

05-19-2000



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OPR/FINANCE

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

5.1.00

- 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  Effective Date  
Month Day Year
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Name

Execution Date  
Month Day Year

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/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

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

05/18/2000 DNGUYEN 00000206 2284614

FOR OFFICE USE ONLY

01 FC:481  
02 FC:630

40.00 OP  
25.00 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: 002075 FRAME: 0759

**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)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2284614"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**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

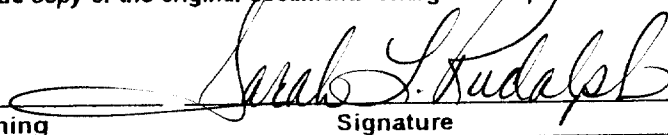
Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.)  
Deposit Account Number: #

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.

Sarah L. Rudolph  
Name of Person Signing

  
Signature

04/20/2000  
Date Signed

# TRADEMARK AND PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

Trademark and Patent Collateral Assignment and Security Agreement (the "Agreement") is made, executed and delivered as of April 20<sup>th</sup>, 2000 by and between **AWARD HARDWOOD FLOORS, LLP**, a Wisconsin limited liability partnership with its principal business office at 401 North 72<sup>nd</sup> Avenue, Wausau, Wisconsin 54401 (along with its successors and assigns, hereafter collectively referred to as "Borrower"), and **ASSOCIATED BANK NORTH**, a Wisconsin banking association, with an office located at 303 S. First Avenue, Wausau, Wisconsin 54401 (along with its successors and assigns, hereafter collectively referred to as "Bank").

## W I T N E S S E T H

WHEREAS, Borrower and Bank have entered into that certain Loan Agreement of even date herewith, (as at any time amended, modified or supplemented, the "Loan Agreement"), pursuant to which Bank has agreed to make certain Credit Facilities (as identified in Section 2 of the Loan Agreement) available to Borrower (the Credit Facilities being hereinafter referred to as the "Loans"), the proceeds of which are to be used to refinance certain existing debt and to provide working capital for the continuing operations of the Borrower as set forth in the Loan Agreement; and

WHEREAS, Bank has required as a condition, among other things, to the making of the Loans to Borrower under the Loan Agreement, in order to secure the prompt and complete payment, observance and performance of all of the Obligations (as defined in Section 1.c. hereof), that Borrower shall have executed and delivered this Agreement to Bank;

NOW, THEREFORE, for and in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

1. Defined Terms.

a. Unless otherwise defined herein, the terms used herein which are defined in the Loan Agreement shall have the meanings specified in the Loan Agreement.

b. The words "hereof", "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and schedule references are to this Agreement unless otherwise specified.

c. "Obligations" means all loans, debts, liabilities, guaranties, covenants, duties and other payment and performance obligations of Borrower to Bank, arising under or assumed pursuant to the Loan Agreement or otherwise, now existing or hereafter arising, direct or contingent, whether or not secured by additional collateral, including amounts advanced to protect the Collateral (as defined in Section 4.1.(c) of the Loan Agreement), and all fees, charges, expenses and attorneys' fees incurred by Bank under the Loan Agreement or the Related Documents (as defined in Section 1.d. hereof).

d. "Related Documents" means and includes, without limitation, all notes, loan agreements, guaranties, security agreements, assignments, letters of credit, mortgages, deeds of trust, pledges of limited liability partnership interests, assignments of life insurance

policies as collateral, certificates and all other instruments, agreements and documents, whether now or hereafter existing, executed or assumed in connection with the Loan Agreement.

