

02-06-2002

Form PTO-1595
(Rev. 03/01)

F

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

OMB No. 0651-0027 (exp. 5/31/2002)

101974859

Tab settings ⇌ ⇌ ⇌ ▼ ▼ ▼ ▼

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

M & J OPPORTUNITIES, INC.

1-29-02

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

3. Nature of conveyance:



Assignment



Merger



Security Agreement



Change of Name



Other _____

Execution Date: November 15, 2001

2. Name and address of receiving party(ies)

Name: Dial-A-Down, Inc.

Internal Address: Attn: James J. Egender

Street Address: _____

8919 Booth Ave.

City: Kansas City State: MO Zip: 64138

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

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) 4,837,957
June 13, 1989B. Patent No.(s) D 308,236
May 29, 1990Additional numbers attached? ☐ Yes ☒ No

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

Name: James R. Mueller

Internal Address: _____

Street Address: _____

4600 Madison Ave., Suite 600

City: Kansas City State: MO Zip: 64112

6. Total number of applications and patents involved: 2

7. Total fee (37 CFR 3.41).....\$ 80.00



Enclosed



Authorized to be charged to deposit account

8. Deposit account number:

JAN 2 2002

(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.

James J. Egender, President

Name of Person Signing
Dial-A-Down, Inc.

Signature

11-20-01

Date

Total number of pages including cover sheet, attachments, and documents: 17

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

02/05/2002 LMUELLER 00000126 4837957

01 FC:581

80.00 OP

PATENT
REEL: 012530 FRAME: 0507

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Agreement") is made as of this 15th day of November, 2001, by and between M & J OPPORTUNITIES, INC., a Nevada Corporation or its assignee ("Debtor") and DIAL-A-DOWN, INC., a Missouri Corporation ("Creditor").

SECTION 1

Purpose and Agreement

1.1 **Purpose.** By this Agreement, Debtor intends to create and grant to Creditor a security interest in the Collateral for purposes of securing payment of the Indebtedness.

1.2 **Agreement.** Creditor and Debtor agree to all of the terms, covenants and conditions of this Agreement.

SECTION 2

Definitions

When used in this Agreement the following terms shall have the meanings set forth in this section.

2.1 **Parties.** Defined above.

2.2 **Property.** The property described in Exhibit 1 attached hereto (the "Property").

2.3 **Purchase Agreement.** The Asset Purchase Agreement dated November 15, 2001 between Creditor, as Seller, and Debtor, as Buyer, for the sale of the Property.

2.4 **Note #1.** The Promissory Note dated November 15, 2001 in the original principal amount of Five Hundred Thousand and No/100ths Dollars (\$500,000.00), from Debtor, as maker, to Creditor, as payee, given as part payment for the purchase price of the Property, a copy of which is attached as Exhibit 2 (the "Note").

2.5 **Note #2.** The Promissory Note dated November 15, 2001, in the original principal amount of Two Hundred Thousand and No/100ths Dollars (\$200,000.00), from Debtor, as maker, to Creditor, as payee, given as part payment for the purchase price of the Property, a copy of which is attached as Exhibit 3 (the "Note").

2.6 **Indebtedness.** Note #1 and Note #2 (collectively referred to herein as "Notes"), together with all obligations of Debtor under the Purchase Agreement and this Agreement; and any other obligations outstanding as of the date of this Agreement or arise or are entered after the date of this Agreement.

2.7 **Collateral.** All of the assets covered by the Asset Purchase Agreement executed concurrently

herewith and as listed on Exhibit 4.

SECTION 3

Security Interest

3.1 Grant of Interest. Debtor hereby creates and grants to Creditor a security interest in the Collateral to secure the payment and performance of all obligations of Debtor to Creditor arising out of the Indebtedness.

3.2 UCC Filing. At Creditor's request, Debtor shall sign a financing statement describing the Collateral and the Indebtedness, and file or record, or permit Creditor to file or record, the financing statement in the appropriate filing office to perfect Creditor's security interest. Debtor shall sign and deliver other documents as reasonably required and requested by Creditor to maintain Creditor's security interest in the Collateral to reflect changes in the Collateral, including additions of personal property to the Collateral, changes in the law, and changes in the Indebtedness.

