

10-05-2004

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)



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

Tab settings

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

1. Name of conveying party(ies):

Brawny Plastics, Inc.

- Individual(s) Association General Partnership Limited Partnership Corporation-State Other

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: August 6, 2003

2. Name and address of receiving party(ies)

Name: Nextep, Inc.

Internal

Address:

Street Address: P.O. Box 11188

City: Reno State: NV Zip: 89510

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 940243

Additional number(s) attached Yes No

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

Name: Sierra Patent Group, Ltd.

Internal Address:

Street Address: P.O. Box 6149

City: Stateline State: NV Zip: 89449

6. Total number of applications and registrations involved:

1

7. Total fee (37 CFR 3.41) \$ 40.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

50-0612

DO NOT USE THIS SPACE

9. Signature.

Name of Person Signing

Signature

Date 9/25/2004

Total number of pages including cover sheet, attachments, and document: 5

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

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TRADEMARK REEL: 003059 FRAME: 0580

**TRADEMARK SALE, ASSIGNMENT AND LICENSE**

THIS AGREEMENT is entered into this 6th day of August, 2003, by and between Brawny Plastics, Inc., 2700 N. Paulina Street, Chicago, Illinois 60614 ("Seller") and Nextep, Inc., P.O. Box 11188, Reno, Nevada 89510 ("Buyer").

C E

WHEREAS, Seller, is the owner of the trademark BRAWNY, U.S. Registration No. 940243 for use in connection with "polyethylene bags" in International Class 20, with first use of said trademark commencing at least as early as July 6, 1971, said registration having been renewed on the Principal Register for an additional ten year term pursuant to United States Patent and Trademark Office Notice dated March 5, 2001; and

WHEREAS, Seller is the owner of a pending U.S. trademark application BRAWNY, Serial No. 78/268015 for use in connection with "plastic and metal trash and refuse containers and receptacles," in International Class 22 filed June 27, 2003, on an intent to use basis;

WHEREAS, Buyer is desirous of using the trademark BRAWNY in connection with the same, similar or related goods as shown in the existing registration and/or pending application, and Seller is agreeable to the sale, assignment and lease of those marks, together with the goodwill of the business symbolized thereby; provided that Buyer license Seller so that Seller can continue to use BRAWNY for polyethylene bags in connection with its continuing business as more fully described below;

**THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:**

1. **Sale and Assignment:** Seller hereby sells and assigns, for good and valuable consideration, including the right of Seller to use the mark BRAWNY in the future pursuant to an exclusive, irrevocable, royalty-free license (as more fully described below in Paragraph 4) as well as the payment by Buyer to Seller of the sum of One Hundred Thousand Dollars (\$100,000), Fifty Thousand Dollars (\$50,000) of which is due upon execution of this Agreement and thereafter the sum of Fifty Thousands Dollars (\$50,000) due for payment in six equal monthly installments of Eight Thousand Three Hundred Thirty Three Dollars and Thirty Three Cents (\$8,333.33) each installment, paid on the first day of the month commencing after the execution of this Agreement and for an additional five (5) months thereafter paid on the first day of each of said succeeding months, all Seller's rights, title and interest in the federally registered BRAWNY trademark, together with the goodwill of the business symbolized thereby and the registration pertaining thereto.
2. **Seller's Rights on Default:** In the event Buyer fails to make any of the payments described in paragraph 1, above, on the dates required, and if such failure to pay is not cured within five (5) working days after notice from Seller, (a) the entire sum remaining to be paid to Seller shall be immediately due and owing, (b) Buyer shall forthwith cease use of the marks assigned and/or licensed hereunder, (c) all right and title in marks

assigned hereunder shall revert to seller, and (d) Buyer shall pay all legal fees and costs of Seller incurred in enforcing the payment of such accelerated sum and in enforcing its restored rights in relation to the Buyer.

3. Seller's Security Interest in the Marks: To secure Seller's rights of payment hereunder, Buyer hereby conveys to Seller a purchase money security interest in the marks, and Seller is authorized hereunder to file UCC-1 financing statement memorializing such security interest in the form attached.
4. License of BRAWNY mark for use with containers and receptacles: Seller hereby licenses Buyer, on an exclusive, irrevocable, royalty-free basis, to use the mark BRAWNY in connection with plastic and metal trash and refuse containers and receptacles. To the extent applicable, Seller agrees to use the mark on the goods or labels as well as on packaging, advertising and promotional materials, in a manner approved by Buyer, which approval shall not be unreasonably withheld. Seller further agrees to sell and assign that mark, and the pending federal trademark application for BRAWNY, Serial No. 78/268015, together with the goodwill of the business symbolized thereby, to Buyer upon the filing of a verified statement of use by Buyer, said statement of use to be based on the licensed use provided for in this paragraph. The assignment of the trademark application for BRAWNY, Serial No. 78/268015 will be memorialized in a separate sale and assignment to be executed upon the filing of the verified statement of use by Buyer.
5. License Back to Seller: Buyer hereby agrees to license Seller or its assigns, on an exclusive irrevocable, royalty-free basis, for use of the federally registered mark BRAWNY in connection with the sale of 13, 20 and 33 gallon-sized polyethylene bags for a term of six (6) months following the date of this Agreement. To the extent applicable, Seller agrees to use the mark on the goods or labels as well as on packaging, advertising and promotional materials, in a manner approved by Buyer, which approval shall not be unreasonably withheld, and in no event of a less quality than Seller has used or displayed the mark to the date of this Agreement.
6. Inception Date: This Agreement will commence on the date written above.
7. Term: The term of this Agreement shall be for as long as the Buyer or its assigns maintains the U.S. registration in the trademark BRAWNY or continues to use said mark in Buyer's business on a common law basis, or until an event of default specified in paragraph 2 of this Agreement.
8. Infringement: If Seller learns of any infringements of the mark, it shall promptly notify Buyer of same. Buyer shall bear the responsibility and expense for taking any legal action in connection with any such infringements.

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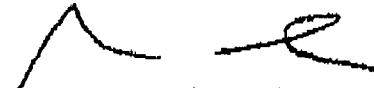
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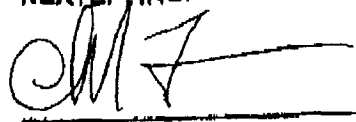
- 9. **Approvals:** This Agreement is subject to the approval of Seller's lien holder, which approval shall be the responsibility of Seller to obtain, no later than ten (10) working days from the date of this Agreement.
- 10. **Effect on Assignment:** This Agreement will be binding upon and inure to the benefit of the parties, their successors, assigns, affiliated and related companies, and shall be assignable by either party.

DATE: August 6, 2003

BRAWNY PLASTICS, INC.


NEXTEP, INC.

By:   
 Its President

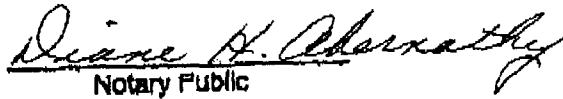
  
 Its Treasurer + C.O.O.

State of Illinois, County of Cook.  
 County of Cook  
 Signed before me this \_\_\_\_\_  
 Day of July, 2003.

State of NV  
 Signed before me this 8-22-03  
 Day of July, 2003.

  
 Notary Public

**AUG - 6 2003**

  
 Notary Public

