

04-05-2000



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COVER SHEET

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PC-10371  
U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

Tab settings

To the Honorable Commissioner

and the attached original documents or copy thereof.

1. Name of conveying party(ies):  
Allen D. Everitt Knitting Co.

2. Name and address of receiving party(ies):

Name: American National Bank and Trust Company of Chicago

Internal Address:

Street Address: 111 East Wisconsin Avenue

City: Milwaukee State: WI ZIP: 53202

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

Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

- Assignment  Merger
- Security Agreement  Change of Name
- Other

Execution Date: February 25, 2000

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

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

B. Patent No.(s)

D398,437

5,809,572

Additional numbers attached?  Yes  No

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

Name: Thomas J. Pienkos

Internal Address: Whyte Hirschboeck Dudek S.C.

Street Address: 111 E. Wisconsin Avenue, Suite 2100

City: Milwaukee State: WI ZIP: 53202

6. Total number of applications and patents involved: 4

7. Total fee (37 CFR 3.41) ..... \$ 160.00

- Enclosed
- 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.

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.

Thomas J. Pienkos

Name of Person Signing

Signature

3/2/2000

Date

Total number of pages including cover sheet, attachments, and document: 9

04/04/2000 DMSUYEN 00000221 398437

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

01 FC:581

160.00 OP

(Form PTO-1595-Recordation Form Cover Sheet - page 1 of 3)

PATENT  
REEL: 010648 FRAME: 0408

Attachment to Form PTO - 1595  
Recordation Form Cover Sheet

Additional Application and/or Patent Numbers

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-- D399,038

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-- D399,035

COLLATERAL PATENT  
SECURITY AGREEMENT

This Collateral Patent Security Agreement is entered into as of the 25<sup>th</sup> day of February, 2000 by and between Allen D. Everitt Knitting Co., a Wisconsin corporation, having its principal place of business at 234 West Florida Street, Milwaukee, WI 53204 (hereinafter referred to as "Borrower"), and American National Bank and Trust Company of Chicago, for itself and as agent for its affiliates, having an address at 111 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 (hereinafter referred to as "Lender").

WHEREAS, pursuant to a Loan and Security Agreement of even date and related documentation (hereinafter collectively referred to as the "Agreement"), Lender has made loans to Borrower; and

WHEREAS, it is a condition of the Agreement that, in order to further secure the obligations under the Agreement, Borrower grant to Lender a lien, security interest and mortgage in all of its now existing and hereafter created or acquired patents;

NOW, THEREFORE, in order to further secure all present and future obligations (including, without limitation, the Obligations as defined in the Agreement and as secured pursuant to Section 3 of the Agreement) of Borrower to Lender, including all interest due thereunder, and the payment and performance of all obligations of Borrower described herein and in the Agreement (hereinafter collectively referred to as "Obligations"), and for other good and valuable consideration, the receipt of which by Borrower is hereby acknowledged, Borrower and Lender hereby agree as follows:

1. Borrower hereby mortgages and pledges unto and creates a security interest in for the benefit of Lender, with full power of sale upon the occurrence and during the continuance of a default under the Agreement ("Event of Default"), all of the Borrower's right, title and interest throughout the world in and to:

(a) The United States patents and applications for patent of Borrower described in Exhibit A hereto and all other United States and foreign patents and applications for patent of Borrower now existing or hereafter filed or acquired;

(b) The inventions disclosed and/or claimed in all of the said United States and foreign patents and applications for patent, and all other proprietary inventions now owned by Borrower or hereafter made, created or acquired by or for Borrower whether or not any of said inventions are patentable;

(c) All other applications for patent or like protection on any of said inventions that have now or may in the future be filed by Borrower, or by the assignors of the rights to said inventions to Borrower, whether in the United States or in any other country or place anywhere in the world;

(d) All other patents or like protection that have been or may in the future be granted on any of the aforesaid inventions and/or applications to Borrower, or to any assignor of the rights to any such invention to Borrower, whether in the United States or in any other country or place anywhere in the world;

(e) All renewals, reissues, continuations, extensions or the like of any patents, including without limitation, those obtained or permissible under past, present and future laws and statutes of the United States, any State or any other country or place anywhere in the world.

(f) All rights of action on account of past, present, and future unauthorized use of any of said inventions and for infringement of said patents.

(g) The right to file and prosecute applications for patents on any of said inventions or for similar intellectual property in the United States or any other country or place anywhere in the world

(h) All of the proceeds of any of the foregoing (the intangible assets enumerated in subparagraphs (a) through (g) being hereinafter collectively referred to as the "Patent Rights").

TO HAVE AND TO HOLD the same unto Lender, its successors and assigns, forever in accordance with the terms and conditions set forth herein and in the Agreement; provided, however, that the mortgage, lien and security interest in the Patent Rights granted Lender hereunder are upon the express condition that if Borrower shall pay and discharge all of its Obligations in accordance with the terms thereof, and all other sums that may be secured thereby and all other sums owed by Borrower to Lender, and Lender shall have no further obligation to lend money to Borrower under the Agreement or any other document, then this Collateral Patent Security Agreement and the mortgage, lien, and security interest hereby granted and made shall cease, terminate and be void, and the entire right and interest in said Patent Rights created by this Collateral Patent Security Agreement shall be released (at Borrower's expense); otherwise this Collateral Patent Security Agreement is to remain in full force and effect.