SECTION 4

Maintenance of Collateral

4.1 Insurance. Debtor shall keep the Collateral adequately insured against all expected risks to which it is exposed and those that Creditor may designate from time to time, with a reputable insurance company qualified to transact business in the State of Missouri. The insurance policies shall be acceptable to Creditor as to coverage and amount and in all other respects and shall be payable to both Creditor and Debtor, as their interests appear, and duplicates of the policies shall be deposited with Creditor. The policies shall contain a covenant that the insurance carrier shall not modify, amend or cancel the policies without giving thirty (30) days' prior written notice to Creditor.

4.2 Maintenance. Debtor shall maintain the Collateral in good condition and repair, and replace or repair any damaged, lost or stolen Collateral. Additionally, all molds, dies and casting items shall be maintained at the current manufacturer's location and shall not be relocated without Creditor's consent.

4.3 Ownership. Debtor shall not sell, assign, lend, rent, lease or otherwise dispose of the Collateral or any interest in it, or remove any of the Collateral from the Property, without Creditor's consent, except for Collateral that has been replaced in the ordinary course of business with equivalent property of at least comparable value, provided that Debtor promptly reports all such dispositions and replacements to Creditor. All replacements shall constitute a part of the Collateral.

4.4 Taxes and Liens. Debtor shall timely pay and discharge before delinquency all taxes and assessments levied against the Collateral, and shall keep the Collateral free and clear of all claims, liens, encumbrances and security interests, other than those of Creditor.

4.5 Defend Title. Debtor shall take all necessary or appropriate actions to preserve and defend title to and possession of the Collateral and the validity and priority of the lien created by this

Agreement against the claims of all other persons and entities.

4.6 Possession. As long as Debtor is not in default, possession of the Collateral shall remain with Debtor's and Creditor's rights in the Collateral are limited to a nonpossessory security interest, excepting therein the Patent which shall be retained by Seller until the Notes are paid in full.

4.7 Inspection. Whether or not an Event of Default has occurred, Creditor may enter upon the Property or any place where the Collateral is located at any reasonable time to inspect the Collateral and Debtor's books and records pertaining to the Collateral or its proceeds, and Debtor shall assist Creditor in whatever way necessary to make the inspection.

SECTION 5 **Warranties**

5.1 Title. Debtor warrants, covenants and represents that it has the full right and power to transfer the Collateral to Creditor free and clear of any liens, security interests and encumbrances, and to enter into and perform this Agreement, and that the security interest in the Collateral created by this Agreement is prior to that of all other persons and entities.

5.2 Signatories. The persons signing this Agreement warrant that they have full authority to sign and bind Debtor to this Agreement.

5.3 Collateral. Debtor warrants, covenants and represents that the quantity, location and description of the Collateral is as represented, and that the Collateral is in good condition and repair, insured, and stored or located to provide protection from the elements and security appropriate for each item of Collateral.

SECTION 6 **Default**

6.1 Events of Default. Debtor shall be in default of this Agreement upon the occurrence of any of the following:

- a. Nonpayment. Failure of Debtor to make any payment on the Indebtedness when due.
- b. Nonperformance. Failure of Debtor to perform or observe any of its obligations under this Agreement, the Note, Purchase Agreement, or the Lease.
- c. Insolvency. The insolvency of Debtor, as evidenced by:
 - (i) Debtor's instituting proceedings under any laws of the United States or the State of California for relief of debtors;

(ii) Debtor's filing of a voluntary petition in bankruptcy or the adjudication of Debtor to be insolvent or a bankrupt;

(iii) Debtor's assignment of property for the benefit of its creditors;

(iv) Debtor's consent to the appointment of a receiver or conservator of any substantial portion of its assets;

