

04-19-2002



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MINING PROCEDURE

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| Form PTO-1595<br>(Rev. 03/01)   |  | RECORDATION FORM COVER SHEET |  | U.S. DEPARTMENT OF COMMERCE      |  |
| OMB No. 0651-0027 (exp. 5/31/2002)  |  | PATENTS ONLY                 |  | U.S. Patent and Trademark Office |  |
| 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):<br>Robert W. Cameron<br><br>4-3-02   |  |                              | 2. Name and address of receiving party(ies)<br>Name: Cameron Group Acquisition<br>Internal Address: _____ Corp.<br><br>_____<br><br>Street Address: 683 E. Brokaw Road<br><br>City: San Jose State: CA Zip: 95112                                    |                                  |  |
| Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No   |  |                              | Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No  |                                  |  |
| 3. Nature of conveyance:<br><input checked="" type="checkbox"/> Assignment <input type="checkbox"/> Merger<br><input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name<br><input type="checkbox"/> Other _____   |  |                              | Execution Date: _____  |                                  |  |
| 4. Application number(s) or patent number(s):<br>If this document is being filed together with a new application, the execution date of the application is: _____<br>A. Patent Application No.(s) _____ B. Patent No.(s) 5,388,313<br><br>Additional numbers attached? <input type="checkbox"/> Yes <input type="checkbox"/> No |  |                              |  |                                  |  |
| 5. Name and address of party to whom correspondence concerning document should be mailed:<br>Name: G.S. Satyanarayana<br>Internal Address: _____<br><br>_____<br><br>Street Address: 683 E. Brokaw Road<br><br>City: San Jose State: CA Zip: 95112  |  |                              | 6. Total number of applications and patents involved: <input type="checkbox"/><br><br>7. Total fee (37 CFR 3.41).....\$40.00<br><input checked="" type="checkbox"/> Enclosed<br><input type="checkbox"/> Authorized to be charged to deposit account |                                  |  |
| 8. Deposit account number:<br><br>_____<br><br>(Attach duplicate copy of this page if paying by deposit account)  |  |                              |  |                                  |  |
| <b>DO NOT USE THIS SPACE</b>  |  |                              |  |                                  |  |
| 9. Statement and signature.<br><i>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.</i><br>G.S. Satyanarayana _____ March 12, 2002<br>Name of Person Signing Signature Date  |  |                              |  |                                  |  |
| Total number of pages including cover sheet, attachments, and documents: <input type="checkbox"/>   |  |                              |  |                                  |  |

Mail documents to be recorded with required cover sheet information to:  
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PATENT  
REEL: 012795 FRAME: 0189

PTO/SB/96 (08-00)

Approved for use through 10/31/2002. OMB 0451-0031  
U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE

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**STATEMENT UNDER 37 CFR 3.73(b)**

Applicant/Patent Owner: Cameron Group Acquisition Corporation  
Application No./Patent No.: 5,388,313 Filed/Issue Date: Feb. 14, 1995  
Entitled: LOCKING CLIP  
Cameron Grp. Acq. Corp., a Corporation  
(Name of Assignee) (Type of Assignee, e.g., corporation, partnership, university, government agency, etc.)

states that it is:

- 1.  the assignee of the entire right, title, and interest; or
- 2.  an assignee of less than the entire right, title and interest.  
The extent (by, percentage) of its ownership interest is \_\_\_\_\_ %

in the patent application/patent identified above by virtue of either:

A.  An assignment from the inventor(s) of the patent application/patent identified above. The assignment was recorded in the United States Patent and Trademark Office at Reel \_\_\_\_\_, Frame \_\_\_\_\_, or for which a copy thereof is attached.

OR

B.  A chain of title from the inventor(s), of the patent application/patent identified above, to the current assignee as shown below:

- 1. From: \_\_\_\_\_ To: \_\_\_\_\_  
The document was recorded in the United States Patent and Trademark Office at Reel \_\_\_\_\_, Frame \_\_\_\_\_, or for which a copy thereof is attached.
- 2. From: \_\_\_\_\_ To: \_\_\_\_\_  
The document was recorded in the United States Patent and Trademark Office at Reel \_\_\_\_\_, Frame \_\_\_\_\_, or for which a copy thereof is attached.
- 3. From: \_\_\_\_\_ To: \_\_\_\_\_  
The document was recorded in the United States Patent and Trademark Office at Reel \_\_\_\_\_, Frame \_\_\_\_\_, or for which a copy thereof is attached.

Additional documents in the chain of title are listed on a supplemental sheet.

Copies of assignments or other documents in the chain of title are attached.  
**(NOTE: A separate copy (i.e., the original assignment document or a true copy of the original document) must be submitted to Assignment Division in accordance with 37 CFR Part 3, if the assignment is to be recorded in the records of the USPTO. See MPEP 302.08]**

The undersigned (whose title is supplied below) is authorized to act on behalf of the assignee.

March 11, 2002  
Date

G. S. Satyanarayana  
\_\_\_\_\_  
/ Typed or printed name  
Satyanarayana  
\_\_\_\_\_  
Signature  
President/ CEO/ Chairman  
\_\_\_\_\_  
Title

Burden Hour Statement: This form is estimated to take 0.2 hours to complete. Time will vary depending upon the needs of the individual case. Any comments on the amount of time you are required to complete this form should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, Washington, DC 20231. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Assistant Commissioner for Patents, Washington, DC 20231.

Assignment

Know All Men by These Presents:

That Robert W. Cameron of 5336 Nielsen Rd, Ferndale, Washington, Assignor herein, for the sum of Ten Dollars and other valuable consideration to him in hand paid, the receipt of which is hereby acknowledged, does hereby sell, assign, transfer and set over unto The Cameron Group Acquisition Corp., a Delaware Corporation, Assignee herein, all of his right, title and interest in and to the following described patents:

Life Saver # 1 Whistle patent (# 5,546,877) and  
Crocodile Locking Clip patent (# 5,388,313)

To have and to hold the same unto The Cameron Group Acquisition Corp., its successors and assigns.

