

05-04-1999



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5-4-99

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID #
- Correction of PTO Error  
Reel #  Frame #
- Corrective Document  
Reel #  Frame #

Conveyance Type

- Assignment  License
- Security Agreement  Nunc Pro Tunc Assignment
- Merger
- Change of Name
- Other

Effective Date  
Month Day Year  
3 31 99

Conveying Party

Mark if additional names of conveying parties attached

Name TUBBS SNOWSHOE COMPANY LLC

Execution Date  
Month Day Year  
3 31 99

Formerly

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other Limited Liability Company
- Citizenship/State of Incorporation/Organization Delaware

Receiving Party

Mark if additional names of receiving parties attached

Name Allied Investment Corporation

DBA/AK/A/T/A

Composed of

Address (line 1) 401 N. Michigan Avenue

Address (line 2)

Address (line 3) Chicago  
City

IL  
State/Country

60611  
Zip Code

- Individual  General Partnership  Limited Partnership
- Corporation  Association
- Other
- Citizenship/State of Incorporation/Organization Maryland

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

FOR OFFICE USE ONLY

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40.00 DP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

TRADEMARK

REEL: 1891 FRAME: 0281

5-4-99

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

#

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

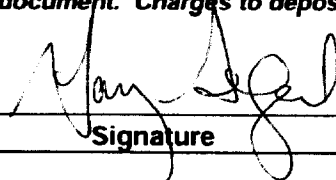
Yes

No

**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. Charges to deposit account are authorized, as indicated herein.

Gary P. Segal



Name of Person Signing

Signature

Date Signed

# INTELLECTUAL PROPERTY SECURITY AGREEMENT

**THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT** is made as of March 31, 1999 by TUBBS SNOWSHOE COMPANY, LLC, a Delaware limited liability company (the "Company") and ALLIED INVESTMENT CORPORATION, a Maryland corporation ("Allied" or the "Holder").

## **RECITALS:**

A. Pursuant to the Investment Agreement of even date herewith (as amended, restated, modified or supplemented and in effect from time to time, the "Investment Agreement") among Allied and the Company, the Company has requested that the Holder provide funds in the aggregate amount of \$4,000,000 to fund, among other things, (1) a portion of the costs of consummating the acquisition of substantially all of the assets of Atlas Snowshoe Company, a California corporation by the Atlas Acquisition Company, LLC, a Delaware limited liability company, which is a wholly owned subsidiary of the Company, (2) the refinancing of certain indebtedness of the Company and (3) thereafter, the Company's growth and expansion, which funds the Holder would provide through the purchase from the Company of secured notes issued by the Company in an aggregate amount of Four Million Dollars (\$4,000,000) (collectively, the "Debentures"). The Debentures and certain other agreements and instruments described in and/or executed and delivered in connection with the Investment Agreement are hereinafter collectively referred to as the "Investment Documents".

B. One of the conditions precedent to the obligations of Holder to purchase the Debentures is the execution and delivery of this Agreement by the parties hereto.

**NOW, THEREFORE**, in order to induce Holder to purchase the Debentures, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

**SECTION 1. Definitions.** All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Investment Agreement.

**SECTION 2. Grant of Security Interest.** As security for the payment of the Debenture and payment and performance of all the obligations of Company to Holder however created, whether absolute or contingent, now or hereafter existing (the "Obligations"), Company hereby mortgages, pledges and grants a security interest to Holder, its successors and assigns, in the entire right, title and interest of Company in and to the following, whether presently existing or hereafter arising or acquired:

