

RE  
7-17-01

10-16-2001



101874648

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# **101785849A**

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 Execution Date  
Month Day Year

Name (line 1) **PARAGON PRODUCTS, INC.**

**02-23-01**

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) **THOMAS B. MARTIN, SR.**

Name (line 2) \_\_\_\_\_

Address (line 1) **2553 HIGHLAND HILLS DRIVE**

Address (line 2) \_\_\_\_\_

Address (line 3) **EL DORADO HILLS CALIFORNIA 95762**

City

State/Country

Zip Code

If document to be recorded to 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) \_\_\_\_\_

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Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20227

Correspondent Name and Address Area Code and Telephone Number (360) 696-3312

Name STEVEN W. MARLOWE

Address (line 1) 915 BROADWAY

Address (line 2) P.O. Box 1086

Address (line 3) VANCOUVER, WA 98666-1086

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments. # 1

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)

<input type="text"/>	<input type="text"/>	<input type="text"/>	<u>5,226,803</u>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<u>5,421,706</u>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<u>5,605,448</u>	<input type="text"/>	<input type="text"/>

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: 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.

STEVEN W. MARLOWE  
Name of Person Signing

Steven W. Marlowe  
Signature

October 1, 2001  
Date

FORM PTO-1619A  
Expires 03/30/99  
OMB 0651-0027

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

7-17-01

07-23-2001



RI

101783849

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Month Day Year

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Address (line 2) \_\_\_\_\_

Address (line 3) \_\_\_\_\_

Address (line 4) \_\_\_\_\_

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FORM PTO-1619B  
Expires 09/30/99  
OMB 0851-0027

Page 2

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

Correspondent Name and Address Area Code and Telephone Number **(360) 696-3312**

Name **STEVEN W. MARLOWE**

Address (line 1) **915 BROADWAY**

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			<b>5,421,706</b>		
			<b>5,605,448</b>		

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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.

**STEVEN W. MARLOWE**

**July 9, 2001**

Name of Person Signing

Signature

Date

# SECURITY AGREEMENT

PARAGON PRODUCTS, INC., a Washington corporation ("Debtor"), hereby grants to TRANSPORTATION RESEARCH CORPORATION, a Washington corporation, and THOMAS B. MARTIN ("Secured Party"), a security interest in each license, patent, patent application, copyright, copyright application, trademark or trademark registration (whether registered or to be registered in the United States of America or elsewhere), applied for, issued to or owned by Debtor and each process, invention, trade secret or trade name of Debtor in those certain locomotive fuel pumps, Pump Models 895 and 2600; particularly U.S. Patent No. 5,226,803 (July 13, 1993); U.S. Patent No. 5,421,706 (June 6, 1995); and U.S. Patent No. 5,605,448 (February 25, 1997); as well as in certain equipment listed on Exhibit A, attached hereto and incorporated by reference herein, together with all increases therein, together with all proceeds of all such property.

All of said property is hereinafter referred to as the "Property" and is located in Sacramento County, California.

This Security Agreement is given to secure the payment and performance of all indebtedness and obligations of Debtor pursuant to that certain Agreement for Purchase and Sale of Assets. Regardless of the adequacy of any security which the 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 transactions, 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 such obligations may not then be due. When more than one person is the Debtor they shall be jointly and severally liable.

DEBTOR HEREBY REPRESENTS, COVENANTS and AGREES with Secured Party as follows:

- 1. Use of Property.** Debtor agrees to comply with any governmental regulation affecting the use of the Property and will not waste, injure nor destroy the Property, nor use nor permit the use of the Property in any unlawful manner. Debtor represents and agrees that the primary use of the Property is and will be commercial.
- 2. Ownership and Liens.** Debtor is over eighteen (18) years of age and owns the Property and the same is free and clear of all security interests and encumbrances of every nature. Debtor will not create nor permit the existence of any lien or security interest other than that created hereby on the Property without the written consent of Secured Party. Any certificate of title now or hereafter existing on any of the Property will be delivered to Secured Party and will recite the interest of Secured Party.
- 3. Taxes.** Debtor will pay before delinquency all taxes or other governmental charges levied against the Property and will pay any tax which may be levied on any obligation secured hereby.

4. **Performance by Debtor.** Debtor covenants that there are no offsets or defenses to the accounts covered by this Agreement which can be asserted either by way of defense or counterclaim against the Secured Party or the Debtor. Debtor agrees to perform promptly all its obligations required by any account covered by this Agreement, including but not limited to the performance of any sales warranties arising from the transaction which created such account.

5. **Removal or Sale.** Without the prior written consent of Secured Party, Debtor will not remove the Property from the state of California or the state of Washington, and Debtor will not sell the Property or any interest therein.

