

02-08-1999



RECORDATION FORM COVER
PATENTS ONLY

100958816

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 ☒ Security Agreement
- ☐ License ☐ Change of Name
- ☐ Merger ☐ Other

U.S. Government
(For Use ONLY by U.S. Government Agencies)

- ☐ Departmental File ☐ Secret File

Conveying Party(ies)

- ☐ Mark if additional names of conveying parties attached
- Name (line 1) Execution Date
Month Day Year
1 20 99

Name (line 2)

Second Party

Name (line 1)

Name (line 2)

Execution Date
Month Day Year

Receiving Party

- ☐ Mark if additional names of receiving parties attached

Name (line 1)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

☐ 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 is attached.
(Designation must be a
separate document from
Assignment.)

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)

02/05/1999 TT011 00000210 5489317

FOR OFFICE USE ONLY

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440.00 0P

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

PATENT
REEL: 9719 FRAME: 0495

Correspondent Name and Address

Area Code and Telephone Number

Name

Michael Tobiason

Address (line 1)

Graham & Dunn

Address (line 2)

1420 Fifth Avenue, Suite 3300

Address (line 3)

Seattle, WA 98101-2390

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document
including any attachments.

#

Application Number(s) or Patent Number(s)

☐

Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

07/902,147

08/964,942

09,074,338

08/078,624

09/071,650

08/744,758

09/110,881

Patent Number(s)

5,489,317

5,586,408

If this document is being filed together with a new Patent Application, enter the date the patent application was
signed by the first named executing inventor.

Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number

only if a U.S. Application Number
has not been assigned.

PCT US 93/05963

PCT

PCT

PCT US 97/20095

PCT

PCT

Number of Properties

Enter the total number of properties involved.

#

11

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

440.00

Method of Payment:

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Enclosed

☒

Deposit 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.

Michael Tobiason

Name of Person Signing

Signature

2-2-99

Date

GRANT OF SECURITY INTEREST

WHEREAS, TURF STABILIZATION TECHNOLOGIES, INC., an Ohio corporation (hereinafter "Debtor"), having a principal place of business at 5055 Wooster Road, Cincinnati, Ohio 45226, owns rights in the trademarks, service marks, patents and patent applications, as well as the registrations and applications therefor, identified in Exhibit A attached hereto (herein collectively referred to as the "Marks and Patents");

WHEREAS, TURF SYSTEMS INTERNATIONAL, INC., a Washington corporation (hereinafter "Secured Party"), having a principal place of business at 14231 Lake Road, Suite 300, Lynnwood, Washington 98037, is a party to the Asset Purchase Agreement dated October 23, 1998, with Debtor (hereinafter "Asset Purchase Agreement"); and

WHEREAS, Secured Party has acquired a security interest in the Marks and Patents pursuant to a Security Agreement between the parties dated as of January 20, 1999.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Debtor grants to Secured Party a security interest in the Marks and Patents and all goodwill associated therewith to secure the prompt payment, performance and observance of the obligations and liabilities arising out of the Asset Purchase Agreement and the Security Agreement.

Debtor does hereby further acknowledge and affirm that the rights and remedies of Secured Party with respect to the security interest in the Marks and Patents made and granted

hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated herein by reference.

IN WITNESS WHEREOF, the parties have caused these presents to be signed by their respective corporate officers hereunto duly authorized.

TURF STABILIZATION
TECHNOLOGIES, INC.

Date: January 20, 1999

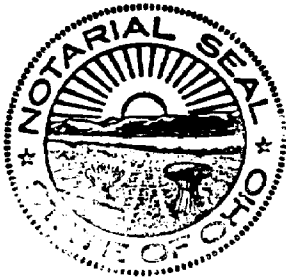
By: Joseph E. Matz
Name: _____
Title: _____
Notice Address:
5055 Wooster Road
Cincinnati, Ohio 45226
Attention: _____

STATE OF OHIO)
) ss.
COUNTY OF Hamilton)

I certify that I know or have satisfactory evidence that Joseph E. Matz the person who appeared before me, and said person acknowledged that he/she signed this instrument, and on oath stated that he/she was authorized to execute the instrument and acknowledged it as the President of Turf Stabilization Technologies, Inc. to be free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: January 20, 1999

James P. Minutolo
(Signature)
James P. Minutolo
(Please print name legibly)



JAMES P. MINUTOLO, Attorney at Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration
date, Section 147.03 O.R.C.