(v) The seizure by a receiver, trustee or other officer appointed by any court or any sheriff, constable, marshal or similar governmental officer, under color of legal authority, of any substantial portion of Debtor's assets and holding possession of them for a period of sixty (60) days;

(vi) The filing of a petition in bankruptcy against Debtor under the United States Bankruptcy Act or under any other statute, if the petition has not been dismissed within sixty (60) days after the filing;

(vii) The assumption of jurisdiction, custody or control of any of Debtor's assets under the provisions of any other bankruptcy or other law, if Debtor has not been restored to custody and control of the assets within sixty (60) days after the date of the assumption; or

(viii) The rendering of a final judgment against Debtor for the payment of money if within sixty (60) days after its entry, the judgment has not been discharged or its execution stayed pending appeal, or if, within sixty (60) days after the expiration of the stay, the judgment has not been discharged.

d. Dissolution. The voluntary or involuntary dissolution of Debtor.

e. Death. The death or legal incapacity of Debtor.

f. Default. A default by Debtor or Michael D. Herning, as guarantor, shall be a default hereunder.

6.2 Remedies. Upon any default by Debtor, Creditor shall have the following rights after first giving ten (10) days written notice to maker and if such event of default is not cured within said 10-day period:

a. Acceleration. Creditor may declare the entire unpaid balance of the Note, and any other obligations of Debtor that are part of the Indebtedness and that would not otherwise be due, immediately due and payable.

b. Foreclosure on Collateral. Creditor may:

(i) Sell, assign and deliver all or any part of the Collateral at one or more public or private sales, either for cash or upon credit for future delivery;

(ii) Bid on and become the purchaser of the Collateral at any public or private sale;
and

(iii) Apply the proceeds of the sale as far as needed for the reasonable expenses of holding, preparing for sale, and selling the Collateral and for all reasonable attorneys' fees incurred in the enforcement of this Agreement, and for the payment of the Indebtedness.

c. Possession of Collateral. Creditor may:

(i) Retain all or any part of the Collateral in satisfaction of Debtor's obligations to Creditor;

(ii) Enter upon the Property and take possession of, assemble and collect the Collateral;

(iii) Require Debtor to assemble the Collateral and make it available at a place Creditor designates to allow Creditor to take possession or dispose of the Collateral; and

(iv) Make any payments and do any acts that Creditor deems necessary to protect its security interest in the Collateral, including the payment, purchase, contest or compromise of any encumbrance, charge, lien or security interest that, in Creditor's judgment, is prior or superior to its security interest.

d. Receiver. Creditor may have a receiver appointed by a court of competent jurisdiction to take possession of the Collateral and do any acts reasonably required for the protection and preservation of the Collateral, including selling the Collateral and applying the proceeds to the Indebtedness, and to have all other powers and rights as may be authorized by law or granted by the Court.

6.3 Remedies Cumulative/No Waiver.

a. Remedies Cumulative. The rights and remedies of Creditor under this Agreement, the Note, the Purchase Agreement, and any other instrument securing the Note are cumulative and may be pursued singly, successively or together against Debtor, the Collateral and any other funds or security held by Creditor.

b. No Waiver. Failure of Creditor to pursue any right or remedy shall not constitute a waiver, release or election of Creditor's right to pursue the right or remedy on the basis of the same or a subsequent breach. Debtor waives any rights it otherwise would have to require Creditor to marshal the Collateral or to proceed against the Collateral in any particular order or manner.

SECTION 7 **Miscellaneous Provisions**

7.1 Termination of Security Interest. The security interest created by this Agreement shall

terminate immediately upon the full and complete satisfaction and discharge of all of the Indebtedness. Upon termination, Creditor shall execute and deliver to Debtor termination statements and other instruments releasing the security interest, as Debtor may reasonably require.

7.2 Waiver of Statute of Limitations. To the extent permitted by law, Debtor waives and agrees not to assert or take advantage of any applicable statutes of limitations on the Indebtedness.

7.3 Severability. If any part of this Agreement is determined to be illegal or unenforceable, all other parts shall remain in effect.

