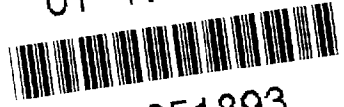


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### RECORDATION FORM COVER SHEET PATENTS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

#### Submission Type

New 1.11.02

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

Name (line 2)

#### Second Party

Name (line 1)  Execution Date Month Day Year

Name (line 2)

#### Receiving Party

Mark if additional names of receiving parties attached

Name (line 1)   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 2)

Address (line 1)

Address (line 2)

Address (line 3)     
City State/Country Zip Code

#### 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

01/16/2002 TDIAZ1 00000227 5168652

01 RC:581 120.00 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

**Correspondent Name and Address**

**Area Code and Telephone Number**

404-885-3561

Name Jacqueline Haley, Patent Agent

Address (line 1) Troutman Sanders LLP

Address (line 2) Bank of America Plaza, Suite 5200

Address (line 3) 600 Peachtree Street

Address (line 4) Atlanta, Georgia 30308-2216

**Pages**

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

# 11

**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)**

5168652   5384979   D360014

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

**Deposit Account**

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

**Deposit Account Number:**

# 20-1507

**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.*

Jacqueline Haley, Reg. No. 41,457

**Name of Person Signing**

*Jacqueline Haley*

**Signature**

October 25, 2001

**Date**

**CONDITIONAL ASSIGNMENT AND  
PATENT SECURITY AGREEMENT**

**THIS CONDITIONAL ASSIGNMENT AND PATENT SECURITY AGREEMENT** (the "Agreement") is made as of the 2<sup>nd</sup> day of October, 2001, by **Mann's Bait Company, Inc.**, a Georgia corporation ("Mann's") and **Eufaula Manufacturing Co., Inc.**, a Georgia corporation ("EMC"; Mann's and EMC are collectively referred to as the "Borrowers"), in favor of **Capital Business Credit, a division of Capital Factors, Inc.** (the "Secured Party").

WHEREAS, the Borrowers and the Secured Party have entered into a Loan and Security Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"; capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Loan Agreement), pursuant to which the Secured Party has agreed to make certain loans and other financial accommodations available to the Borrowers (the "Loans"); and

WHEREAS, in order to induce the Secured Party to enter into the Loan Agreement and to make the Loans, the Borrowers have agreed to assign to the Secured Party certain patent rights as described herein.

NOW, THEREFORE, in consideration of the premises, the Borrowers hereby agree with the Secured Party as follows:

1. Grant of Security Interest.

To secure the complete and timely payment and performance of all Obligations, the Borrowers hereby grant, assign and convey to the Secured Party a security interest in the Borrowers' entire right, title and interest in and to the United States of America (the "U.S.") patents and patent applications listed in **Schedule A** attached hereto and by reference made a part hereof and in any further U.S. patents or patent applications which may issue or be filed during the duration hereof, together with any and all licenses now or hereafter relating thereto and all royalty payments or rights to royalty payments now or hereafter arising therefrom (collectively, the "Patents").

2. Representations and Warranties.

Each Borrower represents and warrants that:

(a) Except as set forth on Schedule B, the Patents are subsisting (that is, they have issued and have not subsequently lapsed or prematurely expired) and to the best knowledge of such Borrower have not been adjudged invalid or unenforceable, in whole or in part, in the U.S. or in any of the respective states thereof;

(b) The Patents listed on Schedule A constitute all of the patents owned by such Borrower and all of the patent applications that are owned by such Borrower;

(c) To the best of such Borrower's knowledge, each of the subsisting Patents is valid and enforceable in the U.S. and the respective states thereof and all claims by others to rights in the Patents of which such Borrower is aware, including, without limitation, licenses, are noted on Schedule B attached hereto and by reference made a part hereof, except that this paragraph shall not be construed as a representation or warranty that such Borrower has heretofore marked the number of its Patents on all goods covered by the claims of such Patents;

(d) Except as noted on Schedule B, such Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to such Patent, free and clear of any liens, charges, encumbrances, mortgages, hypothecations, pledges, liens, security interests or claims of any kind, including, without limitation, covenants by such Borrower not to sue third persons and licenses;

(e) Such Borrower has made all necessary applications, filings and recordations to protect and maintain its interest in the subsisting Patents, including, without limitation, all necessary filings and recordations in the U.S. Patent and Trademark Office; and

(f) Such Borrower has the unqualified right, power and authority to execute, deliver and perform this Agreement.