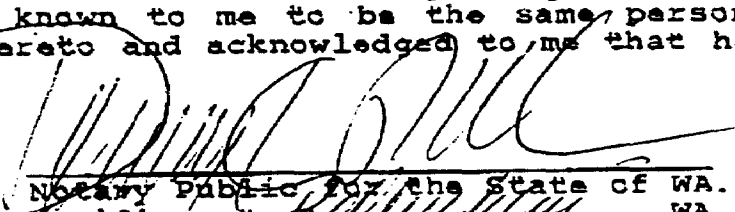
In witness whereof the Assignor has hereunto set his hand this 6th day of April, 1998.

  
Robert W. Cameron

State of Washington )  
                                  : ss.  
County of Whatcom )

On this 6 day of APRIL<sup>th</sup> 1998 before me, the undersigned Notary Public for the State of Washington, personally appeared Robert W. Cameron, known to me to be the same person whose signature is affixed hereto and acknowledged to me that he executed the same.

(SEAL)

  
Notary Public for the State of WA.  
Residing at Bellingham, WA.  
My Commission expires 4/7/2001

CONFIDENTIAL

LICENSE OF RIGHTS UNDER PATENT

This Agreement made and entered into this 10th day of September, 1997, between Robert W. Cameron of 5336 Nielsen, Bellingham, Washington 98226, herein referred to as "LICENSOR", and The Cameron Group, with its principal place of business at 1420 Kentucky Street, Bellingham, Washington 98226, herein referred to as "LICENSEE".

RECITALS

A. LICENSOR is the owner of the entire right, title, and interest in and to an issued patent for an invention entitled "Locking Clip", foreign patents and patent applications corresponding to said United States patent, and generally described as follows:

A clip assembly for gripping a sheet of material. The assembly includes first and second jaw members having ramp portions which are joined along a common hinge. The ramp portions form divergent inclined planes, and are surrounded by a sliding collar. As the sliding collar is moved from the hinge area toward the grip portions of the jaws, the latter are forced together against the sheet of material. A releasable ratchet pawl locks the sliding collar against reverse movement. The clip assembly is suitable for fabrication from injection molded plastic.

The patent number is 5,388,313, issued on February 14, 1995.

B. LICENSEE is desirous of securing, and LICENSOR is willing to grant an exclusive license under the aforementioned patent to manufacture, market and distribute the invention.

In consideration of the covenants and obligations hereinafter set forth, and the mutual benefits to be derived hereunder, the parties agree as follows:

I. DEFINITIONS

In interpretation of this agreement, the following definitions shall apply:

a. "Licensed Patents" means United States Patent number 5,388,313 and all corresponding foreign patents or patent applications.

b. "Licensed Invention" means "Locking Clip" as covered by the above numbered patent and all successive generations of the same.

**EXHIBIT 2**

c. "Licensed Products" means the Licensed Invention as defined above and all appurtenances thereto.

## II. GRANT OF LICENSE

A. LICENSOR grants to LICENSEE an exclusive license to manufacture, market and distribute the Licensed Invention worldwide for the full term of the licensed patent, including any extensions or reissues thereof.

B. LICENSEE shall have the right to grant sublicenses hereunder on terms not inconsistent herewith, including the quarterly payment of royalties by the sublicensee at a rate not less than that specified in section III hereof, provided the credit of the sublicensee is acceptable to LICENSOR, or LICENSEE is willing to guarantee the payment of royalties by the sublicensee. LICENSOR shall promptly be furnished with a copy of each sublicense granted by LICENSEE. LICENSEE shall pay over to LICENSOR that part of the royalties actually received by it from such sublicensees, or the receipt of which is guaranteed by it, that corresponds to the royalty rate specified in section III hereof.

## III. ROYALTY

LICENSEE shall pay royalties to LICENSOR for distribution to his PATENT GROUP at the rate of five percent (5%) of the gross sales of all licensed products sold subsequent to the date of this agreement. Gross sales means the sales price realized after deducting shipping costs and the cost of promotional pieces.

## IV. RESALE OF LICENSED PRODUCTS

In the event any licensed products are sold for resale to a corporation or firm in which LICENSEE owns a controlling interest, the royalties to be paid in respect to such products shall be computed on the gross sales price as defined in paragraph III, above, at which the purchaser for resale resells such products rather than on the selling price of LICENSEE.

## V. PAYMENT

Royalty payments hereunder shall be due and payable quarterly on or before the 15th day of April, July, October and January (for the quarters ending March, June, September and December) of each year during which this agreement is in effect.

## VI. COOPERATION

LICENSOR shall provide LICENSEE with all requested technical information relating to the licensed invention, provided that such information is in his possession, and shall aid LICENSEE in

developing the licensed invention.

#### VII. REPORTING

LICENSEE shall submit written reports to LICENSOR quarterly, coinciding with the payments dates set forth in paragraph V, above. Each report shall include a statement of the number, description, and aggregate gross selling price, as defined above, of licensed products sold during the preceding calendar quarter and on which royalty is payable as provided in section III. The first report shall include all licensed products sold from the date of this agreement and shall be due on or before the 5th day of January, 1998.

#### VIII. IMPROVEMENTS

Any improvements relating to the licensed invention are hereby included within the scope of this license agreement. If a patent is granted for any such improvement, LICENSEE shall then pay LICENSOR the royalty as provided in section III.

#### IX. DEFAULT

If LICENSEE commits any default or breaches with respect to any of the provisions of this agreement, or fails to account for or pay to LICENSOR any of the royalties that become due hereunder, LICENSOR shall have the right to cancel this agreement on sixty (60) days' written notice to LICENSEE. However, if LICENSEE cures the designated default(s) within the stated sixty (60) days, the license shall not be cancelled.

#### X. BANKRUPTCY

In the event of any adjudication of bankruptcy, appointment of a receiver, assignment for the benefit of creditors, or levy of execution directly involving LICENSEE, this agreement shall thereupon terminate.

#### XI. ARBITRATION

All disputes that may arise in connection with this agreement and that are not settled by the parties themselves shall be submitted to arbitration under the rules and regulations of the American Arbitration Association. All costs of arbitration shall be divided equally between the parties, and the parties agree to abide by the award.