7.4 Expenses. All obligations of Debtor shall be performed at Debtor's expense. Any money spent by Creditor in enforcing its rights under this Agreement shall be added to the Indebtedness, including attorneys' fees.

7.5 Joint and Several Liability. These obligations and promises shall be the joint and several undertakings of each of the persons signing as a Debtor and Creditor may proceed against any one or more of these persons without waiving its right to proceed against any of the others.

7.6 Headings. The titles and headings of the various sections of this Agreement are intended solely for convenience of reference and are not intended to explain, modify or place any construction on any of the provisions of this Agreement.

7.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri that would apply if both Creditor and Debtor were residents of Missouri and the Agreement was made and performed in Missouri.

7.8 Attorneys' Fees. Debtor shall pay the reasonable attorneys' fees and all other costs and expenses that may be incurred by Creditor in the enforcement of this Agreement. In any dispute between the parties, whether or not resulting in litigation, the prevailing party shall be entitled to recover from the other party all reasonable costs, including, without limitation reasonable attorneys' fees.

7.9 Assignment. Debtor may not assign, to any person its rights or obligations under this Agreement, without the written consent of Creditor, which shall not be unreasonably withheld. Any costs and fees, including but not limited to attorneys' fees, incurred by Creditor pursuant to Debtors' request for an assignment shall be paid by Debtor, whether or not consent is given.

7.10 Notices. Any notices given under this Agreement shall be in writing and shall be served either personally or delivered by first class or express U.S. mail with postage prepaid, or by a nationally recognized overnight commercial courier service with charges prepaid. Notices may also effectively be given by transmittal over electronic transmitting devices if the party to whom the notice is being sent has a receiving device in its office, and provided a complete copy of the notice shall also be served either personally or in the same manner as required for a mailed notice. Notice by electronic devices shall be effective when transmitted only if the transmitting party's device is able to produce a transmittal receipt, indicating proof of transmission. Notices shall be deemed

received at the earlier of actual receipt or three days following deposit in U.S. mail with postage prepaid or with a nationally recognized overnight commercial courier service with charges prepaid. Notices shall be directed to the following addresses:

If to Debtor, to: M & J Opportunities, Inc.
Attn: John Gaetano
615 Woodside Rd, Ste. E
Redwood City, CA 94601

With Copy to: New Tech Law Group, Inc.
c/o Mark L. Hirsch, Esq.
40931 Fremont Blvd.
Fremont, CA 94538

If to Creditor, to: Dial-A-Down, Inc.
Attn: James J. Egender
8919 Booth Ave.
Kansas City, MO 64138

With Copy to: Slagle, Bernard & Gorman, P.C.
c/o James R. Mueller, Esq.
4600 Madison Avenue, Suite 600
Kansas City, MO 64112-3012

Either party may change its address for notice purposes by giving notice to the other in accordance with Section 7.10, provided that the address change will not be effective until five (5) days after notice of the change.

7.11 Gender and Number. As used in this Agreement, the masculine, feminine, or neuter gender, and the singular or plural number, shall include the others whenever the context so indicates.

7.12 Counterpart Copies. This Agreement may be signed in counterpart or duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

7.13 Cross-References. All cross-references in this Agreement, unless specifically directed to another agreement or document, refer to provisions within this Agreement, and shall not be deemed to be references to the overall transaction or to any other agreements or documents.

7.14 Exhibits. The following Exhibits and any others referred to in this Agreement as attached are incorporated in this Agreement in their entirety by reference:

Exhibit 1 Property

Exhibit 2
Exhibit 3
Exhibit 4

Note
Note
Description of Collateral

IN WITNESS WHEREOF, Creditor and Debtor have signed and delivered to each other copies of this Agreement effective as of the date first set forth above.

DEBTOR

M & J OPPORTUNITIES, INC.

By: 

Its: 

CREDITOR

DIAL-A-DOWN, INC.