3. Conditional Grant of Security Interest in Additional Patents.

If, before the Obligations shall have been satisfied in full and the Secured Party's commitment to lend under the Loan Agreement shall have been terminated, the Borrowers shall have or obtain ownership of any U.S. patent or patent application, the provisions of Paragraph 1 shall automatically apply thereto. This Paragraph 3 shall not apply to Patents which are owned by others and licensed to the Borrowers. The Borrowers shall perform all acts and execute all documents reasonably requested by the Secured Party at any time and from time to time to evidence, perfect, maintain, record, and enforce the Secured Party's security interest in the Patents, including, without limitations, any patents falling under this Paragraph 3.

4. Modification of Agreement.

Each Borrower authorizes the Secured Party to modify this Agreement by amending **Schedule A** to include any additional patent or patent application which are Patents pursuant to Paragraphs 1 and 3 hereof, together with any then-existing limitations or licenses or claims to rights therein that have been made known to the Secured Party, and to have this Agreement, as amended, or any other document evidencing the security interest granted therein, recorded in the U.S. Patent and Trademark Office at the expense of such Borrower. The representations and warranties of such Borrower shall be deemed to be remade and restated by such Borrower as of the date of the amendment of **Schedule A** with respect to all Patents listed on the amended **Schedule A** at that time.

5. Covenants of the Borrowers.

(a) Each Borrower covenants as follows: (i) it will not do any act or omit to do any act that may cause or contribute to the abandonment of any Patent, or permit the premature expiration of any Patent without the prior written consent of the Secured Party (which consent shall not be unreasonably withheld); (ii) such Borrower shall give the Secured Party written notice, and a complete copy, of any license or sublicense of the Patents; and (iii) all uses of the Patent by it or its permitted sublicensees will include such notices of registration as are required or authorized from time to time under applicable law.

(b) With respect to each Patent, each Borrower agrees to take all necessary steps, including, without limitation, in the U.S. Patent and Trademark Office or in any court, to: (i) maintain each such Patent, and (ii) pursue any patent application now or hereafter included in the Patents under this Agreement, including, without limitation, filing of responses to correspondence issued by the U.S. Patent and Trademark Office and payment of all maintenance fees or taxes as they become due during the life of the Patent, provided that, if such Borrower determines that any Patent is not material to its business, such Borrower may, if no Event of Default exists, abandon or not pursue any Patent with prior written notice to the Secured Party. Each Borrower agrees to take corresponding steps with respect to each new or acquired Patent or patent application covered by Paragraph 3 hereof. Any expenses incurred in connection with such activities shall be borne by such Borrower, and such Borrower agrees to as soon as practicable provide the Secured Party with written notice of any such actions or proceedings.

(c) With respect to each Patent, each Borrower agrees that it shall notify the Secured Party as soon as practicable after it becomes aware of any alleged infringement of any of the Patents by a third party. Each Borrower further agrees to pursue all commercially reasonable and appropriate causes of action against all infringers of the Patents, and such Borrower shall be liable for all costs associated with such causes of action, including, but not limited to, attorneys' fees. Notwithstanding the foregoing, if any Borrower determines that any such Patent is not material to such Borrower's business, such Borrower may, if no Event of Default exists, elect not to pursue any such infringement action with prior written notice to the Secured Party.

(d) Upon the Secured Party's reasonable request from time to time, each Borrower shall provide to the Secured Party an up-to-date list of all license agreements relating

to or affecting the Patents, together with the names and addresses of each licensee and, if requested by the Secured Party, a copy of each license agreement.

(e) Until all of the Obligations shall have been satisfied in full and each Secured Party's commitment to lend under the Loan Agreement shall have been terminated, no Borrower will enter into any agreement which is inconsistent with such Borrower's obligations under this Agreement without the Secured Party's prior written consent.