#### XII. WARRANTIES

Neither party makes any representations, extends any warranties, or assumes any responsibilities whatever with respect to use, sale or other disposition by the other party or its

XIII. TRANSFERABILITY OF RIGHTS AND OBLIGATIONS

The license granted in this agreement shall be binding on any successor to ownership or control of the licensed patents. The obligations shall run in favor of any successor of LICENSEE. Neither party shall have any right to assign its rights hereunder except to the purchaser of substantially all its business, without the written consent of the other party.

XIV. TERMINATION

LICENSEE shall have the right to cancel this agreement on one hundred eighty (180) days' written notice to LICENSOR. In the event of such cancellation, LICENSEE shall pay to LICENSOR all royalties due and payable up to the effective date of such cancellation. After the effective date of cancellation, LICENSEE shall be in the same position that it would have occupied had this agreement not been entered.

IN WITNESS WHEREOF, the parties have executed this agreement at Bellingham, Washington the day and year first above written.

LICENSOR:

  
Robert W. Cameron

LICENSEE:

The Cameron Group

By: 

Title: PRESIDENT

# ORIGINAL

## ASSET PURCHASE AGREEMENT

This Agreement is made on this 6 day of April, 1998, by and between The Cameron Group, LLC, a Washington limited liability company ("Seller"), and The Cameron Group Acquisition Corp., a Delaware corporation ("Purchaser").

This Agreement is made with reference to the following facts:

A. Seller owns and operates a business in Bellingham, Whatcom County, Washington which is engaged in the manufacture, sale and distribution of products for personal and commercial applications (the "Business").

B. Seller desires to sell to Purchaser and Purchaser desires to buy the assets of the Business upon the terms and conditions stated in this Agreement.

C. To facilitate the sale, Seller is willing to make representations, covenants and warranties and to provide indemnities as set forth in this Agreement.

IT IS THEREFORE AGREED as follows:

### 1. PURCHASE AND SALE OF ASSETS.

1.1 Description of Assets. Subject to the contingency set forth in paragraph 13 below, Purchaser agrees to buy from Seller and Seller agrees to sell to Purchaser all the assets used in connection with the Business, including but not limited to the following:

- A. All cash on hand, all deposits, and all sums in any and all bank accounts in excess of \$1,000.00 provided, however, that from and after the date of this Agreement until closing, Seller will only pay debts in the ordinary course of business and shall not accelerate or otherwise take steps outside the ordinary course of business to collect on accounts receivable.
- B. The furniture, fixtures, equipment and supplies listed on **Exhibit 1** hereto.
- C. All inventory held for resale.
- D. The license agreements attached as **Exhibit 2 and 3** respectively.
- E. The right to use the name "The Cameron Group."
- F. All information in Seller's possession concerning customer accounts, supplier accounts, inventory history and pricing.
- G. All systems of operation presently used by Seller in the conduct of the Business.
- H. All trademarks, logos, trade names or variations thereof (and associated goodwill), if any, related to the Business.



I. All accounts receivable.

J. All telephone, fax, internet, e-mail numbers, domain names and addresses.

K. Assignment of leases for the office computer equipment and photocopying machine.

## 2. PURCHASE PRICE.

2.1 Price. The aggregate purchase price to be paid by Purchaser for the assets is as follows:

|                                |               |   |
|--------------------------------|---------------|---|
| A. Inventory                   | \$ 53,397.60  |   |
| B. Furniture & Fixtures        | \$ 8,500.00   |   |
| C. Production Tooling          | \$ 79,577.00  |   |
| C. Goodwill, License and other | \$ 257,708.00 |   |
| Total:                         | \$ 399,183.00 | $\frac{685}{3/27/93}$ $\frac{55m}{4/14/98}$ |

Purchaser shall pay, when due, any use tax owing as a result of this transaction.

2.2 Terms of Payment. The terms of payment shall be as follows:

A. Cash in the amount of \$ 39,918.30<sup>655</sup> to be paid upon execution of this Agreement by all parties and deposited into the trust account of Seller's attorney to be held pending closing at which time it will be disbursed to Seller.

B. The balance of the purchase price shall be paid according to the terms of the promissory note ("Promissory Note") attached hereto as **Exhibit 4** to be secured by pledge of the assets in the forms attached as **Exhibits 5, 6 and 7 (Exhibit 7 omitted intentionally)**.

C. Agreement to indemnify and hold Seller harmless from and against the debts described more particularly in paragraph 5A below.

## 3. CONVEYANCE OF ASSETS.

Seller shall convey good and marketable title to the assets to Purchaser free and clear of all agreements, liabilities, claims, security interests, liens, restrictions and encumbrances.

## 4. INSTRUMENTS OF TRANSFER.

The furniture, fixtures, equipment, inventory and trade name will be conveyed by Bill of Sale in the form attached as **Exhibit 8** and the licenses will be conveyed by an Assignment of Contract in the form attached as **Exhibit 9**. Each party will execute such other documents or instruments as may be reasonably necessary or convenient to affect transfer of the assets as contemplated by this Agreement and to enable Purchaser to immediately commence operating the Business.

## 5. LIABILITIES AND CONTRACTS.

Seller acknowledges that Purchaser is purchasing assets only and except as set forth in paragraph A below, is assuming none of Seller's liabilities.

5.1 Purchaser's Obligation to Pay Debts. Except as provided herein, Purchaser agrees to assume, pay, compromise, make payment arrangements with the creditors, within 180 days from the date of this agreement, (the "Due Date") on all debts incurred by Seller prior to October 26, 1997 together with any interest or carrying charges thereon. Nothing contained herein shall be construed as requiring Purchaser to pay such debts prior to their Due Date and Seller will refer any inquiring creditors to Purchaser.

Seller represents and warrants that, to the best of its knowledge, the list of creditors and balances shown on **Exhibit 10** attached hereto accurately reflects all of Seller's known creditors as of October 26, 1997. Notwithstanding this warranty, Purchaser assumes the risk and obligation to pay any such debts of Seller as are not reflected on **Exhibit 10** provided that they were unknown to Seller as of closing.

