


Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings ⇌ ⇌ ⇌	RECORDATION FORM COVER SHEET TRADEMARKS ONLY	U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.		
1. Name of conveying party(ies): <u>Material Enhancement International, LLC</u> <input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Corporation-State <input checked="" type="checkbox"/> Other <u>Limited Liability Company</u> Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2. Name and address of receiving party(ies) Name: <u>U.S. Bank, N.A.</u> Internal Address: _____ Street Address: <u>205 South 5th Street</u> City: <u>Springfield</u> State: <u>IL</u> Zip: <u>62701</u> <input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input type="checkbox"/> Corporation-State _____ <input checked="" type="checkbox"/> Other <u>National Banking Association</u> <small>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</small>	
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____ Execution Date: <u>July 25, 2003</u>	4. Application number(s) or registration number(s): A. Trademark Application No.(s) B. Trademark Registration No.(s) <u>2467621</u> <u>2471422</u> Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
5. Name and address of party to whom correspondence concerning document should be mailed: Name: <u>Michael Hullivan</u> Internal Address: <u>U.S. Bank, N.A.</u> _____ Street Address: <u>205 South 5th Street</u> _____ City: <u>Springfield</u> State: <u>IL</u> Zip: <u>62701</u>	6. Total number of applications and registrations involved: 2 7. Total fee (37 CFR 3.41).....\$ 80.00 <input checked="" type="checkbox"/> Enclosed (credit card authorization) <input type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: _____ (Attach duplicate copy of this page if paying by deposit account)	
DO NOT USE THIS SPACE		
9. Statement and signature. <i>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.</i> <u>Thomas C. Pavlik, Jr.</u>  <u>08/07/2003</u> Name of Person Signing Signature Date Total number of pages including cover sheet, attachments, and document: 11		

OP \$80.00 2467621

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

PATENT, TRADEMARK AND LICENSE MORTGAGE

THIS PATENT, TRADEMARK AND LICENSE MORTGAGE (the "Mortgage") is made as of this 25th day of July, 2003, by Material Enhancement International LLC, d/b/a MEI LLC, an Ohio limited liability company having an address of 1400 W. Niccum Avenue, Effingham, Illinois 62401 ("Mortgagor"), to U.S. Bank, N.A., a National Banking Association having an address of 205 South Fifth Street, Springfield, Illinois 62701 ("Lender").

WITNESSETH:

WHEREAS, Mortgagor has entered into (1) that certain Revolving Credit Agreement dated July 31, 2002 and (2) that certain Installment or Single Payment Note dated July 31, 2002 together with other related loan documents heretofore executed (collectively, the "Loan Documents"), which Loan Documents provide (among other things) for Lender to, from time to time, extend credit to or for the account of Borrower. As a condition to Lender's obligations under the Loan Documents, and concurrently therewith, Mortgagor executed as a part of the Loan Documents that certain Business Security Agreement dated July 31, 2002 ("Security Agreement") between Mortgagor and Lender, which granted Lender a security interest in certain of Mortgagor's assets including, without limitation and among other things, its patents, patent applications, trademarks, trademark applications, trade names, service marks, service mark applications, goodwill and licenses; and

WHEREAS, Mortgagor and Lender desire to secure the complete and timely satisfaction of Mortgagor's obligations under the Loan Documents and Security Agreement.

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

1. Incorporation of Loan Documents and Security Agreement. The Loan Documents and Security Agreement, and the terms and provisions thereof, are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Documents and Security Agreement.

2. Mortgage of Patents, Trademarks and Licenses. To secure the complete and timely satisfaction of all of the obligations of Mortgagor to Lender under the Loan Documents and Security Agreement, and in furtherance of Mortgagor's grant of a security interest pursuant to the Security Agreement,

Mortgagor hereby makes a collateral assignment and grants to Lender a security interest having priority over all other security interests, with power of sale, to the extent permitted by law, upon the occurrence of any default under the loan documents (each an "Event of Default"), in all of Mortgagor's right, title and interest in and to all of its now existing and hereafter created or acquired:

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed herein, and those patents and patent applications listed on Exhibit A attached hereto and hereby made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, damages and payments now and hereafter due or payable under or 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 (all of the foregoing, together with the items described in clauses (a)-(d) of this subsection 2(i), are sometimes hereinafter referred to individually as a "Patent" and, collectively, as the "Patents");