NOTARY PUBLIC in and for the State of Ohio,
residing at Hamilton County. My
commission expires: none.

TURF SYSTEMS INTERNATIONAL, INC.

Date: January 20, 1999

By: [Signature]

Name: Jerry Bergevin

Title: President

Notice Address:

14231 Lake Road, Suite 300

Lynnwood, Washington 98037

Attention: Jerry Bergevin

STATE OF WASHINGTON)

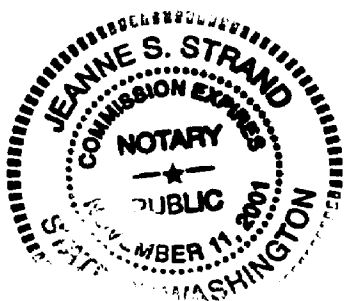
COUNTY OF King) ss.

I certify that I know or have satisfactory evidence that Jerry Bergevin is the person who appeared before me, and said person acknowledged that he/she signed this instrument, and on oath stated that he/she was authorized to execute the instrument and acknowledged it as the President of Turf Systems International, Inc. to be free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: Jan 20, 1999

[Signature]
(Signature)

Jeanne S. Strand
(Please print name legibly)



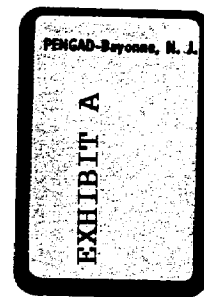
NOTARY PUBLIC in and for the State of Washington, residing at Shoreline.
My commission expires: 11-11-2001.

7/23/98

Status Report

PATENTS

| | File No. | App. Serial No. | Country | Filing Date | Relation | Status |
|----|-------------|-----------------|-------------|-------------|-----------------------|---|
| 1. | TURF-1-7452 | 07/902,147 | U.S. | 06/22/92 | Parent | Abandoned |
| 2. | TURF-1-7453 | 08/078,624 | U.S. | 06/17/93 | CIP (1) | Abandoned |
| 3. | TURF-1-7454 | PCT/US93/05963 | PCT | 06/22/93 | CIP priority from (1) | Converted into National/Regional Patent Applications |
| 4. | TURF-1-7946 | 08/319,322 | U.S. | 10/14/94 | Cont. (1) | Issued as USP 5,489,317 2/6/96 |
| 5. | TURF-1-8020 | 08/334,414 | U.S. | 11/04/94 | Cont. (2) | Issued as USP 5,586,408 12/24/96 |
| 6. | TURF-1-8064 | PI 9306589-2 | Brazil | 11/22/93 | National Phase of (3) | In Prosecution |
| 7. | TURF-1-8065 | 1994-502,533 | Japan | 6/22/93 | National Phase of (3) | In Prosecution; Must request examination by 6/22/2000 |
| 8. | TURF-1-8066 | 94-704,693 | South Korea | 6/22/93 | National Phase of (3) | In Prosecution; Awaiting examination |
| 9. | TURF-1-8124 | 46,460/93 | Australia | 6/22/93 | National Phase of (3) | Issued as Australian Patent 675,074 5/13/97 |