The foregoing notwithstanding, Seller and Purchase acknowledge that the amount of the claim of Jim Young is unliquidated and the amount as yet to be determined. Purchaser will make its best efforts to reach agreement with Jim Young as to the amount of the claim and basis for payment of the same.

5.2. Seller's Obligation to Pay Debts. Seller assumes the obligation to pay all debts of Seller incurred from and after October 26, 1997 up to and including the date of closing as well as any debts known to Seller at closing which were incurred prior to October 26, 1997 and not set forth on **Exhibit 10** Nothing contained herein shall be construed as requiring Seller to pay such debts prior to their Due Date.

5.3. Contractual Obligation. Seller will terminate, at closing, the temporary marketing agreements between Seller and Jim Young and Seller and Bob LeCocq.

Purchaser agrees to honor the commitment to sell 10,000 whistles to West Coast Fund Raising for \$.83 per whistle FOB Bellingham between the date of closing and September 26, 1998. Purchaser will receive a credit of \$1.17 for each whistle sold to West Coast Fund Raising which credit will be applied in reduction of the balance owing on the Promissory Note attached hereto as **Exhibit 4**.

## 6. REPRESENTATIONS OF SELLER.

Seller represents, warrants and agrees as follows:

6.1 Ownership of Assets. Seller owns all of the assets sold to Purchaser and will deliver title, at closing, free and clear of all encumbrances.

6.2 Valid Corporate Company; Authority. Seller is a limited liability company duly organized and to the best of Seller's knowledge, validly existing and in good standing under the laws of the state of Washington. The execution and delivery by Seller of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly and validly authorized by all necessary company action on the part of the Seller and this Agreement is a valid and binding obligation of

Seller. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement nor compliance by the Purchaser with any of the provisions of this Agreement will:

6.3 No Lawsuits. There are no actions, suits or proceedings pending affecting Seller with respect to the ownership, use or operation of the assets or the Business which is the subject of this Agreement. To the best of Seller's knowledge, Seller has substantially complied with and is not in default in any respect under laws, ordinances, requirements, regulations or order applicable to Seller's business, the violation of which may adversely affect it and that the execution of this Agreement and consummation of this transaction will not:

A. Conflict with or result in any breach of any provision of its Certificate of Formation or Operating Agreement;

B. Result in default (or give rise to any right of termination, cancellation, or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which it is a party, or by which it or any of its properties or assets may be bound except for such default (or right of termination, cancellation, or acceleration) as to which requisite waivers or consents either shall be obtained by Seller prior to the closing date or the obtaining of which shall have been waived by Purchaser; or

C. Violate any order, writ, injunction, decree, statute, rule or regulation applicable to Seller or any of its properties or assets.

6.4 Taxes. Except as to pending matters, to the best of Seller's knowledge, Seller has filed all federal, state and local tax returns required to be filed and all taxes required by such returns have been paid.

6.5 Disclosure of Liabilities. To the best of Seller's knowledge, **Exhibit 10** is true and accurate in all respects.

6.6 Accuracy of Exhibits. Except as otherwise provided herein, to the best of Seller's knowledge, the information contained in the exhibits attached hereto is complete and accurate in all respects and all documents furnished to Seller relating to the transactions described in this Agreement are true and complete copies of the documents they purport to represent and are complete and accurate. No statements contained in any of the exhibits constitute untrue statements of material facts or omit to state material facts necessary to make the statements contained therein not misleading.

## 7. REPRESENTATIONS OF PURCHASER.

Purchaser represents, warrants and agrees as follows:

7.1 Inspection of Assets. Prior to closing, Purchaser will inspect the assets in such a manner as it considers necessary to satisfy itself as to their condition.

Purchaser will accept the assets in their present condition, without warranty as to merchantability, quality or fitness for a particular purpose.

7.2 Valid Corporation; Authority. At closing, Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The execution and delivery by Purchaser of the Agreement and the consummation of the transactions contemplated by this Agreement have been duly and validly authorized by all necessary corporate action on the part of Purchaser and this Agreement is a valid and binding obligation of Purchaser. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement nor compliance by Purchaser with any of the provisions of this Agreement will:

A. Conflict with or result in any breach of any provision of its Certificate of Formation or Operating Agreement;

B. Result in default (or give rise to any right of termination, cancellation, or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which it is a party, or by which it or any of its properties or assets may be bound except for such default (or right of termination, cancellation, or acceleration) as to which requisite waivers or consents either shall be obtained by Purchaser prior to the closing date or the obtaining of which shall have been waived by Seller; or

C. Violate any order, writ, injunction, decree, statute, rule or regulation applicable to Purchaser or any of its properties or assets.

## 8. **EFFECT OF REPRESENTATIONS AND WARRANTIES.**

The representations and warranties of Seller and Purchaser made in or pursuant to this Agreement are made only to and for the benefit of the parties to this Agreement and shall not create rights in other persons. All statements contained in any certificate or other instrument delivered by or on behalf of Seller or Purchaser, pursuant to this Agreement, or in connection with the transactions contemplated by this Agreement, shall be deemed representations and warranties by Seller and Purchaser, respectively, hereunder. All representations, warranties and agreements made by Seller shall survive the Closing Date of this Agreement.

## 9. **INDEMNITY OF SELLER.**

9.1 Indemnity. Purchaser agrees to indemnify and hold Seller harmless against and in respect of:

A. Loss. Any loss, liability, damage suffered or incurred or because of any breach of any obligation of Purchaser under this Agreement, or because any representation or warranty by Purchaser in this Agreement or in any documents furnished or required to be furnished pursuant to this Agreement by Purchaser or any of its representatives to Seller, shall be false or misleading

in any material respect as of the Closing Date or from any claim arising from the operations of Purchaser after the Date of Closing.

B. Costs. All reasonable costs and expenses (including reasonable attorneys' fees) incurred in connection with any action, suite, proceeding, demand, assessment or judgment, including any appeal, incident to any of the matters indemnified against in this Section 9.1.

