

04-22-1999

FORM PTO-1619A  
Expires 06/30/99  
OMB 0651-0027



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

101016540

*WRD*  
*4-5-99*

**RECORDATION FORM COVER SHEET  
PATENTS 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  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)

Name (line 2)

Execution Date  
Month Day Year

**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)

**FOR OFFICE USE ONLY**

04/21/1999 JSHABAZZ 00000168 08687805

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120.00 OP

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: 9893 FRAME: 0374**

**Correspondent Name and Address**

Area Code and Telephone Number

(505) 843-9440

Name MARK A. GLENN

Address (line 1) P.O. BOX 27047

Address (line 2)

Address (line 3) ALBUQUERQUE NM 87125-7047

Address (line 4)

**Pages**

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

# 8

**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)

Patent Number(s)

08687805  
09092355

5580130

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 PCT PCT  
PCT PCT PCT

**Number of Properties**

Enter the total number of properties involved.

# 3

**Fee Amount**

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

120.00

Method of Payment: Deposit Account

Enclosed  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.

Mark A. Glenn

*Mark A. Glenn*

3/31/99

Name of Person Signing

Signature

Date

## **SECURITY AGREEMENT**

Bleacher Comfort Licensing LLC, a Wyoming limited liability company, hereinafter referred to as "Debtor", hereby grants to Carl Donato, hereinafter referred to as "Secured Party", a security interest in all collateral described below.

This security interest is given to secure the performance by Debtor of its written guaranty of Bleacher Comfort LLC's promissory note to Secured Party in the amount of One Hundred Thousand Dollars (\$100,000.00) of even date herewith; to secure each and every obligation arising under this Security Agreement; and to secure the payment of any and all other sums, obligations or indebtedness now or in the future owing or due from Debtor to Secured Party, provided that this Security Agreement shall not secure any obligation not specifically mentioned herein which is subject to the Federal Truth In Lending Act unless the document or instrument evidencing such obligation specifically refers to this Security Agreement.

### **I. INFORMATION**

1. Description of Collateral: All pending and issued patents described more particularly at Exhibit "A" attached hereto.
2. Location: Licensed to Bleacher Comfort LLC at Watsonville, California.

### **II. WARRANTIES AND REPRESENTATIONS**

Debtor warrants and represents that:

1. Debtor's Title: Except as specified herein, Debtor has, or upon acquisition will have, title to all collateral. No other person, entity, agency, or government has or purports to have or upon acquisition will have any right, title, lien, encumbrance, adverse claim, or interest in any collateral. Exceptions to Debtor's title to collateral: licensing agreements in favor of Bleacher Comfort LLC. Provided, however, that Secured Party shall, if asked to do so, promptly execute any necessary instruments to confirm that its security interest in after-acquired personalty is and shall be subordinate to any bona fide purchase money security interest given a seller or lender in connection with such acquisition.

2. Debtor's Authority: Debtor has authority to enter into this Security Agreement and any person signing it on Debtor's behalf has been duly authorized to execute this Security Agreement for Debtor.

3. Information: Any and all information now or hereafter supplied to Secured Party by Debtor, or at Debtor's request or instruction, in connection with this Security Agreement, is correct.

### **III. COVENANTS AND AGREEMENTS**

Debtor covenants and agrees that:

1. Payment: Debtor will pay any of Debtor's indebtedness to Secured Party promptly when due and payable whether at maturity, by acceleration, or otherwise, and Debtor will repay immediately and upon demand all expenses (including collection costs, reasonable attorney fees, other legal expenses and costs, and expenses described at Article V, "Remedies") incurred by Secured Party under this Security Agreement, with interest at the legal rate from the date of expenditure.

2. Additional Information: Debtor will, upon Secured Party's written demand, establish the correctness of any information supplied to Secured Party and will promptly notify Secured Party of any adverse changes in any information supplied to Secured Party and of any change in Debtor's residence, chief place of business or mailing address, and of any change of address to which notices should be sent.

3. Additional Documents: Debtor will execute financing statements and any additional agreements, assignments or documents that may be deemed reasonably necessary or advisable by Secured Party to effectuate the purpose of this Security Agreement.

