

02-11-2000



101265754

MRP
12-22-99

**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

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKATA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

Individual General Partnership Limited Partnership

Corporation Association

Other

Citizenship/State of Incorporation/Organization

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.)

02/09/2000 TTON11 00000228 2203114

FOR OFFICE USE ONLY

01 FC:481 40.00 OP
02 FC:482 50.00 OP

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: 002024 FRAME: 0573

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.

Brent Harms

B. Harms

12/17/99

Name of Person Signing

Signature

Date Signed

SECURITY AGREEMENT
(All Personal Property)

THE SECURITY AGREEMENT, is made as of this 17th day of December, 1999, by Tecmark, LLC, a Minnesota limited liability company ("Debtor") in favor of St. Paul Progress Corporation, a Minnesota corporation ("Secured Party").

In order to secure the payment of that certain \$175,000 Term Note of even date herewith executed by Debtor and payable to the order of Secured Party (the "Note"), and each and every other debt, liability, and obligation of every type and description which Debtor may now or at any time hereafter owe to Secured Party (whether such debt, liability or obligation now exists or is hereafter created or incurred, whether it arises under or is evidenced by this Agreement or any other present or future instrument or agreement or by operation of law, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or sole, joint, several or joint and several) (said Note and all such other debts, liabilities and obligations of Debtor to Secured Party herein collectively referred to as the "Secured Obligations"), Debtor hereby agrees as follows:

1. Security Interest and Collateral. In order to secure the payment and performance of the Secured Obligations, Debtor hereby grants to Secured Party a security interest (herein called the "Security Interest") in and to the following property (hereinafter collectively referred to as the "Collateral"):

any and all machinery, equipment, furniture, fixtures, inventory, accounts, vehicles, prepaid insurance, supplies, patents, patent rights, copyrights, trademarks and servicemarks, including, but not limited to, those trademarks, servicemarks and patents which the Borrower has registered or applied to register with the U.S. Patent and Trademark Office described on Exhibit A, attached hereto and incorporated herein, tradenames, royalty rights, license rights, franchise rights, contract rights, chattel paper, documents, instruments and general intangibles, cash, and any and all other goods, now owned or hereafter acquired by Debtor and wherever located;

together further with all substitutions and replacements for and products and proceeds of any of the foregoing property and, in the case of all tangible Collateral, together with (i) all accessories, attachments, parts, equipment, accessions, and repairs now or hereafter attached or affixed to or used in connection with any such goods, and (ii) all warehouse receipts, bills of lading, and other documents of title now or hereafter covering such goods.

2. Representations, Warranties, and Agreements. Debtor hereby represents and warrants to, and covenants and agrees with, Secured Party as follows:

(a) Debtor does not own any interest in any copyrights, patents, trademarks, or servicemarks that are registered under either federal or state law, except for the trademarks and servicemarks listed on Exhibit A attached hereto.

(b) Debtor does not own any interest in any certificated vehicle or certificated piece of equipment.

(c) The Collateral will be used primarily for business purposes. The tangible Collateral shall be located on the real property located at 2060 Centre Pointe Boulevard, Suite 7, St. Paul, Minnesota 55120; provided, however, that Debtor may in the ordinary course of business locate equipment with an aggregate value of not more than thirty-three percent (33%) of the total value of the Collateral at its customers facilities.

(d) If any part or all of the tangible Collateral will become so related to particular real estate as to become a fixture, Debtor will promptly advise Secured Party as to the real estate concerned and the record owner thereof and execute and deliver any and all instruments necessary to perfect the Security Interest therein and to assure that such Security Interest will be prior to the interest therein of the owner of the real estate.

(e) Debtor's principal place of business and chief executive office is and will continue to be located in Minnesota. Debtor's records concerning its accounts are kept at such address. Since its inception, Debtor has not changed its name or operated or conducted business under any trade name or "d/b/a" which is different from its corporate name. Debtor shall promptly notify Secured Party of any change in such name or if it operates or conducts business under any trade name or "d/b/a" which is different from such name.

(f) Debtor has (or will have at the time Debtor acquires rights in Collateral hereafter acquired or arising) and will maintain absolute title to each item of Collateral free and clear of all security interests, liens, and encumbrances, except for the liens and encumbrances, if any, listed on Exhibit B attached hereto or consented to in writing by Secured Party (hereinafter collectively referred to as the "Permitted Interests") and the Security Interest and will defend the Collateral against all claims or demands of all persons other than Secured Party and those holding Permitted Interests. Debtor will not sell or otherwise dispose of the Collateral or any interest therein, except that, until the occurrence of a default under the Note, Debtor may sell any Inventory constituting Collateral to buyers in the ordinary course of its business.

(g) Debtor will not permit any tangible Collateral to be located in any state (and, if county filing is required, in any county) in which a financing statement in favor of the Secured Party covering such Collateral is required to be, but has not in fact been, filed without first advising Secured Party that such collateral shall be located in such location.