(ii) trademarks, trademark registrations, trademark applications, trade names and tradestyles, service marks, service mark registrations, service mark applications and brand names, including without limitation those trademarks, trade names, service marks and applications and registrations thereof listed on Exhibit B attached hereto and hereby made a part hereof, and (a) renewals or extensions, thereof, (b) all income, damages and payments now and hereafter due or payable 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 (all of the foregoing, together with the items described in clauses (a)-(d) of this subsection 2(ii), are sometimes hereinafter referred to individually as a "Trademark", and, collectively, as the "Trademarks");

(iii) all license agreements with respect to any of the Patents or the Trademarks or any other patent, trademark, service mark or any application or registration thereof or any other trade name or tradestyle between Mortgagor and any other party, whether Mortgagor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Exhibit C attached hereto and hereby made a part hereof (all of the foregoing license agreements and Mortgagor's rights thereunder are referred to collectively as the "Licenses"); and

(iv) the goodwill of Mortgagor's business connected with and symbolized by the Trademarks.

3. Warranties and Representations. Mortgagor warrants and represents to Lender that:

(i) no Patent, Trademark or License has been adjudged invalid or unenforceable nor has any such Patent, Trademark or License been cancelled, in whole or in part;

(ii) Mortgagor has adopted, used and is currently using all of the Trademarks;

(iii) Mortgagor has no notice of any suits or actions commenced or threatened with reference to the Patents, Trademarks or Licenses, except as otherwise disclosed to Lender in writing; and

(iv) Mortgagor has the unqualified right to execute and deliver this Mortgage and perform its terms and has entered into or will enter into written agreements with each of its present and future employees, agents and consultants to the extent necessary to enable it to comply with the covenants contained herein.

4. Restrictions on Future Agreements. Except as set forth on Exhibit B, Mortgagor agrees that until the Notes shall have been satisfied in full and the Security Agreements shall have terminated, Mortgagor shall not sell or assign its interest in, or grant any license under, the Patents, Trademarks or Licenses, or enter into any other agreement with respect to the Patents, Trademarks or Licenses and Mortgagor further agrees that it shall not knowingly take any action (other than infringement suits against others), or knowingly fail to take any action, which would affect the validity or enforcement of the rights transferred to Mortgage under this Mortgage.

5. New Patents, Trademarks, and Licenses. Mortgagor represents and warrants that, to the best of Mortgagor's knowledge, the Patents, Trademarks and Licenses listed on Exhibits A, B and C, respectively, constitute all of the Patents, Trademarks, and Licenses now owned by Mortgagor. If, before Mortgagor's Notes shall have been satisfied in full or before the Loan Documents have been terminated, Mortgagor shall (i) become aware of any existing Patents, Trademarks, or Licenses of which Mortgagor has not previously informed Lender, (ii) obtain rights to any new patentable inventions, Patents, Trademarks or Licenses, or (iii) become entitled to the benefit of any Patents, Trademarks, or Licenses or any

improvement on any Patent, the provisions of this Mortgage above shall automatically apply thereto and Mortgagor shall to the extent that it is aware thereof give to Lender prompt written notice thereof to the extent material to the continued operations of Mortgagor. Mortgagor hereby authorizes Lender to modify this Mortgage by amending Exhibits A, B and C, as applicable, to include any such Patents, Trademarks and Licenses.

6. Royalties; Terms. The term of the mortgage granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, Trademarks and Licenses assigned hereunder, and (ii) the date the Notes shall have been paid in full and the Security Agreements have terminated. Mortgagor agrees that upon the occurrence of an Event of Default, the use by Lender of all Patents, Trademarks and Licenses shall be worldwide and without any liability for royalties or other related charges from Lender to Mortgagor; provided, however, that the value of all benefits received by the Lender from the use of the Patents, Trademarks, and Licenses shall be credited against the obligations of Mortgagor to Lender under the Loan Documents.

7. Product Quality. Upon the occurrence of an Event of Default, Mortgagor agrees that Lender, or a conservator appointed by Lender, shall have the right to establish such product quality controls as Lender, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Mortgagor under the Trademarks.

8. Release of Mortgage. This Mortgage is made for collateral purposes only. Upon payment in full of the Loan Documents, Lender shall execute and deliver to Mortgagor all deeds, assignments and other instruments, and shall take such other actions, as may be necessary or proper to re-vest in Mortgagor full title to the Patents, Trademarks and Licenses, subject to any disposition thereof which may have been made by Lender pursuant to the Security Agreement or this Mortgage.

