower agrees, on written notice from M&I, to deliver to M&I promptly upon receipt thereof, in the form in which received (together with all necessary endorsements), all payments received by Borrower on account of any Account; and (c) M&I may apply all such payments against the Obligations or at M&I's option remit all or part of such payments to Borrower.

4.5 Reasonable Notice. Written notice, when required by law, sent to the address of Borrower at least ten (10) calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral shall be reasonable notice.

4.6 Limitation on Duties Regarding Collateral. M&I's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as M&I deals with similar property for its own account. Neither M&I, nor any of its directors, officers, employees or agents, shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay

in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Borrower or otherwise.

4.7 Lock Box; Collateral Account. This Section 4.7 shall be effective only upon the occurrence and during the continuance of an Event of Default. If M&I so requests, Borrower will direct each of its debtors on the Accounts to make payments due under the relevant Account or chattel paper directly to a special lock box to be under the control of M&I. Borrower hereby authorizes and directs M&I to deposit into a special collateral account to be established and maintained by M&I all checks, drafts and cash payments received in said lock box. All deposits in said collateral account shall constitute proceeds of Collateral and shall not constitute payment of any Obligation. At its option, M&I may, at any time, apply finally collected funds on deposit in said collateral account to the payment of the Obligations, in such order of application as M&I may determine, or permit Borrower to withdraw all or any part of the balance on deposit in said collateral account. If a collateral account is so established, Borrower agrees that it will promptly deliver to M&I, for deposit into said collateral account, all payments on Accounts and chattel paper received by it. All such payments shall be delivered to M&I in the form received (except for Borrower's endorsement where necessary). Until so deposited, all payments on Accounts and chattel paper received by Borrower shall be held in trust by Borrower for and as the property of M&I and shall not be commingled with any funds or property of Borrower.

4.8 Application of Proceeds. M&I shall apply the proceeds resulting from any sale or disposition of the Collateral in the following order of priority:

- (a) to the costs of any sale or other disposition;
- (b) to the expenses incurred by M&I in connection with any sale or other disposition, including reasonable attorneys' fees;
- (c) to the payment of the Obligations then due and owing in any order selected by M&I; and
- (d) to Borrower or to such other party legally entitled thereto.

4.9 Other Remedies. No remedy herein conferred upon M&I is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Security Agreement, the Loan Agreement, the Notes, or now or hereafter existing at law or in equity or by statute or otherwise. No failure or delay on the part of M&I in exercising any right or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude other or further exercise thereof or the exercise of any other right or remedy.

ARTICLE V MISCELLANEOUS

5.1 Expenses and Attorneys' Fees. Borrower shall pay all reasonable fees and expenses incurred by M&I, including the reasonable fees of counsel, in connection with the preparation, administration and amendment of this Security Agreement and the administration, protection and enforcement of the rights of M&I under this Security Agreement, or

with respect to the Collateral, including without limitation the protection and enforcement of such rights in any bankruptcy, reorganization or insolvency proceeding involving Borrower both before and after judgment.

5.2 Setoff. Borrower agrees that M&I shall have all rights of set off and bankers' lien provided by applicable law, and in addition thereto, Borrower agrees that if at any time an Event of Default shall exist hereunder or under the Loan Agreement, any payment or other amount owing under the Obligations is then due to M&I, M&I may apply to the payment of such payment or other amount any and all balances, credits, deposits, accounts or moneys of Borrower then or thereafter with M&I or any affiliate of M&I.

5.3 Assignability; Successors. Borrower's rights and liabilities under this Security Agreement are not assignable or delegable, in whole or in part, without the prior written consent of M&I. The provisions of this Security Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

5.4 Survival. All agreements, representations and warranties made in this Security Agreement or in any document delivered pursuant to this Security Agreement shall survive the execution and delivery of this Security Agreement, and the delivery of any such document.

5.5 Governing Law. This Security Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Wisconsin applicable to contracts made and wholly performed within such state.

5.6 Counterparts; Headings. This Security Agreement may be executed in several counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same agreement. The article and section headings in this Security Agreement are inserted for convenience of reference only and shall not constitute a part hereof.