e. All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Security Interest in Trademark and Patent. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, Borrower hereby grants to Bank a security interest in, having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of Borrower's now owned or existing and filed and hereafter acquired or arising and filed:

a. trademarks, registered trademarks and trademark applications, trade names, trade styles, service marks, registered service marks and service mark applications including, without limitation, the registered trademark listed on Schedule 2.a, and (i) all renewals thereof, (ii) all accounts receivable, income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iii) the right to sue for past, present and future infringements and dilutions thereof, and (iv) all of Borrower's rights corresponding thereto throughout the world (the foregoing registered trademark (together with the items described in clauses (i)-(iv) in this Section 2.a., being sometimes hereinafter individually and/or collectively referred to as the "Trademarks"));

b. the goodwill of Borrower's business connected with and symbolized by the Trademarks;

c. patents and patent applications including, without limitation, the pending patent application listed on Schedule 2.c, and (i) all accounts receivable, income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (ii) the right to sue for past, present and future infringements thereof, and (iii) all of Borrower's rights corresponding thereto throughout the world (the foregoing pending patent (together with the items described in clauses (i)-(iii) in this Section 2.c., being sometimes hereinafter individually and/or collectively referred to as the "Patents"));

d. the goodwill of Borrower's business connected with and symbolized by the Patents; and

e. license agreements with any other party now or hereafter entered into in connection with any Trademarks or Patents or such other party's trademarks, registered trademarks and trademark applications, trade names, trade styles, service marks, registered service marks and service mark applications, patents and patent applications whether Borrower is a licensor or licensee under any such license agreement, and the right upon the occurrence and during the continuance of a Default to use the foregoing in connection with the enforcement of the rights of Bank under the Loan Agreement or any Related Document (all of the foregoing being hereinafter referred to collectively as the "Licenses"). Notwithstanding the foregoing provisions of this Section 2, the Licenses shall not include

any license agreement under which Borrower is licensee which by its terms prohibits the grant of the security interest contemplated by this Agreement.

3. Restrictions on Future Agreements. Borrower will not, without Bank's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Borrower further agrees that it will not take any action, and will use reasonable efforts not to permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Bank under this Agreement or the rights associated with those Trademarks, Patents and Licenses which are necessary or desirable in the operation of Borrower's business.
4. New Trademarks, Patents and Licenses. Borrower represents and warrants that the Trademarks and Patents listed on Schedules 2.a. and 2.c., respectively, include all of the trademarks, trademark registrations, trademark applications, trade names, trade styles, service marks, service mark registrations, service mark applications, patents, patent applications and license agreements in connection with trademarks, registered trademarks, trademark applications, trade names, trade styles, service marks, registered service marks, service mark applications, patents, patent applications now owned or held by Borrower. If, prior to the termination of this Agreement, Borrower shall (i) create or obtain rights to any new trademarks, trademark registrations, trademark applications, trade names, trade styles, service marks, service mark registrations, service mark applications, patents, patent applications or license agreements in connection with trademarks, registered trademarks, trademark applications, trade names, trade styles, service marks, registered service marks, service mark applications, patents, patent applications or (ii) become entitled to the benefit of any trademark, trademark registration, trademark application, trade name, trade style, service mark, service mark registration, service mark application, patent, patent application, the provisions of Section 2 above shall automatically apply thereto and Borrower shall give Bank prompt written notice thereof. Borrower hereby authorizes Bank to modify this Agreement by (a) amending Schedules 2.a. or 2.c., as the case may be, to include any future trademarks, trademark registrations, trademark applications, trade names, trade styles, service marks, service mark registrations, service mark applications, patents and patent applications that are Trademarks, Patents or Licenses under Section 2 above, or under this Section 4 (whether or not any such notice from Borrower has been sent or received), and (b) filing, in addition to and not in substitution for, this Agreement, a supplement or addendum to this Agreement containing on Schedules 2.a. or 2.c. thereto, as the case may be, such trademarks, registered trademarks, trademark applications, trade names, trade styles, service marks, registered service marks, service mark applications, patents, and patent applications which are Trademarks, Patents or Licenses under Section 2 above, or this Section 4 and to take any action Bank otherwise deems appropriate to perfect or maintain the rights and interests of Bank under this Agreement with respect to such Trademarks, Patents and Licenses.
5. Royalties. Borrower hereby agrees that the use by Bank of the Trademarks, Patents and Licenses as authorized hereunder shall be co-extensive with Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Bank to Borrower or anyone.
6. Nature and Continuation of Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks,

Patents and Licenses and shall remain in full force and effect until the Obligations have been paid in full and the Loan Agreement terminated.