(h) All rights to payment and all instruments, documents, chattel papers, and other agreements constituting or evidencing Collateral are (or will be when arising or issued) the valid, genuine, and legally enforceable obligation, subject to no defense, set-off, or counterclaim (other than those arising in the ordinary course of business) of each account debtor or other obligor named therein or in Debtor's records pertaining thereto as being obligated to pay such obligation. Debtor will not agree to any modification, amendment,

or cancellation of any such obligation without Secured Party's prior written consent, and will not subordinate any such right to payment to claims of other creditors of such account debtor or other obligor.

(i) Debtor will (i) keep all tangible Collateral in good repair, working order and condition, normal depreciation excepted, and will, from time to time, replace any worn, broken, or defective parts thereof; (ii) other than taxes and other governmental charges contested in good faith and by appropriate proceedings, promptly pay all taxes and other governmental charges levied or assessed upon or against any Collateral or upon or against the creation, perfection, or continuance of the Security Interest; (iii) keep all Collateral free and clear of all security interests, liens, and encumbrances except the Permitted Interests or the Security Interest; (iv) at all reasonable times, permit Secured Party or its representatives to examine or inspect any Collateral, wherever located, and to examine, inspect, and copy Debtor's books and records pertaining to the Collateral and its business and financial condition; (v) keep accurate and complete records pertaining to the Collateral and pertaining to Debtor's business and financial condition and will submit to Secured Party such periodic reports concerning the Collateral and Debtor's business and financial condition as Secured Party may from time to time reasonably request with any loss payable to Secured Party to the extent of its interest; (vi) promptly notify Secured Party of any loss of or material damage to any Collateral or of any adverse change, known to Debtor, in the prospect of payment of any sums due on or under any instrument, chattel paper or account constituting Collateral; (vii) if Secured Party at any time so requests promptly deliver to Secured Party any instrument, document, or chattel paper constituting Collateral, duly endorsed or assigned by Debtor to Secured Party; (viii) at all times keep all tangible Collateral insured against risks of fire (including so called extended coverage), theft, collision (in case of collateral consisting of motor vehicles), and such other risks and in such amounts as Secured Party may reasonably request and notify the Secured Party in writing of any loss or damage to the Collateral or any part; (ix) from time to time execute such financing statements as Secured Party may reasonably deem required to be filed in order to perfect the Security Interest and, if any Collateral is covered by a certificate of title, execute such documents as may be required to have the Security Interest properly noted on a certificate of title; (x) pay when due or reimburse Secured Party on demand for all costs of collection of any of the Secured Obligations and all other out-of-pocket expenses (including in each case all reasonable attorneys' fees) incurred by Secured Party in connection with the creation, perfection, satisfaction, or enforcement of the Security Interest or the execution or creation, continuance or enforcement of this Agreement or any or all of the Secured Obligations; (xi) execute, deliver, or endorse any and all instruments, documents, assignments, security agreements, and other agreements and writings which Secured Party may at any time reasonably request in order to secure, protect, perfect, or enforce the Security Interest and Secured Party's rights under this Agreement; (xii) not use or keep any Collateral, or permit it to be used or kept, for any unlawful purpose or in violation of any federal, state, or local law, statute, or ordinance; (xiii) permit Secured Party at any time and from time to time after the occurrence of an event of default under the Note, to send requests to account debtors or other obligors for verification of amounts owed to Debtor; and (xiv) not permit any tangible Collateral to become part of or to be affixed to any real property, without first

assuring to the reasonable satisfaction of Secured Party that the Security Interest will be prior and senior to any interest or lien then held or thereafter acquired by any mortgagee of such real property or the owner or purchaser of any interest therein. If Debtor at any time fails to perform or observe any agreement contained in this Section 2(i), and if such failure shall continue for a period of ten (10) calendar days after Secured Party gives Debtor written notice thereof (or, in the case of the agreements contained in clauses (viii) and (ix) of this Section 2(i), immediately upon the occurrence of such failure, without notice or lapse of time) Secured Party may (but need not) perform or observe such agreement on behalf and in the name, place, and stead of Debtor (or, at Secured Party's option, in Secured Party's own name) and may (but need not) take any and all other actions which Secured Party may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of security interests, liens, or encumbrances (other than Permitted Interests), the performance of obligations under contracts or agreements with account debtors or other obligors, the procurement and maintenance of insurance, the execution of financing statements, the endorsement of instruments, and the procurement of repairs, transportation, or insurance); and, 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, Debtor shall thereupon pay Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by Secured Party in connection with or as a result of Secured Party's performing or observing such agreements or taking such actions, together with interest thereon from the date expended or incurred by Secured Party at the rate provided for in the Note. To facilitate the performance or observance by Secured Party of such agreements of Debtor, Debtor hereby irrevocably appoints (which appointment is coupled with an interest) Secured Party, or its delegate, as the attorney-in-fact of Debtor 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 Debtor, any and all instruments, documents, financing statements, applications for insurance, and other agreements and writings required to be obtained, executed, delivered, or endorsed by Debtor under this Section 2.