(a) all patents and letters patent (whether foreign or United States patents) and applications for patents and letters patent throughout the world, including all patent applications in preparation for filing anywhere in the world and including, but not limited to, each patent and patent application listed on Schedule I attached hereto; all patent licenses under which Company now or hereafter has any rights as licensee or as licensor, throughout

the world, including each patent license listed on Schedule I attached hereto; all reissues, divisions, extensions, continuations, continuations-in-part, renewals and reexaminations of any of the items described above; the right to sue third parties for past, present and future infringements of any patent or patent application, including any patent or patent application referred to in Schedule I attached hereto, and for breach or enforcement of any patent license, including any patent license referred to in Schedule I attached hereto, and all rights corresponding thereto throughout the world; and all proceeds of the foregoing (including, without limitation, license royalties and proceeds of infringements suits) (all of the foregoing being herein called collectively the "Patents");

(b) all foreign and United States trademarks and trademark registrations, including, but not limited to, those listed on Schedule II attached hereto, and all goodwill connected with the use of, and symbolized by, each trademark and trademark registration, and all continuations and extensions thereof, all trademark licenses under which Company now or hereafter has any rights as licensee or as licensor, throughout the world, including each trademark license listed on Schedule II the right to sue for past, present, and future infringements or dilutions thereof or for injury to the goodwill associated therewith, all rights corresponding thereto throughout the world, and all proceeds of the foregoing (including, without limitation, license, royalties and proceeds of suit) (all of the foregoing being herein called, collectively, the "Trademarks"); and

(c) all copyrights, whether statutory or common law, registered or unregistered, now or hereafter in force throughout the world, including, without limitation, all of Company's right, title and interest in and to all copyrights registered in the United States Copyright Office or anywhere else in the world and also including, without limitation, the copyrights listed on Schedule III attached hereto, and all applications for registration thereof, whether pending or in preparation, all copyright licenses under which Company now or hereafter has any rights as licensee or as licensor, throughout the world, including each copyright license listed on Schedule III attached hereto, the right to sue for past, present and future infringements of any thereof, all rights corresponding thereto throughout the world, all extensions and renewals of any thereof, and all proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit (all of the foregoing being herein called, collectively, the "Copyrights").

**SECTION 3. Disposition of Patents, Trademarks and Copyrights.** Company agrees not to sell, assign or license any of its right, title or interest in or to the Patents, Trademarks or Copyrights to any third party without the prior written consent of Holder.

**SECTION 4. Warranties and Covenants.** Company hereby warrants and agrees that: (a) to the best of Company's knowledge, each of the Patents, Trademarks and Copyrights is subsisting and has not been adjudged invalid or unenforceable, in whole or in part; (b) to the best of Company's knowledge, each of the Patents, Trademarks and Copyrights is valid and enforceable; (c) Company is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each

of the Patents, Trademarks and Copyrights, free and clear of any Liens, (except licenses in existence as of the date hereof, liens in favor of Holder and liens in favor of the Senior Lender); (d) Company has the unqualified right to enter into this Agreement and perform its terms and to the extent necessary will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained; (e) to the best of Company's knowledge, no litigation is pending or threatened which contains allegations respecting the validity of any of the Patents, Trademarks or Copyrights; and (f) except to the extent that Holder shall consent in writing, Company (either itself or through licensees) will, unless Company shall reasonably determine that a Trademark is of negligible economic value to Company, (i) continue to use each Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain each Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under each Trademark, (iii) employ each Trademark with the appropriate notice of application or registration, (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of any Trademark, (v) not use any Trademark except for the uses for which registration or application for registration of such Trademark has been made, and (vi) not (and not permit any licensee or sublicensee thereto to) do any act or knowingly omit to do any act whereby any Trademark may become invalidated or abandoned.

**SECTION 5. Protection of Patents, Trademarks and Copyrights.** Company shall have the duty to protect, preserve and maintain all rights in each of the Patents, Trademarks and Copyrights, including, but not limited to, the duty to prosecute and/or defend against any and all suits contesting infringement or dilution of the Patents, Trademarks or Copyrights, any other suits containing allegations respecting the validity of any of the Patents, the Trademarks or the Copyrights, and any suits claiming injury to the goodwill associated with any of the Trademarks.

