

04-26-2000



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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: Settlement Agreement

*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

Execution Date  
Month Day Year  
11-30-98  
Execution Date  
Month Day Year

Name (line 1) Cyclone Technologies, Inc.

Name (line 2)

**Second Party**

Name (line 1)

Name (line 2)

**Receiving Party**

Mark if additional names of receiving parties attached

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.)

Name (line 1) V-Stax, LLC

Name (line 2)

Address (line 1) 7215 Monetary Drive

Address (line 2)

Address (line 3) Orlando, FL / USA  
city State/Country

32809  
Zip Code

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name L. Grant Foster

Address (line 1) FOSTER & FOSTER L.L.C.

Address (line 2) 602 East 300 South

Address (line 3) Salt Lake City, Utah 84102

Address (line 4)

FOR OFFICE USE ONLY

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

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**Correspondent Name and Address**

Area Code and Telephone Number (801) 364-5633

Name L. Grant Foster

Address (line 1) Foster & Foster L.L.C.

Address (line 2) 602 East 300 South

Address (line 3) Salt Lake City, UT 84102

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)

5,672,187  
4,568,500  
5,472,645  
4,515,734  
5,512,216

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 Treat (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. # 5

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$ 200

Method of Payment:  
Deposit Account

Enclosed ( ) Deposit Account ( X )

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

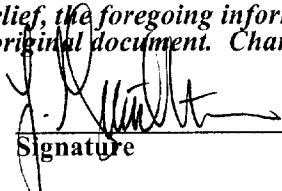
Deposit Account Number: # 06-1620

Authorization to charge additional fees: Yes ( X ) 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.

L. Grant Foster  
Name of Person Signing

  
Signature

24 MARCH 2000  
Date

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**SETTLEMENT AGREEMENT**

entered into by and among

**ROCKCYCLE DEVELOPMENT CO.,**  
a Nevada corporation,

**V-STAX, L.L.C.,**  
a Utah limited liability company as successor in interest to  
**HOWARD P. ROCK,**  
an individual residing in the State of Utah

and

**CYCLONE TECHNOLOGIES, INC.**  
a Utah corporation

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Effective as of November 11, 1998  
Salt Lake City, Utah

## SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (this "Agreement") is made and entered into on the dates set forth below, to be effective as of November 11, 1998, by and among V-STAX, L.L.C., a Utah limited liability company as successor in interest to HOWARD P. ROCK, an individual residing in the State of Utah ("Rock"), ROCKCYCLE DEVELOPMENT CO., a Nevada corporation ("Rockcycle Development"), and CYCLONE TECHNOLOGIES, INC., a Utah corporation ("Cyclone"). Rock and Rockcycle Development are referred to collectively herein as "Rockcycle." Cyclone and Rockcycle are referred to collectively herein as the "Parties" and sometimes individually as a "Party."

### Recitals

A. As of May 28, 1993, Cyclone and Rockcycle entered into that certain International Marketing and Manufacturing License and Patent Assignment Agreement (the "License Agreement").

B. A dispute has arisen among Rockcycle and Cyclone concerning amounts required to be paid to Rockcycle by Cyclone under the License Agreement. The dispute is currently the subject of an arbitration proceeding between V-Stax, L.L.C., as Petitioner, and Cyclone, as Respondent, American Arbitration Association Reference No. 81 133 00121 98 (the "Arbitration").

C. The Parties wish to enter into this Agreement to settle the Arbitration, and cause it to be dismissed, and to terminate the License Agreement and to resolve certain other matters affected by the License Agreement.

### Agreement

THEREFORE, in consideration of the mutual covenants and conditions herein contained, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties hereby agree as follows.

1. Termination of the License Agreement. The License Agreement is hereby terminated by the Parties. Any claims by any of the Parties against any other of the Parties arising under the License Agreement are hereby released and terminated, provided that this release shall not affect any obligations of any Party under any provision of this Agreement. Without limiting the generality of the preceding sentence:

(a) Rockcycle hereby releases Cyclone from any liability to Rockcycle to pay any future amounts owed to Rockcycle under paragraph 8 of the License Agreement. The Parties agree that any and all payments made to Rockcycle prior to the execution date of this Agreement, including, but not limited to, the compensation set forth in paragraph 8 of the License Agreement, shall be payment in full for Rockcycle's previous performance under the terms of the License Agreement;

(b) Except to the extent specifically provided for in this Agreement, Cyclone hereby releases Rock, Rockcycle Development and V-Stax, L.L.C. from any claims, losses, damages, liabilities, payments and obligations relating to or arising out of claims or disputes concerning their respective business and contractual relationships heretofore established for the purposes of developing, manufacturing, marketing and distributing the "Technology." Cyclone specifically hereby releases any claim that it may have to any improvements to the "Technology," patents or new developments by Rockcycle, Howard P. Rock, Kelly P. Rock and/or V-Stax, L.L.C. subsequent to April 4, 1997;

(c) Cyclone shall retain ownership of the "US Patents" (as defined in the License Agreement) and a corresponding license to practice the "Technology" as provided for in the License Agreement, including in paragraphs 4 and 5 of the License Agreement, subject, however, to various supplemental agreements entered into between Cyclone and V-Stax, L.L.C., including but not limited to the "CTI/V-Stax Agreement" (defined below), the Clarification Letter dated April 4, 1997, the Additional Understandings dated April 22, 1997, the Patent and Proprietary Information Assignment Agreement dated April 22, 1997, the Side Letter effective April 22, 1997, the Promissory Note and Pledge Agreement dated May 19, 1997, and Cyclone's Relationship Letter dated April 14, 1998 (collectively, the "Supplemental Agreements").