By: 

Its: 

EXHIBIT 1

PROPERTY

- 1) All the stock, tools & supplies of the business of Creditor which are used in or related to the manufacturing of the sports equipment business;
- 2) All the molds, dies and casting items of the business of Creditor clear of financing statements, liens, conditional sales agreements or leases;
- 3) All the trade, business name, goodwill, telephone numbers, and other intangible assets of the business of Creditor.
- 4) The patent for the Dial-A-Down yardage marker, Patent # 4,837,957, bearing Date of Patent: June 13, 1989.
- 5) The United States Patent Design Number Des. 308,236, bearing Date of Patent: May 29, 1990.

8

EXHIBIT 2

NOTE #1

PROMISSORY NOTE

DO NOT DESTROY THIS NOTE:

When paid, this Note must be surrendered.

\$500,000.00

City of Hayward
State of California
November 15, 2001

For value received, M & J OPPORTUNITIES, INC., a Nevada Corporation, of 1001 Industrial Ave., North Platte, NE 69101, referred to as maker, promise to pay to the order of DIAL-A-DOWN, INC., a Missouri Corporation, at its principal office at 8919 Booth Ave., Kansas City, MO 64138, referred to as payee, the principal sum of Five Hundred Thousand and No/100ths Dollars (\$500,000.00), with interest from the date of this note at the rate of nine percent (9.0%) per annum, computed on balances, in installments as follows: On the 15th day of February, 2002, and on the same day of every third month thereafter, the principal amount of 62,500 plus accrued interest as follows:

	\$500,000.00	Principal	Interest	Principal + Interest
1)	\$437,500.00	\$62,500.00	\$11,250.00	\$73,750.00
2)	\$375,000.00	\$62,500.00	\$9,843.75	\$72,343.75
3)	\$312,500.00	\$62,500.00	\$8,437.50	\$70,937.50
4)	\$250,000.00	\$62,500.00	\$7,031.25	\$69,531.25
5)	\$187,500.00	\$62,500.00	\$5,625.00	\$68,125.00
6)	\$125,000.00	\$62,500.00	\$4,218.75	\$66,718.75
7)	\$62,500.00	\$62,500.00	\$2,812.50	\$65,312.50
8)	\$0.00	\$62,500.00	\$1,406.25	\$63,906.25
		\$500,000.00	\$50,625.00	\$550,625.00

until the 15th day of November, 2003, on which date the balance of principal and interest then remaining unpaid shall be due and payable.

On any quarterly payment date, the maker may pay the unpaid balance of this debt or the principal portion of one or more quarterly payments next due; provided, however, that in the event of a partial prepayment, the maker shall be obligated to continue making regular and uninterrupted quarterly payments for the amount and on the quarterly payment date specified in this note so long as any portion of the loan represented by this note remains unpaid.

If any installment due under this note is more than fifteen (15) days past due, maker will pay a late charge of three percent (2.0%) of the amount of the payment or One Thousand and No/100ths

Dollars (\$1,000.00), whichever is greater. If in default, interest shall accrue at the rate of 15% per annum.

Maker has deposited with payee, as collateral for payment of this and any and all other liabilities, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, all referred to as the obligation, the following property listed below, referred to as collateral: all assets of the business of payee being acquired by maker as follows

Address: _____	Business Asset:	\$ 47,000.00
	Covenant:	43,000.00
	Goodwill/	
	Intangibles:	1,184,000.00
	Inventory:	26,000.00
	TOTAL	<u>\$ 1,300,000.00</u>

Payee shall have, but shall not be limited to, the following rights, each of which may be exercised at any time:

- (1). to pledge or transfer this note and the collateral, and any pledgee or transferee shall have all the rights of payee and payee shall be thereafter relieved from any liability with respect to any collateral so pledged or transferred;
- (2). to transfer the whole or any part of collateral into the name of itself or its nominee;
- (3). to vote collateral, if there are voting rights attached to the ownership of such collateral;
- (4). to notify the obligors on any collateral to make payment to payee of any amounts due thereon; and
- (5). to take control of any proceeds of the collateral.