9.2 Notice. Seller agrees to give prompt written notice to Purchaser of any claim against Seller which might give rise to a claim by Seller against Purchaser based on the foregoing indemnity, stating the nature and basis of any such claim and amount thereof. In the event any action, suit or proceeding is brought against Seller with respect to which Purchaser may have liability under the foregoing indemnity, Purchaser shall have the right, without prejudice to Seller's rights under this Agreement, at its sole expense, to be represented by counsel of its own choosing, and with which counsel for Seller shall confer in connection with the defense of any such action, suit or proceeding. Seller shall make available to Purchaser and its attorneys and accountants all books and records of Seller relating to such action, suit or proceeding, and the parties agree to render to each other such assistance as may be reasonably requested in order to insure the property and adequate defense of any such action, suit or proceeding.

## 10. INDEMNITY OF PURCHASER.

10.1 Indemnity. Seller agrees to indemnify and hold Purchaser harmless against and in respect to:

A. Loss. Any loss, liability, or damage suffered or incurred because of any breach of any obligation of Seller under this agreement, or because any representation or warranty by Seller in this Agreement or in any documents furnished or required to be furnished pursuant to this Agreement by Seller or any of its representatives to Purchaser, shall be false or misleading in any material respect as of the Closing Date or from any claims arising from Seller's operation of the Business prior to Closing.

B. Costs. All reasonable costs and expenses (including reasonable attorneys' fees) incurred in connection with any action, suit, proceeding, demand, assessment or judgment, including any appeal, incident to any of the matters indemnified against in this Section 10.1.

10.2 Notice. Purchaser agrees to give prompt written notice to Seller of any claim against Purchaser which might give rise to a claim by Purchaser against Seller based on the foregoing indemnity, stating the nature, basis of any such claim and amount of such claim. In the event any action, suit or proceeding is brought against Purchaser with respect to which Seller may have liability under the foregoing indemnity, Seller shall have the right, without prejudice to Purchaser's rights under this agreement, at its sole expense, to be represented by counsel of its own choosing, and with which counsel for Purchaser shall confer in connection with the defense of any such action, suit or proceedings. Purchaser shall make available to Seller and its attorneys and accountants all books and records of Purchaser relating to such action,

suit or proceedings, and the parties agree to render to each other such assistance as may be reasonably requested in order to insure the property and adequate defense of any such action, suit or proceeding.

11. **BROKERS.**

Each party to this Agreement represents and warrants to the other that there are no claims or rights for brokerage commissions or finders fees in connection with the transactions contemplated by this Agreement, insofar as such claim or right shall be based on arrangements made by or on behalf of that party.

12. **ARBITRATION.**

In the event the parties hereto are unable to resolve any dispute arising under the terms of this Agreement, such dispute shall be settled by arbitration in Whatcom County, Washington and be governed by the laws of arbitration in the state of Washington, unless the parties otherwise agree. The parties hereto agree to a single arbitrator, but in the event the parties cannot agree, each party shall appoint an arbitrator and the arbitrators so appointed shall appoint a referee who shall also serve as an arbitrator and who shall preside over the arbitration. The decision of a majority of the arbitrators shall be final and binding on the parties hereto and may be enrolled as a judgment in the Superior Court in and for the state of Washington in the manner provided by law. The arbitrators shall have the right, but not the obligation, to make an award of costs and attorneys' fees in favor of the prevailing party in any arbitration proceedings.

13. **CONTINGENCIES.**

13.1 Purchaser's Contingencies. The Purchaser's obligation to close this transaction is contingent upon satisfaction of the following contingencies prior to closing:

A. Purchaser entering into agreements with the owners of the whistle patent (#5,546,877) and the locking clip patent (#5,388,313) ratifying the license agreements attached hereto as **Exhibits 2 and 3** respectively, consenting to their assignment by Seller to Purchaser and verifying that they remain in full force and effect and are not in default.

B. Ratification of the Agreement dated December 2, 1997 between Dennis and Julie Moody, husband and wife, Robert Cameron and G.S. Satya whereby the Moodys sold and transferred their right, title and interest in and to the whistle patent (#5,546,877) and locking clip patent (#5,388,313) to Cameron and Satya.

14. **DUTY TO REPORT.**

From and after the date of closing until the Promissory Note has been paid in full, Purchaser agrees that its President, G. S. Satya, will:

A. Utilize his best efforts in working with creditors of Sellers set forth on **Exhibit 10** to forestall the institution of collection proceedings so that the debts can be paid as scheduled 180 days following date of this Agreement.

B. Communicate the status of his communications and dealings with the creditors at least bi-monthly with Purchaser's advisory board consisting of Rob LeCocq, Mark Kuljis and Dennis Moody.

## 15. CLOSING.

This transaction shall close at the offices of attorney John Ludwigson March , 1998 (the "Closing Date"). In the event the contingencies set forth in paragraph 13 are not satisfied by that date, this Agreement shall be null and void and of no further force and effect unless extended by mutual agreement.

## 16. MISCELLANEOUS.

16.1 Expenses. Purchaser and Seller shall each pay their own fees and expenses incident to the negotiation, preparation and execution of this Agreement and the obtaining of the necessary approvals thereof, including fees and expenses of its counsel, accountants and other experts.

16.2 Headings. The title to sections of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.

16.3 Heirs & Assigns. All of the covenants, agreements, terms and conditions contained in this Agreement shall inure to and be binding upon Purchaser and Seller and their respective heirs, executors, administrators, successors and assigns.

16.4 Entire Agreement. This Agreement contains all covenants and agreement between Purchaser and Seller. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Agreement shall not be altered, modified or added to except in writing signed by Purchase and Seller.

16.5 Severability. Any provision of this Agreement which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and the remaining provisions hereof shall nevertheless remain in full force and effect.

16.6 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the state of Washington.

16.7 Notices. All notices, requests, demands and other communications required or permitted under this agreement shall be in writing and shall be deemed to have been duly given, made and received when delivered against receipt or when deposited in the U.S. Mail, registered or certified mail, postage prepaid, addressed as set forth below:

PURCHASER: The Cameron Group Acquisition Corp.  
683 East Brokaw Road  
San Jose, CA 95112

SELLER: The Cameron Group, L.L.C.  
1420 Kentucky Street  
Bellingham, WA 98226

Any party may alter the address to which notices are to be sent by giving notice of such change of address in conformity with the provisions of this Section for the giving of notice.