2. Borrower agrees in addition to the rights and remedies given to Lender under the Agreement, upon the occurrence of any Event of Default, Lender shall have the rights and remedies of a secured party under the Uniform Commercial Code, including the power to sell, assign and convey the Patent Rights, in whole or in part, for cash or on credit, at public sale or private sale and in whatever way the Lender shall, in its reasonable discretion, deem appropriate. For such purposes and in the event of Borrower's default hereunder or the occurrence of any Event of Default, Borrower hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in its exclusive discretion, as Borrower's true and lawful attorney-in-fact, with the power to endorse the Borrower's name on all applications, documents, papers and instruments as may be necessary for Lender to have the

full benefit of this Collateral Patent Security Agreement, including, but not limited to, the full right to the use of the Patent Rights described herein or to grant or issue any exclusive or non-exclusive license under such Patent Rights to anyone else, or as may be necessary for Lender to assign, pledge, convey or otherwise transfer title in and to or otherwise dispose of the Patent Rights. Except for acts of gross negligence and willful misconduct, Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the latest to occur of the following: (a) the expiration of this Collateral Patent Security Agreement, (b) the expiration of the Agreement, and (c) the satisfaction in full of all Borrower's liabilities to Lender including without limitation all of the Obligations.

3. Lender shall have no obligation or responsibility to protect or defend the Patent Rights or the right to use thereof, and Borrower shall, at its own expense, take such actions as may be necessary to protect, defend and maintain the same to the extent advisable for its business in Borrower's reasonable business judgment. Borrower shall forthwith advise Lender in writing of material infringements detected by the Borrower in the ordinary course of its business. Upon the occurrence and continuation of an Event of Default, or if Borrower fails to comply with the foregoing, Lender may but shall not be required to do so in the Borrower's name to the extent permitted by law, and Borrower hereby agrees to reimburse Lender in full for all reasonable expenses, including reasonable attorneys' fees, incurred by Lender in reasonable efforts to protect, defend and maintain the Patent Rights.

4. If, before the Obligations are satisfied in full, Borrower shall obtain rights to any new patentable inventions, or become entitled to the benefit of any patent application or patent or any improvement on any patent, the provisions of this Collateral Patent Security Agreement shall automatically apply thereto and Borrower shall give to Lender prompt notice thereof in writing. Borrower authorizes Lender to modify this Collateral Patent Security Agreement by amending Exhibit A to include any future patents and patent applications.

5. Borrower further agrees and covenants that it, its successors and assigns, will, at its own expense, execute all papers and perform such other acts as may be reasonably necessary to give Lender, its successors and assigns, the full benefit of this Collateral Patent Security Agreement.

6. Borrower hereby represents, warrants, covenants and agrees that:

(a) The patents and applications for patents set forth in Exhibit A hereto constitute all of the patents and applications for patents owned by Borrower.

(b) Except for the security interest granted Lender hereby and such security interests specifically permitted under the Agreement, it is and will continue to be the owner of all of its Patent Rights free from any adverse claim to title, security interest or encumbrance of any person other than Lender.

(c) It has the full right and power to grant the security interests in its Patent Rights made hereby.

(d) Borrower has made no currently effective assignment, transfer or agreement in conflict herewith or constituting a present or future assignment or transfer of or encumbrance on any of its Patent Rights.

(e) Except financing statements filed or to be filed in respect to the security interest under this Collateral Patent Security Agreement, other financing statements in favor of Lender and such other financing statements and/or liens specifically permitted by the Agreement, there is no financing statement or other document or instrument now signed or on file in any public office covering any part of the Patent Rights, and so long as any of the Obligations remain outstanding, it will not execute, and there will not be on file in any public office, any such financing statement or other document or instruments.

(f) Subject to any limitation stated therein or in connection therewith, all information furnished to Lender concerning the Patent Rights and proceeds thereof, or otherwise for the purpose of obtaining credit or an extension of credit, is or will be at the time the same is furnished, accurate and correct in all material respects.

(g) To the best of Borrower's knowledge and belief, no material infringement or unauthorized use presently is being made of any Patent Right.

7. Throughout the term of this Collateral Patent Security Agreement, Borrower shall diligently prosecute all applications for patent as are in Borrower's best interest in Borrower's reasonable business judgment and shall file and prosecute any continuations, continuations-in-part, applications for reissue, applications for certificate of correction, affidavits of use, proofs of use, renewals and like matters, as are in Borrower's best interest in Borrower's reasonable business judgment, and Borrower shall bear the entire cost of all such filings and proceedings. Borrower agrees to retain a licensed patent attorney for the filing and prosecution of all such applications and other proceedings.