On the happening of any of the following events, each of which will constitute a default under this note, all liabilities of maker to payee shall become immediately due and payable at the option of payee, in which case payee shall give ten (10) days written notice to maker of such election by Payee:

- (1). failure of maker or any other party to perform any agreement or to pay any secured obligation when due;
- (2). death of maker or any other party;
- (3). filing of any petition in bankruptcy by or against maker or any other party;
- (4). application for appointment of a receiver for, making of a general assignment for the benefit of creditors by, or insolvency of maker or any other party; or
- (5). determination by payee that a material adverse change has occurred in the financial condition of maker or any party.

On occurrence of any such event of default and if such event of default is not cured within ten (10) days after written notice of such default is given to maker, payee shall thereafter have the remedies of a secured party under the Uniform Commercial Code of the State of Missouri. Any notice of sale or other intended disposition of collateral by payee sent to maker at the address specified above, or such other address of maker as may be shown on payee's records, at least thirty (30) days prior to such action shall constitute reasonable notice to maker. Should any part of collateral be offered for sale in satisfaction of maker's obligations under this note and should payee become the purchaser, maker waives and releases all rights of redemption in and to such collateral. Payee may waive any default before or after the default has been declared without impairing its right to declare a subsequent default under this note, this right being a continuing one.

Maker shall take all necessary steps to preserve rights against prior parties to instruments or chattel paper constituting collateral and shall be responsible generally for its preservation.

Maker and all parties waive protest of this note. If this note is not paid when due, maker and all other parties agree to pay all costs and expenses of collection, including reasonable attorney fees. Payee shall in no event be liable to any party for failure to collect this note, in whole or in part.

This Note is also guaranteed by the personal guarantee of Michael D. Herning

This Note shall be governed by and construed in accordance with the laws of the State of Missouri.

MAKER

M & J OPPORTUNITIES, INC.

By: _____

Its: _____

EXHIBIT 3

NOTE #2

PROMISSORY NOTE

DO NOT DESTROY THIS NOTE:

When paid, this Note must be surrendered.

\$200,000.00

City of Hayward
State of California
November 15, 2001

For value received, M & J OPPORTUNITIES, INC., a Nevada Corporation, of 1001 Industrial Ave., North Platte, NE 69101, referred to as maker, promise to pay to the order of DIAL-A-DOWN, INC., a Missouri Corporation, at its principal office at 8919 Booth Ave., Kansas City, MO 64138, referred to as payee, the principal sum of Two Hundred Thousand and No/100ths Dollars (\$200,000.00), with interest from the date of this note at the rate of nine percent (9.0%) per annum, computed on balances, in installments as follows: On the 15th day of February, 2002, and on the same day of every third month thereafter, the principal amount of 16,666.67 plus accrued interest as follows:

	\$200,000.00	Principal	Interest	Principal + Interest
1)	\$183,333.33	\$16,666.67	\$4,500.00	\$21,166.67
2)	\$166,666.67	\$16,666.67	\$4,125.00	\$20,791.67
3)	\$150,000.00	\$16,666.67	\$3,750.00	\$20,416.67
4)	\$133,333.33	\$16,666.67	\$3,375.00	\$20,041.67
5)	\$116,666.67	\$16,666.67	\$3,000.00	\$19,666.67
6)	\$100,000.00	\$16,666.67	\$2,625.00	\$19,291.67
7)	\$83,333.33	\$16,666.67	\$2,250.00	\$18,916.67
8)	\$66,666.67	\$16,666.67	\$1,875.00	\$18,541.67
9)	\$50,000.00	\$16,666.67	\$1,500.00	\$18,166.67
10)	\$33,333.33	\$16,666.67	\$1,125.00	\$17,791.67
11)	\$16,666.67	\$16,666.67	\$750.00	\$17,416.67
12)	\$0.00	\$16,666.67	\$375.00	\$17,041.67
		\$200,000.00	\$29,250.00	\$229,250.00

until the 15th day of November, 2004, on which date the balance of principal and interest then remaining unpaid shall be due and payable.