(f) Each Borrower shall perform all acts and execute all documents reasonably requested by the Secured Party at any time and from time to time to evidence, perfect, maintain, record and enforce the Secured Party's security interest in the Patents, including, without limitation, any patents falling under Paragraph 3.

#### 6. Remedies Upon Default; Power of Attorney.

(a) In addition to the grant of the security interest contained in Paragraphs 1 and 3 hereof, if any Event of Default under the Loan Agreement shall have occurred and be continuing, or if any Borrower fails to perform any agreement or to meet any of its obligations hereunder, which failure shall continue for a period of thirty (30) days after written notice thereof has been given to such Borrower by the Secured Party, upon the election of the Secured Party all right, title and interest in and to the Patents shall be automatically granted, assigned, conveyed and delivered to the Secured Party or its designee. Each Borrower hereby irrevocably constitutes and appoints the Secured Party and any officer, agent or employee thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Borrower and in the name of such Borrower or the Secured Party's own name or the name of the Secured Party's designee, all acts of said attorney being hereby ratified and confirmed, upon the occurrence and during the continuation of an Event of Default: (i) to complete, date, execute and file, or cause to be filed, the Assignment attached hereto as **Exhibit A** and by reference made a part hereof (the "Assignment") in the U.S. Patent and Trademark Office and in all other applicable offices, and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purpose of the Assignment, including, without limitation, the right (but not the obligation) to prosecute applications in the name of such Borrower or the Secured Party, and to take any other actions deemed necessary by the Secured Party to maintain such registration in effect; (ii) to collect all proceeds from the Patents (including, without limitation, license royalties and proceeds of infringement suits); (iii) to convey, in any transaction authorized by the Loan Agreement, any goods covered by the Patents to any purchaser thereof; and (iv) to make payment or to discharge taxes or liens levied or placed upon or threatened against any goods covered by the Patents, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Secured Party in its sole discretion, and such payments made by the Secured Party to become the obligations of such Borrower to the Secured Party, due and payable immediately without demand. Such power, being coupled with an interest, is irrevocable until the Obligations have been paid in full.

(b) The Secured Party shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party

under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents may be enforceable, and, without limiting the generality of the foregoing, the Secured Party may, if any Event of Default shall have occurred and be continuing, immediately, without demand or performance and without other notice (except as set forth below) or demand whatsoever to the Borrowers, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, the Patents, and after deducting from the proceeds of sale or other disposition of the Patents all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds in accordance with the terms of the Loan Agreement. Notice of any sale or other disposition of the Patents shall be given to the Borrowers at least five (5) business days before the time of any intended public or private sale or other disposition of the Patents is to be made, which each Borrower hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, the Secured Party may, to the extent permissible under applicable law, purchase the whole or any part of the Patents sold, free from any right of redemption on the part of the Borrowers, which right is hereby waived and released. Each Borrower hereby agrees to execute any documents reasonably requested by the Secured Party in connection with any disposition hereunder.

(c) Upon the occurrence of the conditional assignment provided for herein, the Borrowers will have no right, title, or interest in or to any of the Patents, and the Borrowers shall cease and desist in the use of the Patents, and shall, upon written demand of the Secured Party, or pursuant to the terms of the Loan Agreement, deliver to the Secured Party all goods covered by the Patents.

7. Termination of Agreement.

At such time as the Borrowers shall completely satisfy all of the Obligations and the Secured Party's commitment to lend under the Loan Agreement shall have been terminated, the Secured Party shall execute and deliver to the Borrowers all deeds, assignments and other instruments as may be necessary or proper to re-vest in the Borrowers title to the Patents, subject to any disposition thereof which may have been made by the Secured Party pursuant hereto.

8. Limitation of Liability and Indemnification.

Each Borrower hereby releases the Secured Party from, and agrees to hold the Secured Party free and harmless from and against, any claims arising out of any action taken or omitted to be taken with respect to the Patents (except to the extent of the Secured Party's gross negligence or willful misconduct), and such Borrower agrees to indemnify the Secured Party from and against any and all claims, demands, suits, losses, damages or other expenses (including reasonable attorneys' fees) arising from or in any way related to the Patents.

