

10-18-2004



Form PTO-1594 (Rev. 06/04)
OMB Collection 0651-0027 (exp. 6/30/2005)

102861004

S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

Jacob Ash Holdings, Inc.

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

Citizenship (see guidelines) _____

Execution Date(s) August 6, 2004

Additional names of conveying parties attached? Yes No

3. Nature of conveyance:

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other _____

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Mezzanine Opportunities, LLC

Internal

Address: _____

Street Address: 191 West Nationwide Blvd.

City: Columbus

State: Ohio

Country: USA Zip: 4321

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship _____
- Other LLC Citizenship Ohio

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)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 2,320,590
2,283,107 1,630,134 1,581,630
1,292,970 1,555,849

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

see additional sheet attached

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

Name: Shelley McBride, Esq.

Internal Address: _____

Calfee, Halter & Griswold LLP

Street Address: 21 E. State St., Ste. 1100

City: Columbus

State: Ohio Zip: 43215

Phone Number: (614) 621-1500

Fax Number: (614) 621-0010

Email Address: smcbride@calfee.com

6. Total number of applications and registrations involved:

6

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 165.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

9. Signature:

Michael Arguelles
Signature

September 13, 2004
Date

Michael Arguelles, Authorized Signer

Total number of pages including cover sheet, attachments, and document: 10

0000044 2320590
Name of Person Signing

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop 195, USPTO Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

10/15/2004 DBYRNE

01 FC:8521
02 FC:8522

OFFICE OF PUBLIC RECORDS

2004 OCT 13 AM 9:14Z
FINANCE SECTION

10/13/04

Recordation Form Cover Sheet

**TRADEMARKS ONLY
(Jacob Ash Holdings, Inc.)
#4C. Identification of Trademark**

<u>Word Mark</u>	<u>Date Filed</u>	<u>Registration Number</u>
Hot Shot	July 16, 1998	2320590
St. Sebastian	July 16, 1998	2283107
Insulating Warmth	November 27, 1989	1630134
Hand Shield	January 26, 1989	1581630
Industry-Tough	January 26, 1989	1555849
Gripriight	September 16, 1982	1292970

PATENT, TRADEMARK AND
LICENSE SECURITY AGREEMENT

THIS PATENT, TRADEMARK AND LICENSE SECURITY AGREEMENT ("Agreement") is made effective as of August 6, 2004 by JACOB ASH HOLDINGS, INC., a Michigan corporation ("Grantor"), in favor of MEZZANINE OPPORTUNITIES LLC ("Grantee"). This Agreement is being entered into pursuant to the terms and conditions of the Senior Subordinated Note and Warrant Purchase Agreement dated as of the date hereof by and between the Grantor, as seller, and the Grantee, as purchaser (the "Purchase Agreement").

This Agreement is one of the Related Documents referred to in the Purchase Agreement.

This Agreement is subject to the terms and conditions of the Subordination Agreement dated as of the date hereof by and between The Huntington National Bank, as senior lender, and the Grantee, and all rights of the Grantee are subject to the prior rights of the Huntington National Bank.

WITNESSETH:

WHEREAS, Grantor and Grantee are parties to a certain Security Agreement of even date herewith (as the same may hereafter be amended, supplemented, amended and restated, renewed or otherwise modified from time to time, the "Security Agreement"), which provides for the grant by Grantor to Grantee of a security interest in certain of Grantor's assets, including, without limitation, certain of its patents, patent applications, service marks, service mark applications, service names, trademarks, trademark applications, service names, trademarks, trademark applications, trade names, goodwill and licenses;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

1. Security Interest in Patents. To secure the complete and timely satisfaction of all of the "Secured Obligations" (as defined in the Security Agreement), Grantor hereby grants and conveys to Grantee a lien and security interest in all of the Grantor's right, title and interest in and to all of its now owned or existing and filed and hereafter acquired or arising and filed:

(A) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Schedule A, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with

respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (collectively, the "Patents"); and

(B) license agreements with any other party, whether Grantor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Schedule C, and the right to prepare for sale, sell and advertise for sale, all "Inventory" (as defined in the Security Agreement) now or hereafter owned by Grantor and now or hereafter covered by such licenses (collectively, the "Licenses"); provided that the Licenses shall not include any of the foregoing to the extent that, and for so long as, the granting of a security interest therein is illegal or would cause Grantor to be in violation of any agreement prohibiting or restricting Grantor's right to grant a security interest in such asset or would cause (or permit a third party to cause) such asset (or such Grantor's rights in and to such asset) to terminate.