On any quarterly payment date, the maker may pay the unpaid balance of this debt or the principal portion of one or more quarterly payments next due; provided, however, that in the event of a partial prepayment, the maker shall be obligated to continue making regular and uninterrupted quarterly payments for the amount and on the quarterly payment date specified in this note so long as any portion of the loan represented by this note remains unpaid.

If any installment due under this note is more than fifteen (15) days past due, maker will pay a

late charge of three percent (2.0%) of the amount of the payment or Four Hundred and No/100ths Dollars (\$400.00), whichever is greater. If in default, interest shall accrue at the rate of 15% per annum.

Maker has deposited with payee, as collateral for payment of this and any and all other liabilities, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, all referred to as the obligation, the following property listed below, referred to as collateral: all assets of the business of payee being acquired by maker as follows

Address: _____	Business Asset:	\$ 47,000.00
	Covenant:	43,000.00
	Goodwill/	
	Intangibles:	1,184,000.00
	Inventory:	26,000.00
TOTAL		<u>\$ 1,300,000.00</u>

Payee shall have, but shall not be limited to, the following rights, each of which may be exercised at any time:

(1). to pledge or transfer this note and the collateral, and any pledgee or transferee shall have all the rights of payee and payee shall be thereafter relieved from any liability with respect to any collateral so pledged or transferred;

(2). to transfer the whole or any part of collateral into the name of itself or its nominee;

(3). to vote collateral, if there are voting rights attached to the ownership of such collateral;

(4). to notify the obligors on any collateral to make payment to payee of any amounts due thereon; and

(5). to take control of any proceeds of the collateral.

On the happening of any of the following events, each of which will constitute a default under this note, all liabilities of maker to payee shall become immediately due and payable at the option of payee, in which case payee shall give ten (10) days written notice to maker of such election by Payee:

(1). failure of maker or any other party to perform any agreement or to pay any secured obligation when due;

(2). death of maker or any other party;

(3). filing of any petition in bankruptcy by or against maker or any other party;

(4). application for appointment of a receiver for, making of a general assignment for the benefit of creditors by, or insolvency of maker or any other party; or

(5). determination by payee that a material adverse change has occurred in the financial

condition of maker or any party.

On occurrence of any such event of default and if such event of default is not cured within ten (10) days after written notice of such default is given to maker, payee thereafter shall have the remedies of a secured party under the Uniform Commercial Code of the State of Missouri. Any notice of sale or other intended disposition of collateral by payee sent to maker at the address specified above, or such other address of maker as may be shown on payee's records, at least thirty (30) days prior to such action shall constitute reasonable notice to maker. Should any part of collateral be offered for sale in satisfaction of maker's obligations under this note and should payee become the purchaser, maker waives and releases all rights of redemption in and to such collateral. Payee may waive any default before or after the default has been declared without impairing its right to declare a subsequent default under this note, this right being a continuing one.

Maker shall take all necessary steps to preserve rights against prior parties to instruments or chattel paper constituting collateral and shall be responsible generally for its preservation.

Maker and all parties waive protest of this note. If this note is not paid when due, maker and all other parties agree to pay all costs and expenses of collection, including reasonable attorney fees. Payee shall in no event be liable to any party for failure to collect this note, in whole or in part.

This Note shall be governed by and construed in accordance with the laws of the State of Missouri.

MAKER

M & J OPPORTUNITIES, INC.

By: _____

Its: _____

4 -

EXHIBIT 4
COLLATERAL

- 1) All the stock, tools & supplies of the business of Creditor which are used in or related to the manufacturing of the sports equipment business;
- 2) All the molds, dies and casting items of the business of Creditor clear of financing statements, liens, conditional sales agreements or leases which shall be retained at the current manufacturer's location and shall not be relocated without the consent of Creditor;
- 3) All the trade, business name, goodwill, telephone numbers, patents, and other intangible assets of the business of Creditor.
- 4) The patent for the Dial-A-Down football down marker, Patent # 4,837,57, bearing Date of Patent: June 13, 1989.
- 5) The United States Patent Design Number Des. 308,236, bearing Date of Patent: May 29, 1990.