5.7 Notices. All communications or notices required or permitted by this Security Agreement shall be given in accordance with Section 8.7 of the Loan Agreement.

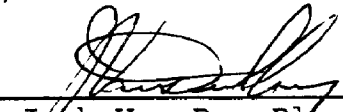
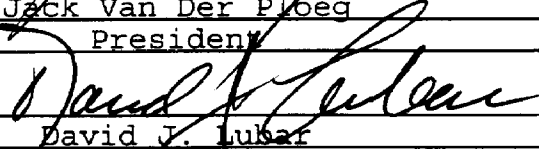
5.8 Amendment. No amendment of this Security Agreement shall be effective unless in writing and signed by Borrower and M&I.

5.9 Severability. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Security Agreement in such jurisdiction or affecting the validity or enforceability of any provision in any other jurisdiction.

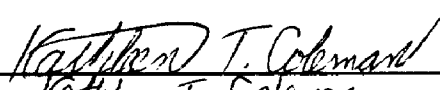
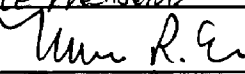
5.10 WAIVER OF RIGHT TO JURY TRIAL. M&I AND BORROWER ACKNOWLEDGE AND AGREE THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS SECURITY AGREEMENT WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES AND, THEREFORE, THE PARTIES AGREE THAT ANY LAWSUIT ARISING OUT OF ANY SUCH CONTROVERSY SHALL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

IN WITNESS WHEREOF, this Security Agreement has been executed as of the day and year first above written.

ZERO ZONE, INC.

By: 
Name: Jack Van Der Ploeg
Title: President
Attest: 
Name: David J. Lubar
Title: Vice President

M&I MARSHALL & ILSLEY BANK

By: 
Name: Kathleen T. Coleman
Title: Vice President
Attest: 
Name: Thomas R. Eli
Title: SVP

SCHEDULE 1
TO
SECURITY AGREEMENT

PATENTS

None

SCHEDULE 2
TO
SECURITY AGREEMENT

COPYRIGHTS

None

SCHEDULE 3
TO
SECURITY AGREEMENT

TRADEMARKS

| MARK | COUNTRY | APPLICATION NUMBER | REGISTRATION NUMBER | REGISTRATION DATE | STATUS |
|-------------------------|----------------|--------------------|---------------------|-------------------|------------|
| MAXIMIZER | Canada | | | | Pending |
| MAXIMIZER | Mexico | | | | Pending |
| MAXIMIZER | U.S. | 75/554,365 | | | Pending |
| ZERO ZONE | Brazil | | 818845724 | 08/18/98 | Registered |
| ZERO ZONE | Brazil | | 818845732 | 08/18/98 | Registered |
| ZERO ZONE | Chile | 321,366 | | | Pending |
| ZERO ZONE | U.S. | 74/441,126 | 1,854,579 | 09/20/94 | Registered |
| ZERO ZONE | Uruguay | 281,495 | 281,495 | 06/05/97 | Registered |
| ZERO ZONE and Design | Canada | 685,064 | 413,913 | 06/25/93 | Registered |
| ZERO ZONE and Design | South Korea | 44652/1993 | 307453 | 01/28/95 | Registered |
| ZERO ZONE and Design | Mexico | 122039 | 421712 | 09/11/92 | Registered |
| ZERO ZONE and Design | Taiwan | 79-05493 | 518,054 | 03/15/91 | Registered |

SCHEDULE 4
TO
SECURITY AGREEMENT

LOCATIONS OF BOOKS AND RECORDS:

110 Oakridge Drive
North Prairie, Wisconsin 53153

LOCATIONS OF COLLATERAL:

110 Oakridge Drive
North Prairie, Wisconsin 53153

W292 S4325 Hillside Road
Genessee, Wisconsin

98 Oakridge Drive
North Prairie, Wisconsin

1242 Lincoln Avenue
Waukesha, Wisconsin

W4311 Highway 59
Whitewater, Wisconsin