| | File No. | App. Serial No. | Country | Filing Date | Relation | Status |
|-----|---------------|-----------------|---|-------------|--|---|
| 10. | TURF-1-8125 | 2,138,784 | Canada | 6/22/93 | National Phase of (3) | In Prosecution |
| 11. | TURF-1-8126 | 93916686.4 | EP--all countries | 6/22/93 | National Phase of (3) | In Prosecution; Approved for publication; Must approve text and file any divisional applications by 9/18/98 |
| 12. | TURF-1-9704 | 08/744,758 | U.S. | 11/6/96 | CIP of 08/334,414 | Allowed; waiting issue notification |
| 13. | TURF-1-10557 | 08/964,942 | U.S. | 11/5/97 | CIP of (12.) with claims to overfill | In Prosecution; Awaiting Examination |
| 14. | TURF-1-11502 | PCT/US97/20095 | PCT | 11/4/97 | Corresponds to (12.) | In Prosecution; Awaiting search report |
| 15. | TURF-1-12073 | 09/071,650 | U.S. | 5/1/98 | New filing for knitted backing | To be abandoned in favor of (17.) |
| 16. | TURF-1-12187 | 09/110,881 | U.S. | 7/7/98 | Continuation of (12.) for biodegradable backings | In prosecution |
| 17. | TURF-1-12242 | 09/074,338 | U.S. | 5/8/98 | New filing for knitted backings/MSK | |
| 18. | TURF-X-XXXXXX | TBD | EP - BE, FR, DE, GR, IT, NL, ES, CH, GB | ASAP | DIVISIONAL OF (11) | TO BE FILED |
| 19. | TURF-X-XXXXXX | TBD | EP - BE, FR, DE, GR, IT, NL, ES, CH, GB | ASAP | DIVISIONAL OF (11) | TO BE FILED |
| 20. | TURF-X-XXXXXX | | | | Motz Patent File | |
| 21. | TURF-X-XXXXXX | | | | ASPG Patent File | |
| 22. | TURF-X-XXXXXX | | | | Egan Patent File | |

TRADEMARKS

| | File No. | App. Serial No. | Country | Filing Date | Mark | International Classes* | Status |
|----|--------------|-----------------|----------------|-------------|------------|--|--|
| 1. | TURF-2-14884 | 74/635,339 | U.S. | 02/17/95 | SPORTGRASS | 27 | Reg. No. 1,954,766, Issued 2/6/96 |
| 2. | TURF-2-16477 | 729205 | AU | 03/05/97 | SPORTGRASS | 25, 27, 31, 42 | In Prosecution |
| 3. | TURF-2-16478 | 838,542 | CA | 03/05/97 | SPORTGRASS | clothing, playing surfaces and design services | In Prosecution; Declaration of use and registration fee due 3/5/2000 |
| 4. | TURF-2-16479 | 486688 | CT (Europe) | 03/13/97 | SPORTGRASS | 25, 27, 37, 42 | In Prosecution |

* International class: 25 = clothing; 27 = art. and comb. play. surf.; 31 = nat. and comb. play. surf.; 37 = maint. svcs.; 42 = design svcs.

ADDITIONAL U.S. TRADEMARKS EXCLUDED FROM LICENSING TO DATE

| File No. | App. Serial No. | Country | Filing Date | Mark | International Classes* | Status |
|----------|-----------------|---------|-------------|--|------------------------|--|
| 1. | TURC-2-15597 | U.S. | 8/5/96 | SPORTGRASS | 7, 8, 25, 37, 42 | Allowed; statement of use or extension due 1/16/99 |
| 2. | TURC-2-15598 | U.S. | 8/19/96 | SPORTGRASS A Product of Turf Concepts, Inc. and Design | 25, 31, 42 | Allowed; statement of use or extension due 9/17/98 |

* International class: 7 = power equip.; 8= hand equip.; 25 = clothing; 27 = art. and comb. play. surf.; 31 = nat. and comb. play. surf.; 37 = maint. svcs.; 42 = design svcs.

:svp

SECURITY AGREEMENT

Turf Stabilization Technologies, Inc., an Ohio corporation ("Debtor"), grants to Turf Systems International, Inc., a Washington corporation ("Secured Party"), a security interest in the Collateral described below.

1. Collateral.

Debtor grants a security interest in certain patent, patent application, trademark, trademark application, tradename, copyright, and other intellectual and proprietary technology rights, together with associated goodwill, relating to SportGrass athletic field surfacing including but not limited to the intellectual property rights described in Exhibit A. All such intangible property and rights are hereinafter referred to as the "Collateral."

2. Indebtedness Secured.

The security interest created by this Security Agreement secures the payment and performance of all future indebtedness and obligations, including interest thereon, of Debtor to Secured Party, direct or indirect, including, without limitation, indebtedness and obligations arising from that Asset Purchase Agreement dated October 29, 1998, as amended, (the "Asset Purchase Agreement"). Regardless of the adequacy of any security which Secured Party may at any time hold hereunder and regardless of the adequacy of any other security which Secured Party may obtain from Debtor in connection with any other transaction, any deposits or other monies owing from Secured Party to Debtor shall (as collateral in the possession of Secured Party) constitute additional security for, and may be set off against, obligations secured hereby even though said obligations may not then be due.