7. Right to Inspect; Further Assignments and Security Interests. Bank shall have the right, at any reasonable time and from time to time, to inspect Borrower's premises and to examine Borrower's books, records and operations relating to the Trademarks and Patents, including, without limitation, Borrower's quality control processes; provided, that in conducting such inspections and examinations, Bank shall use reasonable efforts not to disturb unnecessarily the conduct of Borrower's ordinary business operations. From and after the occurrence of a Default, and subject to the terms of the Loan Agreement and the Related Documents, Borrower agrees that Bank, or a conservator appointed by Bank, shall have the right to take any action to renew or to apply for registration of any Trademarks or Patents as Bank or said conservator, in its sole judgment, may deem necessary or desirable in connection with the enforcement of Bank's rights hereunder. Borrower agrees (i) not to sell or assign its respective interests in, or grant any license under, the Trademarks or Patents without the prior written consent of Bank and (ii) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof and (iii) to maintain the quality of any and all products manufactured or sold in connection with which the Patents are used, consistent with the quality of said products as of the date hereof.
8. Duties of Borrower. Borrower shall have the duty, to the extent necessary or desirable in the normal conduct of Borrower's business, to (i) prosecute diligently any trademark application or service mark application that is part of the Trademarks subsequent to the date hereof until the termination of this Agreement, (ii) make application for trademarks and service marks as Borrower deems appropriate, (iii) preserve and maintain all of Borrower's rights in the trademark applications, service mark applications, trademark registrations and service mark registrations that are part of the Trademarks and Licenses, (iv) prosecute diligently any patent application pending that is part of the Patents as of the date hereof or thereafter until the termination of this Agreement, (v) make application for patents as Borrower deems appropriate, and (vi) preserve and maintain all of Borrower's rights in the patent applications and patent registrations that are part of the Patents and Licenses. Any expenses incurred in connection with the foregoing shall be borne by Borrower. Borrower shall not abandon any trademark, service mark or patent which is the subject of a registered trademark, service mark, patent or application therefor and which is or shall be necessary or economically desirable in the operation of the Borrower's business. Borrower agrees to retain an experienced trademark attorney reasonably acceptable to Bank for the filing and prosecution of all such applications and other proceedings. Borrower agrees to retain an experienced patent attorney reasonably acceptable to Bank for the filing and prosecution of all such applications and other proceedings. Bank shall not have any duty with respect to the Trademarks, Patents and Licenses. Without limiting the generality of the foregoing, Bank shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks, Patents and Licenses against any other parties, but may do so at its option during the continuance of a Default, and all expenses incurred in connection therewith shall be for the sole account of Borrower and added to the Obligations secured hereby, and in accordance with the Loan Agreement and the Related Documents.
9. Bank's Right to Sue. From and after the occurrence and during the continuance of a Default, Bank shall have the right, but shall not be obligated, to bring suit or take any other action to enforce the Trademarks, the Patents and the Licenses and, if Bank shall commence any such

suit or take any such action, Borrower shall, at the request of Bank, do any and all lawful acts and execute any and all proper documents required by Bank in aid of such enforcement. Borrower shall, upon demand, promptly reimburse and indemnify Bank for all costs and expenses incurred by Bank in the exercise of its rights under this Section 9 (including, without limitation, all attorneys' and paralegals' fees). If, for any reason whatsoever, Bank is not reimbursed with respect to the costs and expenses referred to in the preceding sentence, such costs and expenses shall be added to the Obligations secured hereby, and in accordance with the Loan Agreement and the Related Documents.