16.8 Binding Agreement; No Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties, their respective successors, heirs and assigns.

16.9 Presumption. This Agreement or any section thereof shall not be construed against any party due to the fact that it was drafted by such party.

16.10 Further Documents. The parties hereto agree to execute such further instruments or documents as may be necessary or convenient to memorialize this Agreement or effect transfer of the assets sold herein. This obligation shall survive closing.

16.11 Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement, binding on all parties hereto even though all parties are not signatories to the original or the same counterpart. Additionally, signatures transmitted by facsimile will be treated as originals.

16.12 Separate Counsel. Parties acknowledge that the Seller was represented by attorney John S. Ludwigson and the Purchaser was represented by attorney Philip E. Sharpe, Jr.

**SELLER**

**PURCHASER**

THE CAMERON GROUP, L.L.C.

THE CAMERON GROUP  
ACQUISITION CORP

By: *Scott O'Moody* 4/6/98  
\_\_\_\_\_, President  
Member  
4/6/98

By: *Satya* 4/6/98  
G. S. Satya, President/CEO

THE CAMERON GROUP  
ADVISORY GROUP



The following individuals, being members of Seller, hereby consent to the Seller entering into this Agreement and waive and relinquish any claims which they may have, of any kind or nature, against Seller or the assets sold pursuant to this Agreement.

By: Dennis Moody  
Dennis Moody, Member

By: Julie Moody  
Julie Moody, Member

By: John Wachter  
John Wachter, Member

By: Steve Kuljis  
Steve Kuljis, Member

By: Gary Baxter  
Gary Baxter, Member

By: Mark Kuljis  
Mark Kuljis, Member

By: Martin Kuljis  
Martin Kuljis, Member

By: see 10a  
Pete Zankich, Member

By: Dean DeBoer  
Dean DeBoer, Member

By: DeBoer Group  
DeBoer Group, Member

By: Robert Le Cocq  
Robert LeCocq, Member

By: Joan LeCocq  
Joan LeCocq, Member

By: see 11a  
James Glenovich, Member

By: Loren DeMuth 3-27-98  
Loren DeMuth, Member

By: Gary Tretwold  
Gary Tretwold, Member

By: Gary Dorning  
Gary Dorning, Member

By: Louis Wachter  
Louis Wachter, Member

By: George Costello  
George Costello, Member

By: Robert Cameron  
Robert Cameron, Member

By: see 11b  
Charles Graveley, Member

© 1998 by the Board of Patent and Trademark Office

The following individuals, being members of Seller, hereby consent to the Seller entering into this Agreement and waive and relinquish any claims which they may have, of any kind or nature, against Seller or the assets sold pursuant to this Agreement.

By: \_\_\_\_\_  
Dennis Moody, Member

By: \_\_\_\_\_  
Julie Moody, Member

By: \_\_\_\_\_  
John Wachter, Member

By: \_\_\_\_\_  
Steve Kuljis, Member

By: \_\_\_\_\_  
Gary Baxter, Member

By: \_\_\_\_\_  
Mark Kuljis, Member

By: \_\_\_\_\_  
Martin Kuljis, Member

By: Pete Zankich  
Pete Zankich, Member

By: \_\_\_\_\_  
Dean DeBoer, Member

FROM : THE CAMERON GROUP

PHONE NO. :

Apr. 01 1998 11:08AM '96

By: \_\_\_\_\_  
DeBoer Group, Member

By: \_\_\_\_\_  
Robert LeCocq, Member

By: Joan LeCocq  
Joan LeCocq, Member

By: James Glenovich  
James Glenovich, Member

By: Loren DeMuth 3-2-98  
Loren DeMuth, Member

By: \_\_\_\_\_  
Gary Tretwold, Member

By: Gary Dorning  
Gary Dorning, Member

By: \_\_\_\_\_  
Louis Wachter, Member

By: George Costello  
George Costello, Member

By: Robert Cameron  
Robert Cameron, Member

By: \_\_\_\_\_  
Charles Graveley, Member

© 1996 Cameron Inc. 04/01/96

11a

FROM : CHARLES A GRAVELEY

PHONE NO. : 4062663021

Apr. 06 1998 05:40PM P1

FROM : THE CAMERON GROUP

PHONE NO. :

Mar. 31 1998 05:34PM P14

By: \_\_\_\_\_  
DeBoer Group, Member

By: \_\_\_\_\_  
Robert LeCocq, Member

By: \_\_\_\_\_  
Joan LeCocq, Member

By: \_\_\_\_\_  
James Glenovich, Member

By: *Loren DeMuth* 3-27-98  
Loren DeMuth, Member

By: \_\_\_\_\_  
Gary Tretwold, Member

By: *Gary Dornig*  
Gary Dornig, Member

By: \_\_\_\_\_  
Louis Wachter, Member

By: *George Costello*  
George Costello, Member

By: *Robert Cameron*  
Robert Cameron, Member

By: *Charles Graveley*  
Charles Graveley, Member

U.S. GOVERNMENT PRINTING OFFICE: 1975

**The Cameron Group LLC****Schedule of Assets to be included in purchase (partial)**

- 1 Marketing license for Whistle Patent
2. Marketing license for the Clip Patent.
3. Whistle tooling & Molds.
4. Whistle Pea Mold.
5. Clip tooling & Molds
6. Whistle Inventory
- 7 Clip Inventory
- 8 All whistle accessories.
9. All clip packaging & display parts
10. All advertising & collateral materials
- 11 All shipping materials
12. All office Equipment including computers — *see APPENDUM*
13. Accounts Receivables
14. Drawings & documentations for all products
15. All trade marks and registered marks
- 16 All endorsements
17. All marketing agreements (Ex., Washington U.)
18. All sales contracts (if any)
- 19 All customer lists and call logs
20. Other