3. Ownership.

Debtor warrants that all Collateral is owned or acquired as of the date hereof by Debtor free and clear of any other lien, security interest or encumbrance.

4. Purchase Money Security Interest.

Debtor is acquiring ownership of the Collateral from the Secured Party in consideration of the obligations secured hereby, as further described in the Asset Purchase Agreement, such that Secured Party shall have the rights and priorities of a purchase money security interest under the Uniform Commercial Code, Personal Property Security Act, or other applicable statute.

5. Maintenance of Collateral; Secured Party's Expenses.

Debtor shall:

a. (i) continue to use each trademark, service mark and trade name identified in Exhibit A attached hereto in order to maintain such trademarks, service marks and trade names in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of the products and services offered under such trademarks, service marks and trade

names, (iii) employ such trademarks, service marks and trade names with the appropriate notice of registration, (iv) not adopt or use any trademarks, services marks or trade names that are not identified in Exhibit A unless Secured Party shall obtain a perfected security interest in such trademarks, service marks or trade names pursuant to this Agreement, and (v) not (and not permit any licensee or sublicensee thereof) to do any act or knowingly admit to do any act whereby any such trademarks, service marks and trade names may become invalidated;

b. notify Secured Party of (i) any application or registration relating to any intellectual property right in the Collateral that may become abandoned or dedicated to the public, or (ii) any adverse determination or development (including but not limited to the institution of, or any adverse determination or development in, any proceeding in the United States Patent and Trademark Office or any court or tribunal in any country) regarding Debtor's ownership of any intellectual property right in the Collateral or its right to register, keep or maintain the same;

c report filing any application for the registration of any intellectual property right in the Collateral with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, to Secured Party within five (5) business days after the last day of the calendar month in which such filing occurs. Debtor shall execute and deliver to Secured Party all agreements, instruments, powers of attorney, documents and papers that Secured Party may request to evidence Secured Party's security interest in any intellectual property rights in the Collateral and in the goodwill of Debtor;

d. take all reasonable and necessary steps, including but not limited to all reasonable and necessary steps in any proceedings before the United States Patent and Trademark Office or any similar office or agency in any other country or in any political subdivision thereof, to maintain and pursue each application, to obtain the relevant registration to maintain each registration of any intellectual property right in the Collateral, including but not limited to, filing applications for renewal, responses to office actions, affidavits of renewal, affidavits of incontestability and payments of issue and/or maintenance fees; and

e. notify the Secured Party of any infringement or misappropriation by a third party of any intellectual property right in the Collateral. Debtor shall after it learns thereof, take such action as Debtor reasonably deems appropriate under the circumstances to protect such intellectual property rights.

f. Any notices required under Section 5 shall be given to the Secured Party within thirty (30) days of the end of the quarter, at the time when royalties and payments become due under the Asset Purchase Agreement. However, if any event or circumstance could affect the title to, validity of or impairment of the prosecution of any intellectual property right, such notice shall be given at such earlier time as will give the Secured Party a reasonable opportunity to take such actions as may prevent such invalidations, impairments or affects on title.

Secured Party is not required to, but may at its option, pay any filing or issue fees, maintenance fees, renewal fees, or other charges payable by Debtor to the United States Patent and Trademark office or any similar office or agency in any other country or any political

subdivision thereof, together with all related attorneys fees and costs, and any other necessary or appropriate costs, in connection with the maintenance or preservation of the Collateral as described in this Section 5, and any amount so paid, with interest thereon at the maximum rate permitted by law from date of payment until repaid, shall be secured hereby and repayable by Debtor upon demand. The rights granted in this paragraph are not a waiver of any other rights of Secured Party arising from breach of any of the covenants hereof by Debtor.

6. Financial Statements.

Debtor warrants to Secured Party that all financial statements, balance sheets and all other financial data furnished to Secured Party represent the financial condition of Debtor as of the periods for which they are furnished, and all other information furnished to Secured Party is accurate and correct in all material respects.

7. Inspection of Records.

Debtor shall, at all reasonable times, allow Secured Party, acting through any of its officers, agents, attorneys or accountants, to examine, inspect and make copies of all of Debtor's books and records to the extent such books and records relate to the Collateral.