10. Waivers. No course of dealing between Borrower and Bank, and no failure to exercise or delay in exercising on the part of Bank any right, power or privilege hereunder or under the Loan Agreement, the other Related Documents or any other agreement shall operate as a waiver of any of Bank's rights, powers or privileges. No single or partial exercise of any right, power or privilege hereunder or under the Loan Agreement or any Related Document shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
11. Exercise of Rights and Remedies Upon Default. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and during the continuance of a Default, Bank may exercise any of the rights and remedies provided in this Agreement, the Loan Agreement or any Related Document. Without limiting the generality of the foregoing, Borrower acknowledges and agrees that (i) the Trademarks, Patents and Licenses comprise a portion of the Collateral and Bank shall have the right to exercise its rights under the Loan Agreement and the Related Documents with respect to the Trademarks, Patents and Licenses to the same extent as with respect to all other items of Collateral described therein, and (ii) from and after the occurrence and during the continuance of a Default, Bank or its nominee may use the Trademarks, Patents and Licenses to complete the manufacture of, assemble, package, distribute, prepare for sale and sell any and all inventory, or otherwise use or transfer such Collateral in connection with the conduct of Borrower's business.
12. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.
13. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 2 and Section 4 hereof or by a writing signed by the parties hereto.
14. Cumulative Remedies; Power of Attorney. All of Bank's rights and remedies with respect to the Trademarks, the Patents and the Licenses, whether established hereby, by any Related Documents or by law, shall be cumulative and may be exercised singularly or concurrently. Borrower hereby irrevocably appoints Bank as Borrower's attorney-in-fact, with full authority in the place and stead of Borrower and in the name of Borrower or otherwise to carry out the acts described below. Subject to the terms of the Loan Agreement and the Related Documents, Borrower hereby authorizes Bank to, in its sole discretion, upon the occurrence and during the continuance of a Default, (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Bank in the use


or transfer of the Trademarks, the Patents and the Licenses, (ii) take any other actions with respect to the Trademarks, the Patents and the Licenses as Bank deems is in its best interest, (iii) grant or issue any exclusive or non-exclusive license under the Trademarks or Patents to anyone, and (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks or Patents to anyone. Borrower hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement shall have been terminated pursuant to Section 6 hereof. Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Bank under the Loan Agreement, or any Related Document, but rather is intended to facilitate the exercise of such rights and remedies. Bank shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies 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 Trademarks or the Patents may be located or deemed located.

15. Binding Effect; Benefits. This Agreement shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of Bank and its nominees, successors and assigns. Borrower's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Borrower; provided, however, that Borrower shall not voluntarily assign its obligations hereunder without the prior written consent of Bank.
16. Governing Law. This Agreement shall be governed by, construed and interpreted in accordance with, the laws of the State of Wisconsin.
17. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Loan Agreement.
18. Section Headings. The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.
19. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

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

AWARD HARDWOOD FLOORS, LLP  
a Wisconsin limited liability partnership

by:

  
Tryggvi Magnusson  
Duly Authorized Manager

*Floyd Shelton MANAGSON*



Accepted and agreed to in Wausau, Wisconsin as of the day and year first above written.


ASSOCIATED BANK NORTH  
a Wisconsin banking association

by:   
James W. Speckhard  
Vice President

STATE OF WISCONSIN }  
COUNTY OF MARATHON } ss.

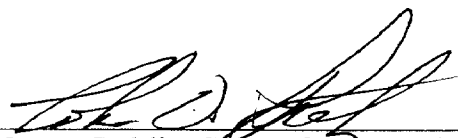
The foregoing Trademark and Patent Collateral Assignment and Security Agreement was executed and acknowledged before me this April 20, 2000 by Tryggvi Magnusson, personally known to me to be a duly authorized manager of Award Hardwood Floors, LLP, a Wisconsin limited liability partnership, on behalf of such partnership.

*and Floyd Shelton  
2/5*

  
Notary Public, State of Wisconsin  
My commission expires: 3/20/00

STATE OF WISCONSIN }  
COUNTY OF MARATHON } ss.

The foregoing Trademark and Patent Collateral Assignment and Security Agreement was executed and acknowledged before me this April 20, 2000 by James W. Speckhard, personally known to me to be Vice President of Associated Bank North, a Wisconsin banking association, on behalf of such corporation.