2. Security Interest in Trademark and Goodwill. To secure the complete and timely satisfaction of all of the "Secured Obligations" (as defined in the Security Agreement), Grantor hereby grants and conveys to Grantee a lien and security interest in all of the Grantor's right, title and interest in and to all of its now owned or existing and filed and hereafter acquired or arising and filed:

(A) trademarks, trademark registrations, trade names and trademark applications, service marks, service mark registrations, service names and service mark applications, including, without limitation, the trademarks, trademark registrations, trade names and trademark applications, service marks, service mark registrations, service names and service mark applications listed on Schedule B, and (a) renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payment for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (collectively, the "Trademarks"); and

(B) the goodwill of Grantor's business, including, but not by way of limitation, such goodwill connected with and symbolized by the Trademarks.

3. Restrictions on Future Assignments. Grantor agrees that until the Secured Obligations shall have been satisfied in full and the Security Agreement shall have been terminated, except as otherwise permitted under the Security Agreement Grantor will not, without Grantee's prior written consent, enter into any agreement relating to the Patents, Trademarks or Licenses and Grantor further agrees that it will not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action which would affect the validity or enforcement of the rights transferred to Grantee under this Agreement.

4. New Patents, Trademarks, and Licenses. Grantor represents and warrants that the Patents, Trademarks and Licenses listed on Schedules A, B and C, respectively, constitute all of the patents, service marks, trademarks, applications and licenses now owned by Grantor. If, before the Secured Obligations shall have been satisfied in full, Grantor shall (i) obtain rights to any new patentable inventions, trademarks, trademark registrations, trade names,

service marks, service mark registrations, service names, or licenses, or (ii) become entitled to the benefit of any patent, service mark or trademark application, service mark, service mark registration, trademark, trademark registration, or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto and Grantor shall give to Grantee prompt written notice thereof. Grantor hereby authorizes Grantee as attorney in fact to modify this Agreement by amending Schedules A, B and/or C, as applicable, to include any future patents, patent applications, service marks, service mark registrations, service mark applications, service names, trademarks, trademark registrations, trademark applications, trade names and licenses which are Patents, Trademarks or Licenses, as applicable, under Paragraphs 1 and 2 above or under this Paragraph 4, and to file or refile this Agreement with the United States Patent and Trademark Office.

5. Representations and Warranties. Grantor represents and warrants to and agrees with Grantee that:

(i) Each of the Patents and Trademarks is valid and enforceable except as would not reasonably be expected to have a Material Adverse Effect;

(ii) Grantor is the owner of the Patents and Trademarks and has the power and authority to make, and will continue to have authority to perform, this Agreement according to its terms;

(iii) This Agreement does not violate and is not in contravention of any other agreement to which Grantor is a party or any judgment or decree by which Grantor is bound and does not require any consent under any other agreement to which Grantor is a party or by which Grantor is bound. Upon the occurrence of and during the continuance of an Event of Default, Grantor hereby authorizes the Commissioner of Patents and Trademarks to issue any and all Patents on said inventions and any and all certificates of registration on all Trademarks to Grantee as assignee of Grantor's entire interest;

(iv) There has been no prior sale, pledge, encumbrance, assignment or other transfer or disposition by Grantor of any of the Patents, Trademarks and Licenses or any part thereof except to the Senior Lender (as defined in the Security Agreement) and the same are free from all liens, charges and encumbrances of any kind, including but not limited to licenses, shop rights and covenants not to sue third persons, other than Permitted Liens (as defined in the Security Agreement); and

(v) Except as would not reasonably be expected to result in a Material Adverse Effect, the Licenses are valid and binding agreements enforceable according to their terms. Except as would not reasonably be expected to result in a Material Adverse Effect, each of the Licenses is in full force and effect and has not been amended or abrogated and there is no default under any of the Licenses.