**SECTION 6. Reissues, etc.** If, before the Obligations shall have been paid in full, Company shall become entitled to any patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any of the Patents, Trademarks or Copyrights, or to any improvement on any Patent, the provisions of Section 2 shall automatically apply thereto and Company shall give to Holder prompt notice thereof in writing. Company hereby authorizes Holder to modify this Agreement by amending the Schedules attached hereto to include any future Patents, Trademarks and Copyrights.

**SECTION 7. Remedies.** Whenever a default under the Investment Documents shall have occurred and be continuing (subject to the rights of the Senior Lender pursuant to the Senior Loan Documents), all Obligations may or shall, as the case may be, become immediately due and payable as provided in the Investment Agreement. If any default under the Investment Agreement shall exist and be continuing, Holder shall have (subject to the rights of the Senior Lender pursuant to the Senior Loan Documents), in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks or Copyrights or any of them may be located and, without limiting the generality of the foregoing, Holder may immediately,

without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Company, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in Chicago, Illinois or elsewhere, the whole or from time to time any part of the Patents, Trademarks or Copyrights or any interest which Company may have therein. Notice of any sale or other disposition of the Patents, Trademarks or Copyrights or any thereof shall be given to Company at least ten (10) days before the time of any intended public or private sale or other disposition of the Patents, Trademarks or Copyrights or any part thereof is to be made, which Company hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Holder may, to the extent permissible under applicable law, purchase the whole or any part of any Patent or Trademark sold, free from any right of redemption on the part of Company, which right is hereby waived and released. Subject to the rights of the Senior Lender pursuant to the Senior Loan Documents, the proceeds of such dispositions may be applied by Holder to the payment of reasonable expenses in connection with the Patents, Trademarks or Copyrights, including, without limitation, reasonable attorneys' fees and legal expenses, and any balance thereof may be applied by Holder toward the payment of the Obligations in such order of application as Holder may from time to time elect.

#### **SECTION 8. General.**

(a) Company will, upon request of Holder, execute such financing statements and other documents (and pay the cost of filing or recording the same in all public offices deemed necessary by Holder), and do such other acts and things, all as Holder may from time to time request to establish and maintain a valid perfected security interest in the Patents, Trademarks and Copyrights (whether now or hereafter existing or acquired) to secure payment of the Debenture and all other Obligations.

(b) This Agreement, and the terms and conditions hereof, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Company shall not be permitted to assign this Agreement or any interest herein or in the Patents, Trademarks or Copyrights, or any part thereof without the prior consent of Holder.

(c) Neither this Agreement nor any provision hereof may be amended, modified, waived, discharged or terminated except by an instrument in writing duly signed by both parties hereto.

(d) No delay on the part of Holder in exercising any rights, power or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any such right, power or remedy preclude any other further exercise thereof or the exercise of any other right, power or remedy. No amendment, modification or waiver of, or any consent with respect to, any provision of this Agreement shall in any event be effective unless the same shall be in writing, and signed and delivered by the party to be bound thereby, and then such amendment, modification, waiver of consent shall be effective only in the specific instance and for the purpose for which it was given.

(e) All rights, powers and remedies of Holder expressed herein are in addition to all other rights, powers and remedies possessed by Holder, including, without limitation, those provided by applicable law or in any other written instrument or agreement relating to any of the Obligations or security therefor.

(f) At Holder's option, this Agreement, or a carbon, photographic or other reproduction of this Agreement or of any Uniform Commercial Code financing statement covering the Patents, Trademarks and Copyrights or any portion thereof, shall be sufficient as the Uniform Commercial Code financing statement and may be filed or recorded.

(g) Section captions used in this Agreement are for convenience of reference only, and shall not affect the construction of this Agreement.

(h) This Agreement shall in all respects be a continuing agreement and shall remain in full force and effect until the payment in full of all of the Obligations.