  
Notary Public, State of Wisconsin  
My commission expires: 3/20/00

**SCHEDULE 2.a.**

UNITED STATES TRADEMARK

Mark	Registration Date	Registration No.	Remarks
<i>WEARMAX</i> (U.S.A.)	10/12/99	2,284,614	

# SCHEDULE 2.c.

## UNITED STATES PATENT

Patent	Application Date	Application No.	Atty. Docket No.
<i>WEARMAX</i>	November 12, 1998	09190683	361816

# TRADEMARK AND PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

Trademark and Patent Collateral Assignment and Security Agreement (the "Agreement") is made, executed and delivered as of April 20<sup>th</sup>, 2000 by and between **AWARD HARDWOOD FLOORS, LLP**, a Wisconsin limited liability partnership with its principal business office at 401 North 72<sup>nd</sup> Avenue, Wausau, Wisconsin 54401 (along with its successors and assigns, hereafter collectively referred to as "Borrower"), and **ASSOCIATED BANK NORTH**, a Wisconsin banking association, with an office located at 303 S. First Avenue, Wausau, Wisconsin 54401 (along with its successors and assigns, hereafter collectively referred to as "Bank").

## W I T N E S S E T H

WHEREAS, Borrower and Bank have entered into that certain Loan Agreement of even date herewith, (as at any time amended, modified or supplemented, the "Loan Agreement"), pursuant to which Bank has agreed to make certain Credit Facilities (as identified in Section 2 of the Loan Agreement) available to Borrower (the Credit Facilities being hereinafter referred to as the "Loans"), the proceeds of which are to be used to refinance certain existing debt and to provide working capital for the continuing operations of the Borrower as set forth in the Loan Agreement; and

WHEREAS, Bank has required as a condition, among other things, to the making of the Loans to Borrower under the Loan Agreement, in order to secure the prompt and complete payment, observance and performance of all of the Obligations (as defined in Section 1.c. hereof), that Borrower shall have executed and delivered this Agreement to Bank;

NOW, THEREFORE, for and in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

### 1. Defined Terms.

a. Unless otherwise defined herein, the terms used herein which are defined in the Loan Agreement shall have the meanings specified in the Loan Agreement.

b. The words "hereof", "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and schedule references are to this Agreement unless otherwise specified.

c. "Obligations" means all loans, debts, liabilities, guaranties, covenants, duties and other payment and performance obligations of Borrower to Bank, arising under or assumed pursuant to the Loan Agreement or otherwise, now existing or hereafter arising, direct or contingent, whether or not secured by additional collateral, including amounts advanced to protect the Collateral (as defined in Section 4.1.(c) of the Loan Agreement), and all fees, charges, expenses and attorneys' fees incurred by Bank under the Loan Agreement or the Related Documents (as defined in Section 1.d. hereof).

d. "Related Documents" means and includes, without limitation, all notes, loan agreements, guaranties, security agreements, assignments, letters of credit, mortgages, deeds of trust, pledges of limited liability partnership interests, assignments of life insurance

policies as collateral, certificates and all other instruments, agreements and documents, whether now or hereafter existing, executed or assumed in connection with the Loan Agreement.

e. All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Security Interest in Trademark and Patent. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, Borrower hereby grants to Bank a security interest in, having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of Borrower's now owned or existing and filed and hereafter acquired or arising and filed:

a. trademarks, registered trademarks and trademark applications, trade names, trade styles, service marks, registered service marks and service mark applications including, without limitation, the registered trademark listed on Schedule 2.a, and (i) all renewals thereof, (ii) all accounts receivable, income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iii) the right to sue for past, present and future infringements and dilutions thereof, and (iv) all of Borrower's rights corresponding thereto throughout the world (the foregoing registered trademark (together with the items described in clauses (i)-(iv) in this Section 2.a., being sometimes hereinafter individually and/or collectively referred to as the "Trademarks"));

b. the goodwill of Borrower's business connected with and symbolized by the Trademarks;

c. patents and patent applications including, without limitation, the pending patent application listed on Schedule 2.c, and (i) all accounts receivable, income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (ii) the right to sue for past, present and future infringements thereof, and (iii) all of Borrower's rights corresponding thereto throughout the world (the foregoing pending patent (together with the items described in clauses (i)-(iii) in this Section 2.c., being sometimes hereinafter individually and/or collectively referred to as the "Patents"));