4. Requirement of Certificate of Title: If a certificate of title (registration or identification) be required or permitted by law, Debtor shall obtain such a certificate showing thereon the security interest of Secured Party in said collateral.

5. Taxes, Assessments, Charges, Liens, Encumbrances: Debtor will pay when due any and all taxes, assessments, charges, liens or encumbrances now or hereafter affecting the collateral.

6. Defense of Title: Debtor, at its own cost and expense, will appear in and defend

any action or proceedings which may affect the security interest of Secured Party in or Debtor's title to any collateral.

7. Address for Notice: Service of any notice upon a party may be made by deposit in the United States mail, postage prepaid, directed to the party at its address set forth herein.

8. Right to Assign: Secured Party may assign all or part of its rights under this Security Agreement, and if Secured Party does so assign, the assignee shall be entitled, upon notifying Debtor, to the assigned security interest in collateral to secure the performance or payment of Debtor's obligations to and agreements with the assignee. The assignee shall be entitled to all of Secured Party's rights and remedies hereunder, and, except as otherwise expressly specified herein, Debtor will assert no claims or defenses Debtor may have against Secured Party. On transfer of all or any part of the obligation secured hereby, Secured Party may transfer all or any part of the collateral which Secured Party may then be holding to any such assignee at any time. Any such transfer or delivery shall discharge Secured Party from all liability and responsibility with respect to such collateral transferred or delivered.

9. Confidentiality: Secured party hereby agrees for himself, his heirs, successors and assigns, that neither Secured Party nor his successors will disclose to any third party any of the confidential information provided by Debtor pursuant to this Security Agreement or pursuant to the loan transaction with reference to which it is made. Breach of this covenant by Secured Party shall be deemed a "real" defense which shall not be cut off by assignment.

#### **IV. OTHER PROVISIONS**

1. Payment of Obligations: Upon satisfaction in full of all of the obligations of Debtor described in the second paragraph hereof, Secured Party shall return to Debtor all remaining collateral which Secured Party may be holding.

2. Non-Responsibility of Secured Party: Secured Party is not responsible for the preservation of any collateral in its possession nor for the exercise of any rights arising in connection therewith.

#### **V. REMEDIES**

Debtor understands and agrees that in the event that any warranty or representation is false; any covenant or agreement herein or in any note or other document or agreement now or

hereafter executed relating to collateral or Debtor's indebtedness is violated; or Secured Party is insecure (because the prospect of payment is materially impaired; the prospect of performance of any covenant or agreement is materially impaired; or the value or priority of the security interest is materially impaired), Secured Party, in addition to any remedies provided by law or by this Security Agreement (all rights and remedies being cumulative and exercisable successively or concurrently and without impairing Secured Party's security interest in the collateral), and to the extent provided by law, may:

1. Expenses: Incur expenses on Debtor's account which are reasonable and necessary (including reasonable attorney fees, legal expenses and costs, and other costs expended or incurred in connection with the discovery, locating, or taking possession of said collateral) to exercise any right or power under this Agreement;

2. Performance of Debtor's Obligations by Secured Party: May (but need not) perform any obligation of Debtor, may (but need not) make payments, purchase, contest, or compromise any encumbrance, charge or lien, and may (but need not) pay taxes and expenses, all on Debtor's account;

3. Set-Off: Exercise all rights of set-off and lien to the same effect and in the same manner as if no collateral had been given.

4. Default: Declare, upon notice to the Debtor, that a default has occurred, consistent with subparagraph 6 below;

5. Acceleration: Declare, upon notice to the Debtor, consistent with subparagraph 6 below, that the entire indebtedness is immediately due and payable;

6. Cure: Secured Party may commence legal proceedings or repossession of collateral based upon untimely payment under the aforesaid promissory note only if the arrearage reaches 15 days.