(d) To clarify rights in the "Technology" described in the License Agreement, and in all other agreements among any of the Parties and/or V-Stax, L.L.C., and to insure that no provision of this Agreement detracts from rights previously granted V-Stax, L.L.C. by Cyclone, the Parties hereby reaffirm that the term "Transferred Technology" as used in any agreements between or among any of the Parties and/or V-Stax, L.L.C. does not include any improvements, new patents or new developments, if any, of the "Transferred Technology" or the "Technology" made by V-Stax, L.L.C. subsequent to April 4, 1997. In all other respects, the definition of "Transferred Technology" shall be unchanged, except as provided in the preceding sentence.

2. No Adverse Effect on Rights of V-Stax, L.L.C. Nothing in this Agreement shall diminish or detract from any rights granted to V-Stax, L.L.C. by Cyclone prior to the effective date of this Agreement. All agreements and documents between V-Stax, L.L.C. and Cyclone, including, but not limited to the Supplemental Agreements, as defined above and as further modified in this Agreement shall remain unaffected except as provided herein. V-Stax, L.L.C. shall be a third party beneficiary of all provisions of this Agreement.

3. Third Party License Royalties. As further consideration, and for purposes of settling pending disputes and securing Cyclone's continuing ownership and license rights to the US Patents, the Parties agree that the obligation of V-Stax, L.L.C. to make additional payments to Cyclone equal in amount to fifteen percent (15%) of the gross income, determined on a cash basis, from licensing the Transferred Technology to third parties as provided for in the agreement between V-Stax, L.L.C. and Cyclone, dated March 24, 1997 and approved by Unanimous Written Consent of the Board of Directors of Cyclone on April 7, 1997 (the "CTI/V-Stax Agreement") is hereby revoked and Cyclone specifically releases V-Stax L.L.C. from any and all past or future claims or obligations arising therefrom.

4. Dismissal of the Arbitration. Rockcycle shall promptly file documents dismissing and terminating the Arbitration with prejudice. Cyclone agrees to sign promptly all such documents as shall be reasonably requested by Rockcycle for this purpose.

5. Mutual Release of Claims. Cyclone and its president, Richard Whiting, individually, hereby jointly release Rockcycle, V-Stax, their managers, directors, officers, members, employees, agents, representatives, attorneys and affiliates, from any and all claims, of any nature whatsoever, past, present or future, arising out of any action occurring at any time prior to the date of execution of this Agreement by the Parties hereto. Rockcycle Development hereby releases Cyclone and Richard Whiting from any and all claims, of any nature whatsoever, past, present or future, arising out of any action occurring at any time prior to the date of execution of this Agreement by the Parties hereto.

6. Documents. Each Party agrees to execute any and all other documents and to take any and all such other actions as are reasonably requested or required by the other Party in order to fully perform and carry out the intentions of this Agreement and in order to allow the other Party to fully realize the benefits intended to be provided by this Agreement.

7. Authorization. Cyclone hereby represents and warrants that Richard Whiting, the President of Cyclone, is authorized to execute this Agreement and to bind Cyclone to the terms hereof. This Agreement shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Parties.

8. Amendments. This Agreement may not be varied, modified or amended other than by a written instrument duly executed by both of the Parties hereto.

9. Recitals. The recitals set forth above are a part of this Agreement and are binding on the Parties.

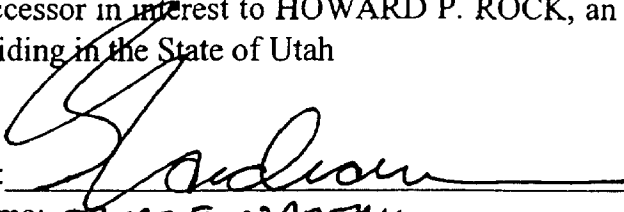
10. Counterparts. This Agreement may be executed in counterparts, by original signature or by fax. A set of counterparts of this Agreement, showing signatures by all of the Parties, shall constitute one original copy hereof.

11. Jurisdiction. This Agreement shall be interpreted and construed under the laws of the State of Utah, and venue for any legal proceedings available to the Parties hereunder shall lie in the appropriate courts of Salt Lake City, Utah.

IN WITNESS WHEREOF, the Parties hereto have hereunder affixed their signatures on the dates set forth below to be effective as of the date first set forth above.