**EXHIBIT 1**

1 of 3

- 1 glue gun & glue
- 1 world wall map, 1 US wall map
  
- 2 cameron group outdoor signs
  
- 1 D.A.R.E. artist drawing
  
- 3 boxes of shipping envelopes
  
- misc printed brochures
  
- 2 scotch tape dispensers
  
- 3 - 18"x36" brown tables
  
- 1 water dispenser culligan
  
- 1 four drawer legal file cabinet
  
- 1 oak desk
  
- misc whistle displays
  
- 1 shipping tape dispenser
  
- 2 ac power outlet 6 receptacle strips
  
- 1 plastic bag roll dispenser

EXHIBIT 1

2 of 3

**CAMERON GROUP EQUIPMENT & FURNISHINGS INVENTORY****Computer System I (leased equipment)**

Pentium 166 , 64 megs RAM, 4.0 Gig SCSI hard drive, 8X Plextor SCSI CD-ROM  
APC Smart UPS 450, CTX 17" Color monitor, Cannon BJ620 Color Printer, HP Color  
Scanner, Keyboard, MS Mouse, Ethernet card, 2940 Adaptec SCSI card, 33 Modem.  
Isotec Surge Protector. Diamond 2000 Vidio Card, AWE 32 Soundblaster Audio card.

**Computer System II**

166 Pentium, 32 megs RAM, Toshiba XM5702B CD-ROM, Diamond Stealth 2500 Vidio  
card, Keyboard, Logitech mouse, 600 MB Hard drive (Jim Youngs), 15" Reflex Monitor,  
3 1/2" Floppy Drive.

2 disc media cases

GE 1/2 size frigerator

4 oak and blue fabric office chairs

Toshiba BD-8510 copier (leased equipment)

20 plastic paper trays

one 5 shelf paper tray

1 paper cutter

1 black desk lamp

4 waste baskets

3 GE 2-9450A phones

2 US West caller ID

1 Belkin Printer switch

4 vertical paper dividers

1 Casio FR-520 adding machine

1 Stearns Floatation Vest

3 staplers, 3 imprint stamps,

2 postal scales

**EXHIBIT** |

3 of 3



CONFIDENTIAL

LICENSE OF RIGHTS UNDER PATENT

This Agreement made and entered into this 10th day of September, 1997, between Robert W. Cameron of 5336 Nielsen, Bellingham, Washington 98226, herein referred to as "LICENSOR", and The Cameron Group, with its principal place of business at 1420 Kentucky Street, Bellingham, Washington 98226, herein referred to as "LICENSEE".

RECITALS

A. LICENSOR is the owner of the entire right, title, and interest in and to an issued patent for an invention entitled "Locking Clip", foreign patents and patent applications corresponding to said United States patent, and generally described as follows:

A clip assembly for gripping a sheet of material. The assembly includes first and second jaw members having ramp portions which are joined along a common hinge. The ramp portions form divergent inclined planes, and are surrounded by a sliding collar. As the sliding collar is moved from the hinge area toward the grip portions of the jaws, the latter are forced together against the sheet of material. A releasable ratchet pawl locks the sliding collar against reverse movement. The clip assembly is suitable for fabrication from injection molded plastic.

The patent number is 5,386,313, issued on February 14, 1995.

B. LICENSEE is desirous of securing, and LICENSOR is willing to grant an exclusive license under the aforementioned patent to manufacture, market and distribute the invention.

In consideration of the covenants and obligations hereinafter set forth, and the mutual benefits to be derived hereunder, the parties agree as follows:

I. DEFINITIONS

In interpretation of this agreement, the following definitions shall apply:

a. "Licensed Patents" means United States Patent number 5,388,313 and all corresponding foreign patents or patent applications.

b. "Licensed Invention" means "Locking Clip" as covered by the above numbered patent and all successive generations of the same.

**EXHIBIT 2**

c. "Licensed Products" means the Licensed Invention as defined above and all appurtenances thereto.

## II. GRANT OF LICENSE

A. LICENSOR grants to LICENSEE an exclusive license to manufacture, market and distribute the Licensed Invention worldwide for the full term of the licensed patent, including any extensions or reissues thereof.

B. LICENSEE shall have the right to grant sublicenses hereunder on terms not inconsistent herewith, including the quarterly payment of royalties by the sublicense at a rate not less than that specified in section III hereof, provided the credit of the sublicensee is acceptable to LICENSOR, or LICENSEE is willing to guarantee the payment of royalties by the sublicensee. LICENSOR shall promptly be furnished with a copy of each sublicense granted by LICENSEE. LICENSEE shall pay over to LICENSOR that part of the royalties actually received by it from such sublicensees, or the receipt of which is guaranteed by it, that corresponds to the royalty rate specified in section III hereof.

## III. ROYALTY

LICENSEE shall pay royalties to LICENSOR for distribution to his PATENT GROUP at the rate of five percent (5%) of the gross sales of all licensed products sold subsequent to the date of this agreement. Gross sales means the sales price realized after deducting shipping costs and the cost of promotional pieces.

## IV. RESALE OF LICENSED PRODUCTS

In the event any licensed products are sold for resale to a corporation or firm in which LICENSEE owns a controlling interest, the royalties to be paid in respect to such products shall be computed on the gross sales price as defined in paragraph III, above, at which the purchaser for resale resells such products rather than on the selling price of LICENSEE.

## V. PAYMENT

Royalty payments hereunder shall be due and payable quarterly on or before the 15th day of April, July, October and January (for the quarters ending March, June, September and December) of each year during which this agreement is in effect.

## VI. COOPERATION

LICENSOR shall provide LICENSEE with all requested technical information relating to the licensed invention, provided that such information is in his possession, and shall aid LICENSEE in

developing the licensed invention.

#### VII. REPORTING

LICENSEE shall submit written reports to LICENSOR quarterly, coinciding with the payments dates set forth in paragraph V, above. Each report shall include a statement of the number, description, and aggregate gross selling price, as defined above, of licensed products sold during the preceding calendar quarter and on which royalty is payable as provided in section III. The first report shall include all licensed products sold from the date of this agreement and shall be due on or before the 5th day of January, 1998.

