

11-13-2000



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### 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  
Effective Date  
Month Day Year
- Merger
- 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

FOR OFFICE USE ONLY

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: 002172 FRAME: 0216

**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"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="1,160,176"/>	<input type="text" value="1,332,346"/>	<input type="text" value="1,465,470"/>
<input type="text" value="1,285,400"/>	<input type="text" value="1,314,738"/>	<input type="text" value="1,269,388"/>
<input type="text" value="1,282,367"/>	<input type="text" value="1,332,347"/>	<input type="text" value="1,223,574"/>

**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.

Kathy A. Keller

Name of Person Signing

Kathy A. Keller

Signature

Oct. 31, 2000

Date Signed

**RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY**

FORM PTO-1618C  
Expires 06/30/99  
OMB 0651-0027

U.S. Department of Commerce  
Patent and Trademark Office  
**TRADEMARK**

**Conveying Party**

Enter Additional 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**

Enter Additional 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 the Assignment.)

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

**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)**

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<input type="text" value="1,223,573"/>	<input type="text" value="1,221,908"/>	<input type="text"/>
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**TERMINATION OF SECURITY INTERESTS**

THIS TERMINATION OF SECURITY INTERESTS ("Agreement") is made and effective September 27, 2000 by and among Pro Kennex, Inc., a California corporation ("PKI") and Union Bank of California, N.A., a National Banking Association ("Union Bank"), with reference to the following facts:

A. PKI and Union Bank, a California banking corporation ("UB"), are parties to a Security Agreement (the "Security Agreement") dated September 25, 1991, wherein PKI granted a security interest in the trademarks identified in Schedule A attached hereto, as collateral security for obligations, indebtedness, and liability owed to UB.

B. Pursuant to an Assignment of Interest for Collateral Security in United States Trademark Registrations and Applications Nunc Pro Tunc, dated May 31, 1996, between UB and Union Bank, UB assigned all of its right, title and interest in and to the first eight trademarks identified in Schedule A attached hereto, to Union Bank.

C. Union Bank has decided to terminate its security interests in the collateral as described in the Security Agreement because PKI has made all payments owing to Union Bank and/or UB.

THEREFORE, in consideration of the premises and the mutual promises contained herein, the parties hereto agree as follows:

1. Acknowledgment of Termination. Union Bank hereby acknowledge and accept the termination of its security interests under the Security Agreement effective as of the date hereof. Union Bank shall retain no rights in any collateral of PKI under the terms of the Security Agreement.
2. Payment. There is no payment owing to Union Bank under its security interests.
3. Warranty of Authority and Against Prior Assignment. Each party to this Agreement warrants that it has the authority to make this Agreement. Each of the parties to this Agreement warrants that it is the sole and exclusive owner of the rights and potential claims herein released and that it has not heretofore assigned or transferred or purported to assign or transfer to any other person or entity any rights or claims herein released.
4. Mutual Releases. Except as expressly set forth herein, PKI, on the one hand, and Union Bank, on the other, individually and collectively, for themselves and for their successors, heirs, affiliates, agents, attorneys, representatives, partners, assignees, employees and entities owned or controlled by them, hereby fully and forever release and discharge each other, individually and collectively, and their present and former successors, heirs, partners, agents, representatives, attorneys, assignees, employees and entities owned or controlled by them, from all claims, actions, causes of action, demands, obligations, contracts, indemnities, contributions, suits, debts, sums, accounts, controversies, rights, damages, costs, attorney's fees, losses, expenses and

liabilities whatsoever, in law, equity or otherwise (hereinafter "Claims") whether arising before or after execution of this release, whether such Claims are known, unknown, suspected, unsuspected, fixed, contingent, liquidated, unliquidated, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, which Claims have existed at any time up until the date of this release, which relate to or arise out of the Security Agreement or any related promissory notes delivered thereunder, or the relationship between the released parties herein, or which relate to any other event or occurrence having taken place before the date of this Agreement. The parties hereto acknowledge that it is their intention to settle and resolve all possible disputes and Claims that may exist between them, whether or not they are now known or suspected, and, subject to the limitations set forth herein, to effect a general release as provided in California Civil Code §1541, and the parties hereto each specifically waive the protections of California Civil Code §1542, which reads as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.**

The parties hereto understand and hereby waive the provisions of Section 1542, and declare that they know there may be damages of which they are unaware and as to them, it is the parties' intention to release any such claim without knowing of such facts. This Agreement shall remain in effect as a full, complete and mutual release of all claims notwithstanding the discovery hereafter of the existence of any presently unknown claims or facts. This release does not apply to obligations undertaken or reaffirmed by a party hereto in Sections 1 through 3 above.

5. California Law to Govern. This Agreement is made and delivered in San Diego County, California, U.S.A., and the execution, validity, construction and performance of this Agreement shall be construed and enforced in accordance with the laws of the State of California. The parties hereto submit to the exclusive venue and jurisdiction of the courts of the State of California located in San Diego, California.

6. Successors and Assignees. This Agreement shall be binding upon and inure to the benefit of the successors and assignees of the parties hereto.

7. Use and Interpretation of Agreement. This Agreement embodies the compromise of potential claims and shall not be used or construed as an admission of liability for any purpose. This Agreement has been carefully read by the parties, its contents are known by the parties, and it is freely and voluntarily signed by the parties. Each party warrants that this Agreement is being made without reliance upon any statement or representation of the other party, or of any agent or attorney of the other party, not contained herein. Each party represents to the other that it has reviewed each term of this Agreement with its legal counsel and that it shall never dispute the validity of this Agreement on the ground that it did not have advice of its counsel. This Agreement shall be construed and enforced according to its fair meaning as if prepared by both

parties after extensive negotiation, and no part of this Agreement shall be construed against either party on the ground that the attorney for that party drafted it.

8. Attorneys Fees. If any party brings an action to enforce the terms of this Agreement, or to declare rights hereunder, the prevailing party in any such action, on trial and appeal, shall be entitled to his reasonable attorneys fees to be paid by the losing party as fixed by the Court.

INTENDING TO BE LEGALLY BOUND, the parties hereto have executed this Agreement as of the date first above written.

PRO KENEX, INC., a California corporation

By: Charles E. Anderson  
Name: Charles E. Anderson  
Its: Director

UNION BANK OF CALIFORNIA, N.A.,  
a National Banking Association

By: Kim Ha  
Name: Kim Ha  
Its: Vice President

10/12/00 15:48 UNION BANK CPA -> P&AK fee

NO.989 P005/005

10/12/00 10:55 323 720 7032  
COMMERCIAL LOAN DOCUMENTATION -> 1714 565 5725

NO.705 P011/011

Oct 10 00 04:07p David & Tiffany Ryan

949 888-8604

P. 11

**SCHEDULE A  
TRADEMARKS**

- 1. Registration No. 1160176
- 2. Registration No. 1332346
- 3. Registration No. 1465470
- 4. Registration No. 1285400
- 5. Registration No. 1314738
- 6. Registration No. 1269388
- 7. Registration No. 1282367
- 8. Registration No. 1332347
- 9. Registration No. 1223574
- 10. Registration No. 1223573
- 11. Registration No. 1221908