6. Terms. The term of the security interests granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, Trademarks and Licenses assigned hereunder, (ii) all obligations of the Grantor evidenced by the Senior Subordinated Note due February 6, 2010, made payable by the Grantor to the Grantee in the principal amount of

\$6,000,000, together with all extensions, renewals, amendments, modifications and novations thereof, together with all obligations of the Grantor to make payments or reimburse costs and expenses under this Agreement, the Purchase Agreement, or the Related Documents (as defined in the Purchase Agreement) incurred to the date of such repayment; and (iii) all obligations of the Grantor evidenced by any promissory note issued by the Grantor pursuant to Section 3.4 (i) of the Warrant Certificate (as defined in the Purchase Agreement). Upon termination, the Grantee shall, at the Grantor's expense, execute and deliver to the Grantor all termination statements and other documents and instruments which the Grantor shall reasonably request to evidence such termination and release of Collateral. The Grantor agrees that upon the issuance of any note by the Grantor pursuant to Section 3.4 (ii) of the Warrant Certificate, Grantor will enter into a new security agreement on the same terms as this Agreement to secure such note.

7. Contingent Assignment. The Grantor has executed in blank and delivered to the Grantee an assignment of federally registered trademarks in substantially the form of Exhibit 1 hereto (the "Assignment of Trademarks") and an assignment of federally registered patents in substantially the form of Exhibit 2 hereto (the "Assignment of Patents"). The Grantor hereby authorizes the Grantee to complete as assignee and record with the United States Patent and Trademark Office the Assignment of Trademarks and the Assignment of Patents upon the occurrence and during the continuance of an Event of Default and the proper exercise of the Grantee's remedies under this Agreement.

8. Duties of Grantor. Grantor shall have the duty (to the extent consistent with reasonable business practices) to (i) prosecute diligently any patent application of the Patents made by it and any trademark or service mark application of the Trademarks made by it pending as of the date hereof or thereafter until the Secured Obligations shall have been paid in full, (ii) make application on unpatented but patentable inventions and on trademarks and service marks, as appropriate, and (iii) preserve and maintain all of its rights in patent applications and patents of the Patents and in trademark applications, trademarks, trademark registrations, service mark applications, service marks, and service mark registrations of the Trademarks. Any expenses incurred in connection with such applications shall be borne by Grantor. Grantor shall not abandon any right to file a Patent application or Trademark application, or any pending Patent application, Trademark application, Patent, or Trademark to the extent such abandonment would reasonably be expected to have a Material Adverse Effect.

9. Documents. Grantor will execute and deliver to Grantee from time to time such supplemental assignments or other instruments, including, but not by way of limitation, additional assignments to be filed with the United States Patent and Trademark Office, as Grantee may reasonably require for the purpose of confirming Grantee's interest in the Patents, Trademarks and Licenses.


10. Grantee's Right to Sue. Upon the occurrence and during the continuance of an Event of Default, Grantee shall have the same rights, if any, as Grantor has, but shall in no way be obligated, to bring suit in its own name to enforce the Licenses and the Patents and Trademarks, and any licenses thereunder, and, if Grantee shall commence any such suit, Grantor shall, at the request of Grantee, do any and all lawful acts and execute any and all proper documents required by Grantee in aid of such enforcement and Grantor shall promptly, upon

demand and as a part of the Secured Obligations, reimburse and indemnify Grantee for all costs and expenses incurred by Grantee in the exercise of its rights under this Paragraph 10.

11. Miscellaneous. The provisions of Section 11 of the Security Agreement are applicable to this Agreement and are incorporated herein by reference. Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Grantee under Security Agreement but rather is intended to facilitate the exercise of such rights and remedies.

IN WITNESS WHEREOF, JACOB ASH HOLDINGS, INC. by its duly authorized officer, has executed this Agreement as of the date first set forth above.

JACOB ASH HOLDINGS, INC.



Name: William F. Kaczynski Jr

Title: PRESIDENT

SCHEDULE A
(Patents)

U.S. Patent No. 4,663,784

SCHEDULE B
(Trademarks)

Registered Trademarks

<u>Mark</u>	<u>Country</u>	<u>Registration No.</u>
Hot Shot	US	2,320,590
St. Sebastian	US	2,283,107
Insulating Warmth	US	1,630,134
Hand Shield	US	1,581,630
Gripriight	US	1,292,970
Industry-Tough	US	1,555,849

Unregistered Trademarks

<u>Mark</u>	<u>Country</u>	<u>Serial No.</u>
RYNO	US	78/257,093
AQUA E4	US	78/434,023
JACOB ASH COMPANY		
J A & DESIGN		

SCHEDULE C
(License Agreements)

None

{SAM1554.DOC;4}

RECORDED: 10/13/2004

TRADEMARK
REEL: 003062 FRAME: 0900