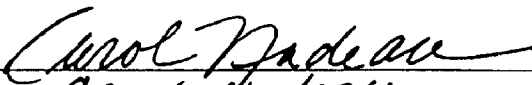
V-STAX, L.L.C., a Utah limited liability company as successor in interest to HOWARD P. ROCK, an individual residing in the State of Utah

Date: 30 November 98

By:   
Name: BRUCE E. NADEAU  
Its: MANAGING MEMBER

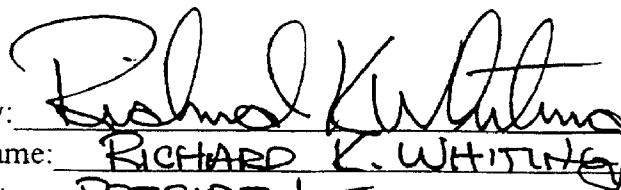
ROCKCYCLE DEVELOPMENT CO., a Nevada corporation

Date: Nov. 30 '98

By:   
Name: CAROL NADEAU  
Its: PRESIDENT

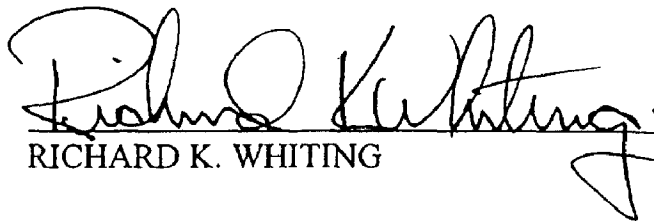
CYCLONE TECHNOLOGIES, INC., a Utah corporation

Date: NOV. 25, 1998

By:   
Name: RICHARD K. WHITLING  
Its: PRESIDENT

The undersigned executes this Agreement to indicate his intent to be bound by the provisions of paragraph 5 above:

Date: Nov. 25, 1998

  
RICHARD K. WHITING



**STANDARD FORM  
UNIFORM COMMERCIAL CODE - FINANCING STATEMENT - FORM UCC-1**

This <b>FINANCING STATEMENT</b> is presented to a filing officer for filing pursuant to the Uniform Commercial Code		
1. Debtor(s) (Last Name First) and address(es):  Cyclone Technologies, Inc. 5635 Waterbury Way Suite 203 Salt Lake City, Utah 84121	2. Secured Party(ies) and address(es):  V-Stax, LLC P.O. Box 691117 Orlando, Florida 32869	
Social Security or _____ Emp. Fed. I.D. No. <u>87-0565880</u>		
4. This Financing Statement covers the following (or items) of property:  The collateral is described in <b>Exhibit A attached</b>		
The Secured party is <u>XX</u> is not <u>  </u> a seller or Purchase money lender of the Collateral		6. Gross sales price of collateral \$ _____ \$ _____ Sales or use tax paid to State of _____
This statement is filed without the debtor's signature to perfect a security interest in collateral (Check <input type="checkbox"/> if so) <input type="checkbox"/> already subject to a security interest in another jurisdiction when it was brought into this state. <input type="checkbox"/> which is proceeds of the original collateral described above in which a security interest was perfected.		5. Assignee(s) of Secured Party and Address(es)
Check <input type="checkbox"/> if covered <input checked="" type="checkbox"/> Proceeds of Collateral are also covered. <input type="checkbox"/> Products of Collateral are also covered. No. of additional sheets presented: 1		Microfilm No

3. Maturity date (if any):	Approved by Division of Corporations and Commercial Code, Department of Business Regulations.
Signature of Debtor:  By: <u>John K. King, PRES</u> <u>CYCLONE TECHNOLOGIES, INC.</u>	Signature of Secured Party:  V-STAX, LLC By: <u>Bruce E. Nadreau</u> Bruce E. Nadreau, Manager

**TERMINATION STATEMENT:** This Statement of Termination of Financing is presented to a filing officer for filing pursuant to the Uniform Commercial Code. The Secured Party certifies that the Secured Party no longer claims a security interest under the financing statement bearing the file number shown above

Date: November 20, 2008

SECURED PARTY:  
\_\_\_\_\_  
By: \_\_\_\_\_

## EXHIBIT A

### Description of the Collateral

The Collateral consists of the following contractual rights of Cyclone:

1. Cyclone's rights to receive 15% of the gross income of V-Stax L.L.C., determined on a cash basis, that V-Stax L.L.C. realizes from licensing the Transferred Technology to third parties. Such rights of Cyclone are referred to herein as the "V-Stax Income Rights."

2. Cyclone's contractual rights, now and future, to receive payments or fees relating to licensing of the "Retained Technology" to third parties. Such rights are referred to herein as the "Cyclone License Payment Rights." The "Retained Technology" owned by Cyclone is defined in a letter of intent dated March 24, 1997, entered into by and between Maker and V-Stax, L.L.C., as modified by a subsequent letter dated April 4, 1997 from V-Stax to Cyclone.