d. the goodwill of Borrower's business connected with and symbolized by the Patents; and

e. license agreements with any other party now or hereafter entered into in connection with any Trademarks or Patents or such other party's trademarks, registered trademarks and trademark applications, trade names, trade styles, service marks, registered service marks and service mark applications, patents and patent applications whether Borrower is a licensor or licensee under any such license agreement, and the right upon the occurrence and during the continuance of a Default to use the foregoing in connection with the enforcement of the rights of Bank under the Loan Agreement or any Related Document (all of the foregoing being hereinafter referred to collectively as the "Licenses"). Notwithstanding the foregoing provisions of this Section 2, the Licenses shall not include

any license agreement under which Borrower is licensee which by its terms prohibits the grant of the security interest contemplated by this Agreement.

3. Restrictions on Future Agreements. Borrower will not, without Bank's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Borrower further agrees that it will not take any action, and will use reasonable efforts not to permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Bank under this Agreement or the rights associated with those Trademarks, Patents and Licenses which are necessary or desirable in the operation of Borrower's business.
4. New Trademarks, Patents and Licenses. Borrower represents and warrants that the Trademarks and Patents listed on Schedules 2.a. and 2.c., respectively, include all of the trademarks, trademark registrations, trademark applications, trade names, trade styles, service marks, service mark registrations, service mark applications, patents, patent applications and license agreements in connection with trademarks, registered trademarks, trademark applications, trade names, trade styles, service marks, registered service marks, service mark applications, patents, patent applications now owned or held by Borrower. If, prior to the termination of this Agreement, Borrower shall (i) create or obtain rights to any new trademarks, trademark registrations, trademark applications, trade names, trade styles, service marks, service mark registrations, service mark applications, patents, patent applications or license agreements in connection with trademarks, registered trademarks, trademark applications, trade names, trade styles, service marks, registered service marks, service mark applications, patents, patent applications or (ii) become entitled to the benefit of any trademark, trademark registration, trademark application, trade name, trade style, service mark, service mark registration, service mark application, patent, patent application, the provisions of Section 2 above shall automatically apply thereto and Borrower shall give Bank prompt written notice thereof. Borrower hereby authorizes Bank to modify this Agreement by (a) amending Schedules 2.a. or 2.c., as the case may be, to include any future trademarks, trademark registrations, trademark applications, trade names, trade styles, service marks, service mark registrations, service mark applications, patents and patent applications that are Trademarks, Patents or Licenses under Section 2 above, or under this Section 4 (whether or not any such notice from Borrower has been sent or received), and (b) filing, in addition to and not in substitution for, this Agreement, a supplement or addendum to this Agreement containing on Schedules 2.a. or 2.c. thereto, as the case may be, such trademarks, registered trademarks, trademark applications, trade names, trade styles, service marks, registered service marks, service mark applications, patents, and patent applications which are Trademarks, Patents or Licenses under Section 2 above, or this Section 4 and to take any action Bank otherwise deems appropriate to perfect or maintain the rights and interests of Bank under this Agreement with respect to such Trademarks, Patents and Licenses.
5. Royalties. Borrower hereby agrees that the use by Bank of the Trademarks, Patents and Licenses as authorized hereunder shall be co-extensive with Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Bank to Borrower or anyone.
6. Nature and Continuation of Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks,

Patents and Licenses and shall remain in full force and effect until the Obligations have been paid in full and the Loan Agreement terminated.