8. Change in Location or Name.

Debtor represents that its chief executive office (or, if none, its residence) is located at 5055 Wooster Road, Cincinnati, Ohio 45226. Debtor agrees to give Secured Party prompt written notice of any change in its true or trade name, the address of its chief executive office (or residence), change in Debtor's identity or business organization, or the address of the location of any of the Collateral. Debtor hereby appoints Secured Party as its attorney-in-fact to execute and file a change statement or any other Uniform Commercial Code form required to amend the name of Debtor, its principal place of business, or the location of the Collateral shown on any Form UCC-1 or other financing statement previously filed in any state or province or other recording office, or any other statement or filing required, to perfect Secured Party's security interest in the Collateral. In addition, Debtor hereby appoints Secured Party as its attorney-in-fact to execute all assignments and such other documents as may be necessary or appropriate to perfect Secured Party's security interest in the Collateral or to effectuate an assignment of the Collateral from Debtor to Secured Party upon an Event of Default with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof. Debtor hereby acknowledges and agrees that it holds the Collateral in constructive trust for Secured Party.

9. Financing Statements.

Debtor hereby agrees to execute such financing statements, amendments, applications for registration, other forms under the Uniform Commercial Code or Personal Property Security Act, and like documents with the U.S. Patent and Trademark Office, and any other documents or statements required for perfection of the Secured Party's interests hereunder in the United States and foreign countries, as Secured Party may reasonably request in order to perfect its security

interest in the Collateral. Except for such statements and forms delivered to Secured Party, Debtor agrees not to give any financing statements or like documents with all or part of the collateral described on Exhibit A to any other person or institution.

10. Release of Collateral.

Debtor acknowledges that Secured Party is taking a security interest in the Collateral for Secured Party's sole benefit and that Secured Party shall have the absolute right, in its sole discretion, to release any items of Collateral at any time without affecting or diminishing the liability of Debtor to Secured Party for any remaining or future indebtedness. Secured Party shall also have the right, in its sole discretion, to release, settle or compromise the liability of any guarantor of Debtor's indebtedness to Secured Party without affecting or diminishing the liability of Debtor to Secured Party for all remaining or future indebtedness.

11. Event of Default.

Time is of the essence in this Security Agreement. Any of the following events or occurrences shall each be an "Event of Default" under this Security Agreement, unless Debtor promptly cures such event or occurrence upon learning of such, and as a result of such cure, the collateral is not impaired in any way:

11.1. Any failure to pay the full amount of any payment of principal, interest when due, or other charges which are or may be secured hereunder, within thirty (30) days of written notice from the Secured Party;

11.2. Any failure to perform any covenant or agreement between Debtor and Secured Party or otherwise fail to meet any obligation secured hereunder;

11.3. Entry of any judgment in excess of \$50,000.00 against Debtor which is not satisfied within sixty (60) days of the date of judgment ;

11.4. If the Collateral is seized or levied upon under any legal or governmental process against Debtor or against the Collateral which is not discharged or released within thirty (30) days;

11.5. The issuance of any injunction, attachment, garnishment or levy against any property of Debtor which is not discharged within thirty (30) days;

11.6. Any material breach by Debtor of any representation, covenant, or warranty in this Security Agreement, the Asset Purchase Agreement, or any other instrument or agreement with or delivered to Secured Party;

11.7. Loss, substantial impairment, or destruction, of any portion of the Collateral;

11.8. The failure of Debtor to give notice to Secured Party of any change in the location of Debtor if such location is outside the state of Ohio; or

11.9. The insolvency of Debtor, an admission in writing of its inability to pay debts as they become due, the institution by or against Debtor of any bankruptcy, reorganization, debt arrangement, assignment for the benefit of creditors, or other proceeding under any bankruptcy or insolvency law or dissolution, receivership, or liquidation proceeding which is not discharged within sixty (60) days; Dissolution or liquidation of Debtor.