7. Secured Party's Rights: Secured Party may enforce any indebtedness, obligation or liability secured hereby and exercise all rights and powers hereby conferred, although some or all of the indebtedness or obligations secured hereby shall be otherwise secured. If said indebtedness or obligations, or any part thereof, secured hereby shall be, also, secured by a lien or encumbrance on real property, Secured Party may, at its election, exercise any of its

rights and remedies hereunder without first foreclosing or exhausting and without in any way affecting or impairing any such lien or encumbrance on such real property. The acceptance of this Security Agreement by Secured Party shall not prevent it from realizing upon or enforcing any other security now or hereafter held by it, and Secured Party shall be entitled to exercise all rights of set-off and of any lien and other rights and remedies to the same effect and in the same manner as if this Security Agreement had not been given, to the extent permitted by law.

8. **Debtor's Rights:** Debtor shall have all of the rights and remedies before or after default allowed under the California Uniform Commercial Code, or any successor statute, except to the extent that the provisions of this Security Agreement may, under the Code, control. With regard to the patents and pending patent applications pledged hereunder, Debtor, in the absence of any default of Debtor hereunder, retain all rights normally associated with the ownership of patents, including, without limitation, all rights to exploit said patents commercially in the ordinary course of business, to grant licenses, and to receive royalties.

## **VI. RULES TO CONSTRUE AGREEMENT**

Debtor understands and agrees that:

1. **Time of Essence:** Time is of the essence of this Agreement;
2. **Waiver:** Secured Party's acceptance of partial or delinquent payments or failure of Secured Party to exercise any right or remedy shall not be a waiver of any obligation of Debtor or right of Secured Party, nor constitute a modification of this Agreement, nor constitute a waiver of any other similar default subsequently occurring;
3. **Entire Agreement:** This Security Agreement contains the entire Security Agreement between Secured Party and Debtor. However, any written agreement of sale or like document or note now or hereafter executed relating to the purchase of said collateral from Secured Party or evidencing Debtor's indebtedness shall be construed as a part of this Security Agreement;
4. **Assignments, etc.:** The provisions of this Security Agreement are hereby applicable to and shall inure to the benefit of Secured Party's successors and assigns, and bind Debtor's heirs, legatees, devisees, administrators, executors, successors and assigns;

5. Multiple Debtors: When more than one Debtor signs this Security Agreement all agree:

A. Construction: That whenever "Debtor" appears in the Agreement, it shall be read "each Debtor";

B. Breach: That the breach of any covenant or warranty by any Debtor may, at the option of Secured Party, be treated as a breach by all Debtors;

C. Liability: That the liability of each Debtor is joint and several, and that the discharge of any Debtor, for any reason other than full payment, or any extension, forbearance, or change of rate of interest, or acceptance, release or substitution of security, or any impairment or suspension of Secured Party's remedies or rights against one Debtor, shall not affect the liability of any other Debtor;

D. Waiver: That all Debtors waive the right to require Secured Party to proceed against one Debtor before any other or to pursue any other person or any other remedy in Secured Party's power.

6. California Law Applicable: Debtor further agrees that California law shall govern the construction of and the interests, rights, and duties of the parties to this Security Agreement, and that if any of the provisions of this Security Agreement shall contravene or be held invalid under the laws of any jurisdiction, this Security Agreement shall be construed as if not containing those provisions and the rights, in which case the obligations of the parties shall be construed and enforced accordingly.

Debtor acknowledges that Debtor has read this Security Agreement, that it was completely filled in before its execution, and that Debtor has received a true copy.

This Security Agreement may be executed in duplicate originals, each of which may be deemed an original.

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DATED: November 4, 1998.

SECURED PARTY

DEBTOR



Carl Donato  
P.O. Box 123  
Zephyr Cove, NV 12345



Bleacher Comfort Licensing LLC  
A Wyoming Limited Liability Company  
Alan W. Jackson, as its Manager  
121 Aviation Way  
Watsonville, CA 95076-2058

**Exhibit A**

**Security Agreement Between Bleacher Comfort Licensing LLC and Carl Donato**

1. U.S. Patent No. 5,580,130 [seat for bleachers].
2. U.S. pending application for patent No. 08/687/805, and any patent issued thereon [protective helmet and method of manufacture].
3. U.S. pending application for patent No. 09/092/355, and any patent issued thereon [ultra lightweight closed cell foam bicycle saddle].

All subject to licensing agreements with Bleacher Comfort LLC.