7. Right to Inspect; Further Assignments and Security Interests. Bank shall have the right, at any reasonable time and from time to time, to inspect Borrower's premises and to examine Borrower's books, records and operations relating to the Trademarks and Patents, including, without limitation, Borrower's quality control processes; provided, that in conducting such inspections and examinations, Bank shall use reasonable efforts not to disturb unnecessarily the conduct of Borrower's ordinary business operations. From and after the occurrence of a Default, and subject to the terms of the Loan Agreement and the Related Documents, Borrower agrees that Bank, or a conservator appointed by Bank, shall have the right to take any action to renew or to apply for registration of any Trademarks or Patents as Bank or said conservator, in its sole judgment, may deem necessary or desirable in connection with the enforcement of Bank's rights hereunder. Borrower agrees (i) not to sell or assign its respective interests in, or grant any license under, the Trademarks or Patents without the prior written consent of Bank and (ii) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof and (iii) to maintain the quality of any and all products manufactured or sold in connection with which the Patents are used, consistent with the quality of said products as of the date hereof.
8. Duties of Borrower. Borrower shall have the duty, to the extent necessary or desirable in the normal conduct of Borrower's business, to (i) prosecute diligently any trademark application or service mark application that is part of the Trademarks subsequent to the date hereof until the termination of this Agreement, (ii) make application for trademarks and service marks as Borrower deems appropriate, (iii) preserve and maintain all of Borrower's rights in the trademark applications, service mark applications, trademark registrations and service mark registrations that are part of the Trademarks and Licenses, (iv) prosecute diligently any patent application pending that is part of the Patents as of the date hereof or thereafter until the termination of this Agreement, (v) make application for patents as Borrower deems appropriate, and (vi) preserve and maintain all of Borrower's rights in the patent applications and patent registrations that are part of the Patents and Licenses. Any expenses incurred in connection with the foregoing shall be borne by Borrower. Borrower shall not abandon any trademark, service mark or patent which is the subject of a registered trademark, service mark, patent or application therefor and which is or shall be necessary or economically desirable in the operation of the Borrower's business. Borrower agrees to retain an experienced trademark attorney reasonably acceptable to Bank for the filing and prosecution of all such applications and other proceedings. Borrower agrees to retain an experienced patent attorney reasonably acceptable to Bank for the filing and prosecution of all such applications and other proceedings. Bank shall not have any duty with respect to the Trademarks, Patents and Licenses. Without limiting the generality of the foregoing, Bank shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks, Patents and Licenses against any other parties, but may do so at its option during the continuance of a Default, and all expenses incurred in connection therewith shall be for the sole account of Borrower and added to the Obligations secured hereby, and in accordance with the Loan Agreement and the Related Documents.
9. Bank's Right to Sue. From and after the occurrence and during the continuance of a Default, Bank shall have the right, but shall not be obligated, to bring suit or take any other action to enforce the Trademarks, the Patents and the Licenses and, if Bank shall commence any such

suit or take any such action, Borrower shall, at the request of Bank, do any and all lawful acts and execute any and all proper documents required by Bank in aid of such enforcement. Borrower shall, upon demand, promptly reimburse and indemnify Bank for all costs and expenses incurred by Bank in the exercise of its rights under this Section 9 (including, without limitation, all attorneys' and paralegals' fees). If, for any reason whatsoever, Bank is not reimbursed with respect to the costs and expenses referred to in the preceding sentence, such costs and expenses shall be added to the Obligations secured hereby, and in accordance with the Loan Agreement and the Related Documents.

10. Waivers. No course of dealing between Borrower and Bank, and no failure to exercise or delay in exercising on the part of Bank any right, power or privilege hereunder or under the Loan Agreement, the other Related Documents or any other agreement shall operate as a waiver of any of Bank's rights, powers or privileges. No single or partial exercise of any right, power or privilege hereunder or under the Loan Agreement or any Related Document shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
11. Exercise of Rights and Remedies Upon Default. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and during the continuance of a Default, Bank may exercise any of the rights and remedies provided in this Agreement, the Loan Agreement or any Related Document. Without limiting the generality of the foregoing, Borrower acknowledges and agrees that (i) the Trademarks, Patents and Licenses comprise a portion of the Collateral and Bank shall have the right to exercise its rights under the Loan Agreement and the Related Documents with respect to the Trademarks, Patents and Licenses to the same extent as with respect to all other items of Collateral described therein, and (ii) from and after the occurrence and during the continuance of a Default, Bank or its nominee may use the Trademarks, Patents and Licenses to complete the manufacture of, assemble, package, distribute, prepare for sale and sell any and all inventory, or otherwise use or transfer such Collateral in connection with the conduct of Borrower's business.
12. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.
13. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 2 and Section 4 hereof or by a writing signed by the parties hereto.
14. Cumulative Remedies; Power of Attorney. All of Bank's rights and remedies with respect to the Trademarks, the Patents and the Licenses, whether established hereby, by any Related Documents or by law, shall be cumulative and may be exercised singularly or concurrently. Borrower hereby irrevocably appoints Bank as Borrower's attorney-in-fact, with full authority in the place and stead of Borrower and in the name of Borrower or otherwise to carry out the acts described below. Subject to the terms of the Loan Agreement and the Related Documents, Borrower hereby authorizes Bank to, in its sole discretion, upon the occurrence and during the continuance of a Default, (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Bank in the use