12. Consequence of Default.

In the event of an "Event of Default," (i) the entire amount of any indebtedness and obligation secured hereby shall then or at any time thereafter, at the option of Secured Party, become immediately due and payable without presentment, protest, notice or demand, all of which are hereby expressly waived by Debtor, and Secured Party shall have an immediate right to pursue the remedies provided herein, or any other remedies available under applicable laws and (ii) Debtor shall assign, transfer and convey to Secured Party all right, title and interest in the Collateral; provided, however, that prior to foreclosure or other realization by Secured Party on the security interest granted hereby, Debtor shall have a nontransferable, nonexclusive right and license to use the Collateral that is terminable at any time by Secured Party. Any such assignment, transfer and conveyance made to Secured Party in the event of an "Event of Default" shall inure to the benefit of all successors, assigns and transferees of Secured Party and its successors, assigns and transferees, whether by voluntary conveyance, operation of law, assignment, transfer, foreclosure, deed in lieu of foreclosure or otherwise. The foregoing notwithstanding, any amounts which subsequently become due and payable shall continue to be secured hereby.

13. Remedies.

In the event of an "Event of Default," Secured Party shall have, in addition to all of the rights and remedies at law or in equity, the remedies of a secured party under the applicable Uniform Commercial Code or Personal Property Security Act. Regardless of where any books and records are located, Secured Party may require Debtor to assemble all the books and records in one or more locations and make available to Secured Party such books and records, and Debtor agrees to put Secured Party in possession of the books and records on demand. Secured Party is authorized to enter the premises where the books and records are situated and take possession of the books and records without notice or demand and without legal proceedings. Secured Party, in its sole discretion, may, with or without notice, which notice Debtor hereby waives, upon filing suit to enforce or preserve its rights under this Security Agreement or at any time while such suit is pending, apply for and secure the appointment of a receiver to take possession of Debtor's business or the income and proceeds from Collateral. Debtor hereby expressly waives any requirement that Secured Party or the receiver post a bond upon the appointment of such receiver. Secured Party is specifically entitled to retain all or any portion of the proceeds from Collateral to remedy the default, or to secure any deficiency after exhaustion

of any other security. All the rights, privileges, powers and remedies of Secured Party shall be cumulative.

14. Notices.

Any notices provided for herein shall be given by certified mail, private or overnight delivery service or personal delivery, or confirmed electronic facsimile or telex transmission. Notices delivered by mail shall be deemed to be received for purposes of this Agreement on Secured Party's or Debtor's actual receipt. When notice is required, including, without limitation, notice of sale under the applicable Uniform Commercial Code or Personal Property Security Act, reasonable notice shall be deemed to be five (5) calendar days.

15. Waivers.

Debtor hereby waives demand, notice, protest, notice of acceptance of this Security Agreement, notice of credit extended, or other action taken in reliance hereon and all of the demands and notices of any description. This Security Agreement shall not be qualified or supplemented by course of dealing. No waiver or modification by Secured Party of any of the terms or conditions of this Security Agreement shall be effective unless in writing and signed by Secured Party. No waiver or indulgence by Secured Party as to any required performance or other obligation of Debtor shall be construed as a waiver of any right on any future occasion. Secured Party shall have no obligation to marshal Collateral or to proceed in reverse order of alienation. Debtor waives any failure of Secured Party to take, perfect or keep perfected any security interest.

16. Expenses; Attorneys' Fees.

Upon an "Event of Default," Debtor agrees to pay on demand the amount of all costs and expenses, including any reasonable attorneys' fees, incurred by Secured Party in protecting or enforcing its rights under this Security Agreement on the Collateral, including, without limitation, (1) any attorneys' fees or costs incurred by Secured Party in any Chapter 11 or other bankruptcy or insolvency proceeding, (2) any fees or costs incurred by Secured Party before or without suit, in both trial and appellate courts, and for all other services subsequent to judgment and for execution thereon, (3) expenses of title or public records searches and all court costs, and (4) attorneys' fees and costs of Secured Party defending challenges or claims by Debtor or any third parties, whether or not a lawsuit is commenced. The sums agreed to be paid pursuant to this Section shall be secured by this Security Agreement.

17. Deficiency.

If Secured Party disposes of any of the Collateral, Debtor agrees to pay any deficiency remaining after application of the net proceeds to any indebtedness secured hereby.

18. Successors.

This Security Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of Debtor and Secured Party.