6. **Expenses Incurred by Secured Party.** Secured Party is not required to, but may at its option, pay any tax, assessment, insurance premium, expense, repair or other charges payable by Debtor, if not paid by Debtor when due, and any filing or recording fees, 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. The rights granted by this paragraph are not a waiver of any other rights of Secured Party arising from breach of any of the covenants hereof by Debtor.

7. **Waivers.** 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 hereof shall be effective unless in writing signed by Secured Party. No waiver nor indulgence by Secured Party as to any required performance by Debtor shall constitute a waiver as to any subsequent required performance or other obligations of Debtor hereunder.

8. **Default.** Time is of the essence of this Security Agreement. The following events shall be defaults hereunder:

8.1 Any failure to pay when due the full amount of any payment, principal, interest, taxes, insurance, premiums, or any other payments, which are or may be secured hereby.

8.2 Any failure to perform as required any covenant or agreement stated herein or secured hereby.

8.3 If the Property should be seized or levied upon under any legal or governmental process against Debtor or against the Property.

8.4 If Debtor becomes insolvent or is the subject of a petition in bankruptcy, either voluntary or involuntary, or in any other proceeding under the federal bankruptcy laws; or makes an assignment for the benefit of creditors; or if Debtor is named in or the Property is subject to a suit for the appointment of a receiver.

8.5 Loss, substantial damage, or destruction of any portion of the Property.

8.6 Dissolution or liquidation of Debtor.

8.7 Entry of any judgment against Debtor.

8.8 Failure to perform any and all covenants on the part of Debtor to be performed pursuant to the terms and conditions of that certain Agreement for Purchase and Sale of Assets by and between the parties hereto of even date herewith.

9. **Notices.** All notices hereunder shall be in writing and may be given by personal delivery or certified mail, addressed to the respective parties at the addresses hereinbelow set forth, or at such other address that each may hereafter designate in writing prior to the time of the giving of such notice, or in any other manner authorized by law. Any notice given shall be effective when actually received or if given by certified mail, then forty-eight (48) hours after the deposit of such notice in the United States mail with postage prepaid.

10. **Acceleration.** In the event of any event of default hereunder, the entire amount of all indebtedness secured hereby shall then become immediately due and payable. Failure to exercise this option in the event of default shall not constitute a waiver of the right to exercise it in the event of any subsequent default.

11. **Remedies.** In the event of a default hereunder, Secured Party shall have all remedies provided by law and, without limiting the generality of the foregoing, shall be entitled as follows:

11.1 Debtor agrees to put Secured Party in possession of the Property on demand.

11.2 Secured Party is authorized to enter any premises where the Property is situated and take possession of the Property without notice or demand and without legal proceedings.

11.3 At the request of Secured Party, Debtor will assemble the Property and make it available to Secured Party at a place designated by Secured Party which is reasonably convenient to both parties.

11.4 To notify account debtors and to effect direct collection of any accounts included as security herein, or at Secured Party's option to sell all or part of such accounts, and make application of all proceeds on such accounts.

11.5 Debtor agrees that a period of ten (10) days from the time notice is sent, by first class mail or otherwise, shall be a reasonable period of notification of a sale or other disposition of the Property.

11.6 Debtor agrees that any notice or other communication by Secured Party to Debtor shall be sent to the mailing address of the Debtor stated herein.

11.7 Debtor agrees to pay on demand the amount of all expenses, including attorney's fees, reasonably incurred by Secured Party in protecting or realizing on the Property and such sums shall be secured hereby.

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

12. **Attorney's Fees and Costs.** In the event of a default under this Agreement or any related agreement executed by the parties on even date herewith, the prevailing party shall be entitled to recover from the other party reasonable attorney's fees, including fees incurred in a trial court or an appellate court or without suit, expenses of title search, all sheriff's costs, court costs and all other legal expenses.

13. **Conflict of Laws and Venue.** This Agreement and any other instrument or writing provided for herein, or delivered as a result of this Agreement, shall be governed, enforced and construed by the laws of the State of Washington, excluding choice of law rules. Venue for any action brought under, or in conjunction with, this Agreement shall be in Clark County, Washington.

DATED: \_\_\_\_\_, 20\_\_

PARAGON PRODUCTS, INC.,  
a Washington corporation

By: \_\_\_\_\_  
THEODORE J.I. KEEFER, President

Mailing Address of Debtor:

4990 Hillside Circle  
El Dorado Hills, CA 95762

SECURITY AGREEMENT - 4

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[February 20, 2001]

LAW OFFICES OF  
LANDERHOLM, MEMOVICH,  
LANSVERK & WHITESIDES, P.S.  
Broadway at Evergreen  
P.O. Box 1086  
Vancouver, Washington 98666  
(360) 696-3312

RECORDED: 07/17/2001

PATENT  
REEL: 012232 FRAME: 0771