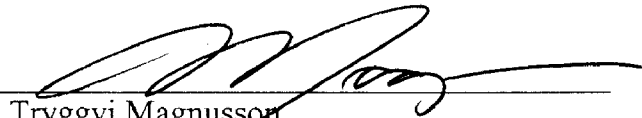
or transfer of the Trademarks, the Patents and the Licenses, (ii) take any other actions with respect to the Trademarks, the Patents and the Licenses as Bank deems is in its best interest, (iii) grant or issue any exclusive or non-exclusive license under the Trademarks or Patents to anyone, and (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks or Patents to anyone. Borrower hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement shall have been terminated pursuant to Section 6 hereof. Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Bank under the Loan Agreement, or any Related Document, but rather is intended to facilitate the exercise of such rights and remedies. Bank shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies 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 Trademarks or the Patents may be located or deemed located.

15. Binding Effect; Benefits. This Agreement shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of Bank and its nominees, successors and assigns. Borrower's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Borrower; provided, however, that Borrower shall not voluntarily assign its obligations hereunder without the prior written consent of Bank.
16. Governing Law. This Agreement shall be governed by, construed and interpreted in accordance with, the laws of the State of Wisconsin.
17. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Loan Agreement.
18. Section Headings. The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.
19. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

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

AWARD HARDWOOD FLOORS, LLP  
a Wisconsin limited liability partnership

by:

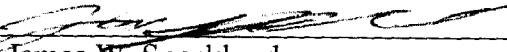


Tryggvi Magnusson  
Duly Authorized Manager

Floyd Shelton MANAGER

Accepted and agreed to in Wausau, Wisconsin as of the day and year first above written.


ASSOCIATED BANK NORTH  
a Wisconsin banking association

by:   
James W. Speckhard  
Vice President

STATE OF WISCONSIN }  
COUNTY OF MARATHON } ss.

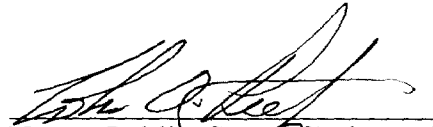
The foregoing Trademark and Patent Collateral Assignment and Security Agreement was executed and acknowledged before me this April 20, 2000 by Tryggvi Magnusson, personally known to me to be a duly authorized manager of Award Hardwood Floors, LLP, a Wisconsin limited liability partnership, on behalf of such partnership.

*James W. Speckhard*

  
Notary Public, State of Wisconsin  
My commission expires: 8/20/00

STATE OF WISCONSIN }  
COUNTY OF MARATHON } ss.

The foregoing Trademark and Patent Collateral Assignment and Security Agreement was executed and acknowledged before me this April 20, 2000 by James W. Speckhard, personally known to me to be Vice President of Associated Bank North, a Wisconsin banking association, on behalf of such corporation.

  
Notary Public, State of Wisconsin  
My commission expires: 10/20/00

# SCHEDULE 2.a.

## UNITED STATES TRADEMARK

Mark	Registration Date	Registration No.	Remarks
<i>WEARMAX</i> (U.S.A.)	10/12/99	2,284,614	

# SCHEDULE 2.c.

## UNITED STATES PATENT

Patent	Application Date	Application No.	Atty. Docket No.
<i><b>WEARMAX</b></i>	November 12, 1998	09190683	361816