19. Interpretation.

This Agreement and each of the terms and provisions hereof are deemed to have been explicitly negotiated among the parties and the language in all parts of this Agreement shall in all cases be construed according to its fair meaning and not strictly for or against any party. Section headings in this Agreement are inserted for convenience and shall not be deemed to define, limit or construe any provision.

20. Counterparts.

This Agreement may be signed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document.

21. Governing Law.

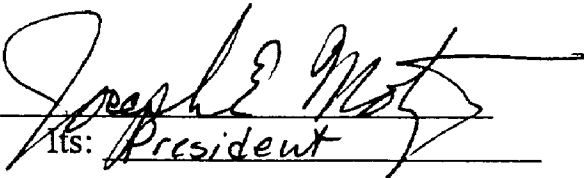
This Agreement shall be governed by the laws of the State of Washington.

[SIGNATURES APPEAR ON NEXT PAGE]

Executed as of the 20th day of January, 1999.

DEBTOR:

**TURF STABILIZATION TECHNOLOGIES,
INC.**

By: 
Its: President

SECURED PARTY:

TURF SYSTEMS INTERNATIONAL, INC.

By: _____
Its: President

Executed as of the ____ day of January, 1999.

DEBTOR:

**TURF STABILIZATION TECHNOLOGIES,
INC.**

By: _____
Its: _____

SECURED PARTY:

TURF SYSTEMS INTERNATIONAL, INC.

By: _____
Its: President

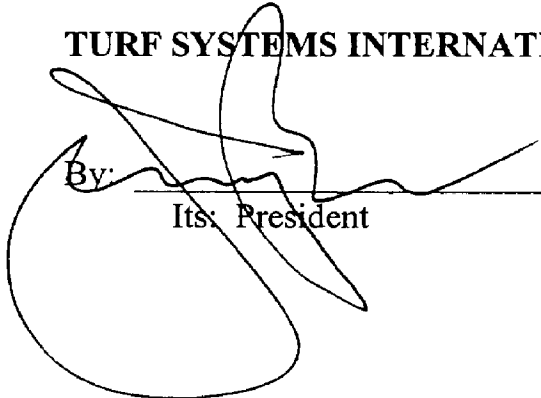
A large, stylized handwritten signature in black ink is written over the signature line and extends into the space below it. The signature is cursive and somewhat abstract, with a large loop at the bottom left.

EXHIBIT A

All of Debtor's interest hereafter acquired in patent, patent application, trademark, trademark application, tradename, copyright, licenses, and other intellectual and proprietary technology rights, together with associated goodwill, relating to SportGrass athletic field surfacing or the "SportGrass®" name, including the following:

[Insert Table From Marcia Kelbon]

Patent and Trademark Information of Turf Systems, Inc.

7/23/98

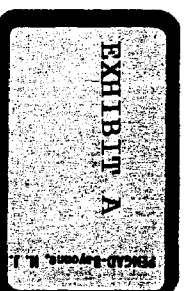
Status Report

PATENTS

| File No. | App. Serial No. | Country | Filing Date | Relation | Status |
|----------------|-----------------|-------------|-------------|-----------------------|---|
| 1. TURF-1-7452 | 07/902,147 | U.S. | 06/22/92 | Parent | Abandoned |
| 2. TURF-1-7453 | 08/078,624 | U.S. | 06/17/93 | CIP (1) | Abandoned |
| 3. TURF-1-7454 | PCT/US93/05963 | PCT | 06/22/93 | CIP priority from (1) | Converted into National/Regional Patent Applications |
| 4. TURF-1-7946 | 08/319,322 | U.S. | 10/14/94 | Cont. (1) | Issued as USP 5,489,317 2/6/96 |
| 5. TURF-1-8020 | 08/334,414 | U.S. | 11/04/94 | Cont. (2) | Issued as USP 5,586,408 12/24/96 |
| 6. TURF-1-8064 | PI 9306589-2 | Brazil | 11/22/93 | National Phase of (3) | In Prosecution |
| 7. TURF-1-8065 | 1994-502,533 | Japan | 6/22/93 | National Phase of (3) | In Prosecution; Must request examination by 6/22/2000 |
| 8. TURF-1-8066 | 94-704,693 | South Korea | 6/22/93 | National Phase of (3) | In Prosecution; Awaiting examination |
| 9. TURF-1-8124 | 46,460/93 | Australia | 6/22/93 | National Phase of (3) | Issued as Australian Patent 675,074 5/13/97 |