9. Waiver and Amendment.

(a) No course of dealing between the Borrowers and the Secured Party nor any failure to exercise, nor any delay in exercising, on the part of the Secured Party, any right, power or privilege hereunder or thereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) This Agreement is subject to modification only by a writing signed by the parties hereto.

10. Cumulative Rights.

All of the Secured Party's rights and remedies with respect to the Patents, whether established hereby or under the Loan Agreement, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

11. Severability.

The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

12. Survival.

The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

13. Counterparts.

This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

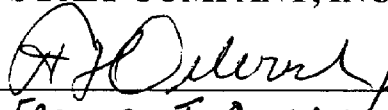
14. Choice of Law.

The validity, construction and enforcement of this Agreement, and the determination of the rights and duties of the parties shall be governed by the laws of the State of Georgia regardless of any choice of law or other provision that would result in the application of the laws of any other jurisdiction.

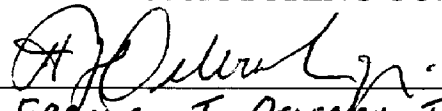


IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

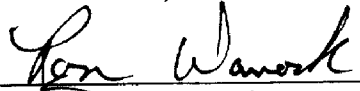
**MANN'S BAIT COMPANY, INC.**

By:   
Name: FRANCIS J. DELEARCH, JR.  
Title: PRESIDENT

**EUFAULA MANUFACTURING CO., INC.**

By:   
Name: FRANCIS J. DELEARCH, JR.  
Title: PRESIDENT

**CAPITAL BUSINESS CREDIT, a division  
of Capital Factors, Inc.**

By:   
Name: Ron Warnock  
Title: Vice President

**SCHEDULE A**

**U.S. PATENT REGISTRATIONS AND APPLICATIONS**

<b>Application or Patent No.</b>	<b>Country</b>	<b>Filing Date</b>	<b>Expiration Date</b>	<b>Title</b>
5,168,652	U.S.	12/08/1992	12/08/2012	Line Tie for Artificial Fishing Lure
5,384,979	U.S.	01/14/94	01/31/2009	Fishing Lure
D360,014	U.S.	01/14/1994	07/04/2009	Fishing Lure

**SCHEDULE B**

**LIENS AND CLAIMS OF THIRD PARTIES**

1\_multipart\_xF8FF\_3\_Conditional Assignment and Patent Security Agreement - CBCMann's  
Patent Security Agreement

**PATENT**  
**REEL: 012454 FRAME: 0838**

## EXHIBIT A

### ASSIGNMENT OF PATENTS

THIS ASSIGNMENT dated the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_, from \_\_\_\_\_, a \_\_\_\_\_ corporation (the "Assignor"), to **Capital Business Credit, a division of Capital Factors, Inc.** (the "Assignee"), recites and provides:

WHEREAS, the Assignor is owner of all right, title and interest in and to certain patents and patent applications identified in **Schedule A** appended hereto (the "Patents"); and

WHEREAS, the Assignee desires to obtain pursuant to the September \_\_\_\_, 2001, Loan and Security Agreement between the Assignor, \_\_\_\_\_ and the Assignee, all of the Assignor's right, title and interest in all such Patents.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Assignor hereby grants, assigns and conveys to Assignee, its successors and assigns, the entire right, title and interest of Assignor in and to the Patents and any and all licenses now or hereafter relating thereto, including without limitation all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), and the right to sue for past, present and future infringements, together with the goodwill of the business symbolized by the patents. Assignor acknowledges that it has granted Assignee the right to secure the assets of the Assignor associated with the Patents under separate agreement.

The Assignor further agrees to execute such further instruments and documents and perform such further acts as the Assignee may deem necessary to secure to the Assignee the rights herein conveyed.

The Assignor warrants and represents that it is the sole owner of the interest conveyed hereunder and that such interest is not the subject of any prior transfer, assignment, lien, mortgage or other transaction which would affect the Assignor's ability to transfer such interest.

The Assignor further agrees to indemnify the Assignee for any breach of the above warranty.

IN WITNESS WHEREOF, the Assignor has executed this Assignment as of the day and year first above written.

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_