8. Borrower agrees to pay when due all fees, including license fees, taxes and other expenses which shall be incurred or which shall accrue with respect to any of the patents or patent applications within the Patent Rights.

9. Borrower shall not allow any patent or any application for patent included within the Patent Rights to become abandoned, nor any patent to be forfeited or dedicated to the public without the express written approval of the Lender which approval shall not be unreasonably withheld. If any pending or hereafter filed patent, including renewal applications, has been finally rejected by the United States Patent and Trademark Office or any foreign patent or trademark office, Borrower may abandon the same after sixty (60) days prior written notice to Lender, who may thereafter at its own expense pursue administrative or judicial appeals.

Borrower shall cooperate in any such appeal.

10. Lender may, at its option, after the occurrence of an Event of Default, but without obligation to do so, discharge taxes, liens, or security interests or other encumbrances at any time levied or placed upon the Patent Rights, or pay for maintenance or preservation of the Patent Rights, or pay any other fee, attorneys' fee or other expenses necessary to preserve and protect the rights conveyed, mortgaged and secured by the security interests hereby granted.

11. Borrower hereby grants to Lender an irrevocable license, effective upon the occurrence of an Event of Default, to use or grant licenses relating to the Patent Rights, in Lender's sole discretion, for any of the following purposes: operating Borrower's business, completing any work in progress of Borrower, using or processing any inventory of Borrower, repairing any goods manufactured by Borrower, selling or marketing any goods of Borrower or any goods manufactured from inventory or work in progress of Borrower, and any other purpose related to any real or personal property of Borrower. As used in this paragraph 11, the phrase "of Borrower" shall refer to all property or interests in property owned or previously owned by Borrower in which Lender has or has had any lien, security interest, mortgage or other interest. The irrevocable license granted by this paragraph shall be effective from the date hereof until all of the Obligations have been paid in full, provided that Lender shall exercise rights under the irrevocable license only during such time or times that Borrower is in default under the Agreement.

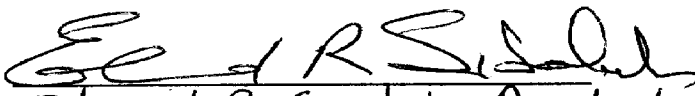
12. Lender shall permit Borrower to control and manage the Patent Rights in the operation of its business including rights of manufacture, use and sale granted by said Patent Rights, to enforce rights under the Patent Rights, and to receive and use the income, revenue and profits arising from said Patent Rights and the proceeds thereof in the same manner and with the same effect as if this Collateral Patent Security Agreement had not been made so long as Borrower shall pay when due the Obligations secured by this Collateral Patent Security Agreement and shall not otherwise be in default under the Agreement, this Collateral Patent Security Agreement, or any other agreement between Lender and Borrower. The present grant to Lender of a lien, security interest and mortgage notwithstanding, the parties acknowledge that Borrower is and shall remain the owner of the Patent Rights with full power to grant licenses, subject to the terms and conditions hereof.

13. Any provisions hereof found to be invalid under the laws of the United States of America, the State of Wisconsin, or any other applicable law, shall be invalid only with respect to the offending provision and only with respect to the application of such law, and this Collateral Patent Security Agreement shall otherwise remain in full force and effect. All words used herein shall be construed to be of such gender or number as the circumstances require. This Collateral Patent Security Agreement shall be binding upon the successors and assigns of the parties hereto, but shall inure to the benefit of the successors or assigns of the Lender only. All of Borrower's rights and remedies with respect to the Patent Rights, whether established hereby or by the Agreement, or by any other agreements between Borrower and Lender, or by law shall


be cumulative and may be exercised singularly or concurrently. No course of dealing between Borrower and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Agreement shall operate as a waiver thereof. This Collateral Patent Security Agreement may be amended only by a writing signed by the parties. The law of the State of Wisconsin shall apply to this Collateral Patent Security Agreement and its construction and interpretation.

IN WITNESS WHEREOF, Borrower and Lender have caused this Collateral Patent Security Agreement to be duly executed as of the day and year first above written.

Allen D. Everitt Knitting Co.

By   
Edward R. Sisolak, President

American National Bank and Trust Company of Chicago

By   
Monica A. Stariha, Authorized Agent

Edward R. Sisolak joins in the foregoing Agreement to subject all of his right, title and interest in the Patent Rights to the foregoing Agreement.


  
Edward R. Sisolak, an individual



EXHIBIT A

**PATENTS**

<b>TITLE</b>	<b>PATENT NO.</b>	<b>ISSUE DATE</b>	<b>STATUS</b>	<b>OWNER</b>
KNIT CHEESE HAT	D398,437	09/22/98	Issued	Edward R. Sisolak
MULTIPLE-LAYER, FORMED FACE MASK FOR USE IN A COLD WEATHER HOOD	5,809,572	09/22/98	Issued	Edward R. Sisolak
EMBOSSED CHEESE HAT	D399,038	10/06/98	Issued	Edward R. Sisolak
EMBOSSED CHEESE TIE	D399,035	10/06/98	Issued	Edward R. Sisolak