9. Duties of Mortgagor. Where commercially reasonable as to Mortgagor, unless otherwise consented to by Lender in writing, Mortgagor shall have the duty (i) to file and prosecute any trademark or service mark applications pending as of the date hereof or hereafter until Mortgagor's Notes shall have been paid in full, and (ii) to preserve and maintain all rights in the Patents, Trademarks and Licenses. Any expenses incurred in connection with Mortgagor's obligations under this Section 9 shall be borne by Mortgagor. Except as set forth on Exhibit B, Mortgagor shall not abandon any pending patent, trademark or service mark application or any other Patent, Trademark or License.

10. Lender's Right to Sue. Upon the occurrence of an Event of Default,

Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, Trademarks and Licenses, and, if Lender shall commence any such suit, Mortgagor shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and Mortgagor shall promptly, upon demand, reimburse and indemnify Lender for all reasonable costs and expenses incurred by Lender in the exercise of its rights under this Section 10.

11. Waivers. Lender's failure, at any time or times hereafter, to require strict performance of any provision of the Loan Documents, Security Agreement or this Mortgage shall not waive, effect or diminish any right of the Lender thereafter to demand strict compliance and performance therewith, nor shall any course of dealing between Mortgagor and Lender effect or diminish such rights..

12. Severability. The provisions of this Mortgage 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 Mortgage in any jurisdiction.

13. Modification. This Mortgage cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by writing signed by the parties hereto.

14. Cumulative Remedies; Power of Attorney; Effect on Loan Documents and Security Agreement. All of Lender's rights and remedies with respect to the Patents, Trademarks and Licenses, whether established hereby or by any security agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Mortgagor hereby authorizes Lender upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent or Lender, as Lender may select in its reasonable discretion, as Mortgagor's true and lawful attorney-in-fact, with power to (i) endorse Mortgagor's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Patents, Trademarks and Licenses, or Lender in the use of the Patents, Trademarks and Licenses, or (ii) take any other actions with respect to the Patents, Trademarks and Licenses as Lender deems to be in the best interest of Lender, or (iii) grant or issue any exclusive or non-exclusive license under the Patents, Trademarks or Licenses to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks or Licenses to anyone. Lender hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue thereof. This power of attorney shall be irrevocable until Mortgagor's

obligations under the Loan Documents shall have been paid in full and the Security Agreement, including any amendments thereto, has been terminated. Mortgagor acknowledges and agrees that this Mortgage is not intended to limit or restrict in any way the rights and remedies of Lender under the Loan Documents and Security Agreement, but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Mortgage and the Loan Documents and Security 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 Patents, Trademarks or Licenses may be located.

15. Binding Effect; Benefits. This Mortgage shall be binding upon Mortgagor and its respective successors and assigns, and shall inure to the benefit of Lender, its successors, nominees and assigns.

16. Governing Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois. Venue shall only be proper in the 7th Judicial Circuit Court for Sangamon County, Illinois.

17. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions that they precede.

18. Further Assurances. Mortgagor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Lender shall request from time to time in order to carry out the purpose of this Mortgage and agreements set forth herein.

19. Survival of Representations. All representations and warranties of Mortgagor contained in this Mortgage shall survive the execution and delivery of this Mortgage.

[Signatures on Next Page]

IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage in favor of Lender.

MATERIAL ENHANCEMENT INTERNATIONAL, LLC

By: KENNETH A. HENDRICKS
Title: _____

STATE OF WV)
COUNTY OF ROCK)

The foregoing Patent, Trademark and License Mortgage was executed and acknowledged before me this 25th day of July 2003, by Kenneth A. Hendricks, personally known to me to be the _____, of Material Enhancement International LLC, an Ohio limited liability company, on behalf of such company.

[Signature]
Notary Public

My Commission expires:

4-10-05

Agreed and Accepted this _____ day of July, 2003

U.S. BANK, N.A.

By: _____

Name: Michael J. Hulligan

Title: Vice President

EXHIBIT A

Patents and Patent Applications

U.S. Patents:

- 1) US Patent #6,389,828, issued May 21, 2002, for a "Cryogenic Cooling Chamber Apparatus and Method"

U.S. Patent Applications:

- 1) USSN 10/385,787, filed March 11, 2003
- 2) USSN 10/173,057, filed June 17, 2002

EXHIBIT B

Trademarks and Trademark Registrations

MEI (with Design)	U.S. Registration No. 2467621, issued 7/10/2001
MEI	U.S. Registration No. 2471422, issued 7/24/2001

Unregistered Trademarks

None

EXHIBIT C

License Agreements

None