(i) This Agreement has been delivered at Chicago, Illinois, and shall be construed in accordance with and governed by the laws of the State of Illinois, without regard to conflict of laws principles. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

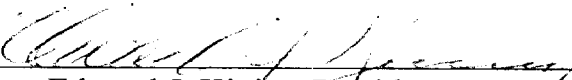
(j) This Agreement is a "Investment Document" executed pursuant to the Investment Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Agreement.

(k) This Agreement has been executed and delivered by Company for the purpose of registering the security interest of Holder in the Patents and Trademarks with the United States Patent and Trademark Office, and registering its security interests in the Copyrights with the United States Copyright Office and corresponding offices in other countries. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to Holder under the Investment Agreement. Company shall pay all applicable filing fees in connection with such filing.

(l) All notices and communications under this Agreement shall be delivered in the manner set forth in the Investment Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the above date.

**TUBBS SNOWSHOE COMPANY, LLC**, a Delaware limited liability company

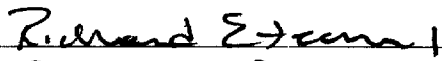
By:   
Edward J. Kipfry, President

Attest: \_\_\_\_\_

Its: \_\_\_\_\_

**ACCEPTED:**

**ALLIED INVESTMENT CORPORATION**, a Maryland corporation

By:   
Its: RICHARD E. FEARON, JR., PRINCIPAL



STATE OF VERMONT     )  
                                  ) SS  
COUNTY OF CHITENDEN )

I, the undersigned, a Notary Public in and for said County in the State of Vermont, do hereby certify that Edward J. Kiniry, President of Tubbs Snowshoe Company, LLC (the "Company") is personally known to me to be the same person whose signature is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he set his signature upon this instrument, sealed and delivered the said instrument as the free and voluntary act of the Company, for the uses and purposes therein set forth.

Given under my hand and official seal this 30<sup>th</sup> day of March, 1999

Judy A. Bachand  
Notary Public

My commission expires: 2/10/03

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, Judith A Rozhon, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Richard E Fearon Jr, a duly authorized signatory of **Allied Investment Corporation**, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such duly authorized signatory, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 6th day of April, 1999.

Judith A Rozhon  
NOTARY PUBLIC  
(SEAL)



## **SCHEDULE I**

### **Patents**

United States Patent #5,259,128 (Snowshoe)

United States Patent #5,787,612 (Snowshoe with heel entrapment binding and integral heel  
crampon assembly)

United States Patent #5,809,668 (Composite Snowshoe)

Canadian Patent #2,059,819 (Snowshoe)

## SCHEDULE II

### Trademarks

#### Applications are Pending For

ArcTec  
Technitrac  
Quick-Step Binding  
TD91 Control Wing System  
TCD Control Wing System  
RCS Rigid Control System  
Tubbs TrailNet  
Get Out There  
Tubbs (and Design)  
Tubbs (and Design)

#### Registrations Have Been Issued For

United States Trademark Registration Reg. No. 1,872,631 (Tubbs Snowshoes)  
Austria Marke Nr., 153 260 (Tubbs Snowshoe Company)  
France (Tubbs Snowshoe Company)  
France (Tubbs Snowshoes)  
Italy N. 00694287 (Tubbs Snowshoe Company)  
Germany (Tubbs Snowshoe Company)  
Japan (Tubbs Snowshoes)  
Switzerland (Tubbs Snowshoes)  
Canada 768649 (Tubbs Snowshoes)  
Sweden (Tubbs Snowshoe Company)  
Benelux (Tubbs Snowshoe Company)  
Britain and Northern Ireland (Tubbs Snowshoes)  
Slovenia (Tubbs Snowshoe Company)

**SCHEDULE III**

**Copyrights**

erty Security Agreement/75720/Intfc011.WP/SHM>

**RECORDED: 05/04/1999**

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REEL: 1891 FRAME: 0293**