PATENT

REEL: 9719 FRAME: 0514



| | File No. | App. Serial No. | Country | Filing Date | Relation | Status |
|-----|---------------|-----------------|---|-------------|--|---|
| 10. | TURF-1-8125 | 2,138,784 | Canada | 6/22/93 | National Phase of (3) | In Prosecution |
| 11. | TURF-1-8126 | 93916686.4 | EP--all countries | 6/22/93 | National Phase of (3) | In Prosecution; Approved for publication; Must approve text and file any divisional applications by 9/18/98 |
| 12. | TURF-1-9704 | 08/744,758 | U.S. | 11/6/96 | CIP of 08/334,414 | Allowed; waiting issue notification |
| 13. | TURF-1-10557 | 08/964,942 | U.S. | 11/5/97 | CIP of (12.) with claims to overfill | In Prosecution; Awaiting Examination |
| 14. | TURF-1-11502 | PCT/US97/20095 | PCT | 11/4/97 | Corresponds to (12.) | In Prosecution; Awaiting search report |
| 15. | TURF-1-12073 | 09/071,650 | U.S. | 5/1/98 | New filing for knitted backing | To be abandoned in favor of (17.) |
| 16. | TURF-1-12187 | 09/110,881 | U.S. | 7/7/98 | Continuation of (12.) for biodegradable backings | In prosecution |
| 17. | TURF-1-12242 | 09/074,338 | U.S. | 5/8/98 | New filing for knitted backings/MSK | |
| 18. | TURF-X-XXXXXX | TBD | EP - BE, FR, DE, GR, IT, NL, ES, CH, GB | ASAP | DIVISIONAL OF (11) | TO BE FILED |
| 19. | TURF-X-XXXXXX | TBD | EP - BE, FR, DE, GR, IT, NL, ES, CH, GB | ASAP | DIVISIONAL OF (11) | TO BE FILED |
| 20. | TURF-X-XXXXXX | | | | Motz Patent File | |
| 21. | TURF-X-XXXXXX | | | | ASPG Patent File | |
| 22. | TURF-X-XXXXXX | | | | Egan Patent File | |

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TRADEMARKS

| File No. | App. Serial No. | Country | Filing Date | Mark | International Classes* | Status |
|-----------------|-----------------|-------------|-------------|------------|--|--|
| 1. TURF-2-14884 | 74/635,339 | U.S. | 02/17/95 | SPORTGRASS | 27 | Reg. No. 1,954,766, Issued 2/6/96 |
| 2. TURF-2-16477 | 729205 | AU | 03/05/97 | SPORTGRASS | 25, 27, 31, 42 | In Prosecution |
| 3. TURF-2-16478 | 838,542 | CA | 03/05/97 | SPORTGRASS | clothing, playing surfaces and design services | In Prosecution; Declaration of use and registration fee due 3/5/2000 |
| 4. TURF-2-16479 | 486688 | CT (Europe) | 03/13/97 | SPORTGRASS | 25, 27, 37, 42 | In Prosecution |

* International class: 25 = clothing; 27 = art. and comb. play. surf.; 31 = nat. and comb. play. surf.; 37 = maint. svcs.; 42 = design svcs.

PATENT

REEL: 9719 FRAME: 0516

ADDITIONAL U.S. TRADEMARKS EXCLUDED FROM LICENSING TO DATE

| File No. | App. Serial No. | Country | Filing Date | Mark | International Classes* | Status |
|----------|-----------------|---------|-------------|---|------------------------|--|
| 1. | TURC-2-15597 | U.S. | 8/5/96 | SPORTGRASS | 7, 8, 25, 37, 42 | Allowed; statement of use or extension due 1/16/99 |
| 2. | TURC-2-15598 | U.S. | 8/19/96 | SPORTGRASS A Product of Turf Concepts, Inc. and Design | 25, 31, 42 | Allowed; statement of use or extension due 9/17/98 |

* International class: 7 = power equip.; 8 = hand equip.; 25 = clothing; 27 = art. and comb. play. surf.; 31 = nat. and comb. play. surf.; 37 = maint. svcs.; 42 = design svcs.

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