3. Assignment of Insurance. Debtor hereby assigns to Secured Party, as additional security for the payment of the Secured Obligations, any and all proceeds derived from, or due or to become due under, any and all policies of insurance in connection with any loss or damage to any of the Collateral other than proceeds payable to those holding Permitted Interests, and Debtor hereby directs the issuer of any such policy to pay any such moneys to the Secured Party and Debtor jointly. Provided no default, and no event which with the passing of time or the giving of notice would constitute a default, has occurred and is then continuing under the Note, the Debtor shall have the right to repair or replace any of its damaged or destroyed Collateral. Upon the occurrence of a default under the Note, and at any time thereof, Secured Party may (but need not), in its own name or in Debtor's name, execute and deliver proofs of claim, receive all such moneys (subject to the Debtor's rights), endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise, or release any claim against the issuer of any such policy.

4. Collection of Accounts. Pursuant to Minn. Stat. Section 336.9-502, Secured Party may, prior to or after the occurrence of a default under the Note, notify any account debtor or any obligor on an instrument to make payment directly to a post office box specified by and under the sole control of Secured Party, whether or not Secured Party was theretofore making collections with respect thereto, and Secured Party shall be entitled to take control of any proceeds thereof. If so requested by Secured Party, Debtor shall insert appropriate language on each invoice directing its customers to make payment to such post office box.

5. Remedies. Secured Party may exercise any one or more of the following rights or remedies if any or all of the Secured Obligations are not paid when due: (i) exercise and enforce any or all rights and remedies available after default to a secured party under the Uniform Commercial Code, including but not limited to the right to take possession of any Collateral, proceeding without judicial process or by judicial process (without a prior hearing or notice thereof, which Debtor hereby expressly waives), and the right to sell, lease, or otherwise dispose of or use any or all of the Collateral; (ii) Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties; (iii) exercise its rights under any lessors' agreements regardless of whether or not Debtor is in default under such leases; and (iv) exercise or enforce any or all other rights or remedies available to Secured Party by law or agreement against the Collateral, against Debtor, or against any other person or property. Secured Party is hereby granted a non-exclusive, worldwide, and royalty-free license to use or otherwise exploit all tradenames, franchises, copyrights, and patents of Debtor that Secured Party deems necessary or appropriate to the disposition of any Collateral. If notice to Debtor of any intended disposition of Collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in Section 7 hereof) at least ten (10) calendar days prior to the date of intended disposition or other action.

6. Miscellaneous. This Agreement does not contemplate a sale of accounts or chattel paper, and, as provided by law, Debtor is entitled to any surplus and shall remain liable for any deficiency. This Agreement can be waived, modified, amended, terminated, or discharged, and the Security Interest can be released, only explicitly in a writing signed by Secured Party. A waiver signed by Secured Party shall be effective only in the specific instance and for the purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Secured Party's rights or remedies. All rights and remedies of Secured Party shall be cumulative and may be exercised singularly or concurrently, at 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. All notices to be given to Debtor shall be deemed sufficiently given if deposited in the United States mails, registered or certified, postage prepaid, or personally delivered to Debtor at the following address: 2060 Centre Pointe Boulevard, Suite 7, St. Paul, Minnesota 55120. Debtor shall have the right by written notice to Secured Party to change the place to which any notice may be addressed. Secured Party's duty of care with respect to Collateral in its possession (as imposed by law) shall be deemed fulfilled if Secured Party exercises reasonable care in physically safe keeping such Collateral or, in the case of Collateral in the custody or possession of a bailee or other third person, exercises reasonable care in the selection of the bailee or other third person, and Secured Party need not otherwise preserve, protect, insure, or care for any Collateral. Secured Party shall not be obligated to preserve any

EXHIBIT A

(Registered Trademarks, Servicemarks and Patents)

<u>Holder</u>	<u>Filing Office</u>	<u>Date of Filing</u>	<u>Registration Number</u>
Tecmark, LLC	U.S. Patent and Trademark Office	6/30/99	2203114
Tecmark, LLC	U.S. Patent and Trademark Office	6/30/99	2072172
Tecmark, LLC	U.S. Patent and Trademark Office	6/30/99	2076085
Tecmark, LLC	U.S. Patent and Trademark Office	6/30/99	08627527*

* 08627527 is an Application Number. Patent has been granted but number has not yet been issued.

EXHIBIT B

(Permitted Interests)

<u>Secured Party</u>	<u>Filing Office</u>	<u>Filing Date</u>	<u>File Number</u>
Linc Capital, Inc.	Minnesota Secretary of State	08/27/99	2158541
Linc Capital, Inc.	Minnesota Secretary of State	10/20/99	2171507
Dakota Bank	Minnesota Secretary of State	07/09/99	21456441