#### VIII. IMPROVEMENTS

Any improvements relating to the licensed invention are hereby included within the scope of this license agreement. If a patent is granted for any such improvement, LICENSEE shall then pay LICENSOR the royalty as provided in section III.

#### IX. DEFAULT

If LICENSEE commits any default or breaches with respect to any of the provisions of this agreement, or fails to account for or pay to LICENSOR any of the royalties that become due hereunder, LICENSOR shall have the right to cancel this agreement on sixty (60) days' written notice to LICENSEE. However, if LICENSEE cures the designated default(s) within the stated sixty (60) days, the license shall not be cancelled.

#### X. BANKRUPTCY

In the event of any adjudication of bankruptcy, appointment of a receiver, assignment for the benefit of creditors, or levy of execution directly involving LICENSEE, this agreement shall thereupon terminate.

#### XI. ARBITRATION

All disputes that may arise in connection with this agreement and that are not settled by the parties themselves shall be submitted to arbitration under the rules and regulations of the American Arbitration Association. All costs of arbitration shall be divided equally between the parties, and the parties agree to abide by the award.

#### XII. WARRANTIES

Neither party makes any representations, extends any warranties, or assumes any responsibilities whatever with respect to use, sale or other disposition by the other party or its

XIII. TRANSFERABILITY OF RIGHTS AND OBLIGATIONS

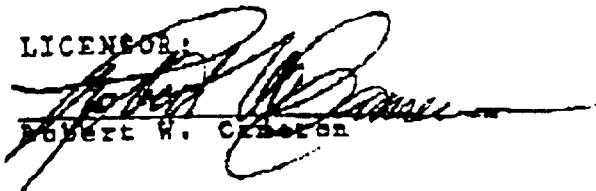
The license granted in this agreement shall be binding on any successor to ownership or control of the licensed patents. The obligations shall run in favor of any successor of LICENSEE. Neither party shall have any right to assign its rights hereunder except to the purchaser of substantially all its business, without the written consent of the other party.

XIV. TERMINATION

LICENSEE shall have the right to cancel this agreement on one hundred eighty (180) days' written notice to LICENSOR. In the event of such cancellation, LICENSEE shall pay to LICENSOR all royalties due and payable up to the effective date of such cancellation. After the effective date of cancellation, LICENSEE shall be in the same position that it would have occupied had this agreement not been entered.

IN WITNESS WHEREOF, the parties have executed this agreement at Bellingham, Washington the day and year first above written.

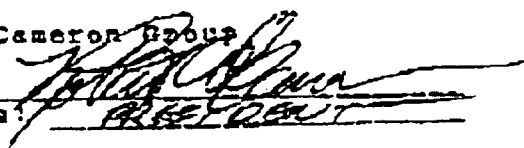
LICENSOR:

  
Robert W. Cameron

LICENSEE:

The Cameron Group

By:  
Title:

  
PRESIDENT

LICENSE OF RIGHTS UNDER PENDING PATENT

This Agreement made and entered into this 14<sup>th</sup> day of MARCH, 1997, between Robert W. Cameron of 5336 Nielsen, Bellingham, Washington 98226, herein referred to as "LICENSOR", and The Cameron Group, with its principal place of business at 1420 Kentucky Street, Bellingham, Washington 98226, herein referred to as "LICENSEE".

RECITALS

A. LICENSOR is the owner of the entire right, title, and interest in and to a pending patent for an invention entitled "Emergency Whistle", foreign patents and patent applications corresponding to said United States patent when issued, and generally described as follows:

A dual chambered emergency whistle which simultaneously emits high and low pitched whistle tones. The mouthpiece contains first and second air passages which discharge across openings into chambers of different sizes. The whistle incorporates cylindrically concave grip surfaces which align with the ends of the person's thumb and forefinger in the grip position. There is an enlarged flange at the end of the mouthpiece which is retained in the person's mouth by the incisor teeth and a second flange around the mouthpiece which forms a seal against the outer surface of the person's lips.

The parties will insert the patent number into this license when issued. The patent number is 5,546,887, issued on AUG/20/1996, 1996.

B. LICENSEE is desirous of securing, and LICENSOR is willing to grant an exclusive license under the aforementioned patent to manufacture, market and distribute the invention.

In consideration of the covenants and obligations hereinafter set forth, and the mutual benefits to be derived hereunder, the parties agree as follows:

I. DEFINITIONS

In interpretation of this agreement, the following definitions shall apply:

a. "Licensed Patents" means United States Patent number 5546,887 and all corresponding foreign patents or patent applications.

b. "Licensed Invention" means "Lifesaver # 1 Safety Whistle" as covered by the above numbered patent and all successive generations of the same.

**EXHIBIT 3**

c. "Licensed Products" means the Licensed Invention as defined above and all appurtenances thereto.

## II. GRANT OF LICENSE

A. LICENSOR grants to LICENSEE an exclusive license to manufacture, market and distribute the Licensed Invention worldwide for the full term of the licensed patent, including any extensions or reissues thereof.

B. LICENSEE shall have the right to grant sublicenses hereunder on terms not inconsistent herewith, including the quarterly payment of royalties by the sublicensee at a rate not less than that specified in section III hereof, provided the credit of the sublicensee is acceptable to LICENSOR, or LICENSEE is willing to guarantee the payment of royalties by the sublicensee. LICENSOR shall promptly be furnished with a copy of each sublicense granted by LICENSEE. LICENSEE shall pay over to LICENSOR that part of the royalties actually received by it from such sublicensees, or the receipt of which is guaranteed by it, that corresponds to the royalty rate specified in section III hereof.

## III. ROYALTY

LICENSEE shall pay royalties to LICENSOR for distribution to his PATENT GROUP at the rate of five percent (5%) of the gross sales of all licensed products sold subsequent to the date of this agreement. Gross sales means the sales price realized after deducting shipping costs and the cost of promotional pieces.

## IV. RESALE OF LICENSED PRODUCTS

In the event any licensed products are sold for resale to a corporation or firm in which LICENSEE owns a controlling interest, the royalties to be paid in respect to such products shall be computed on the gross sales price as defined in paragraph III, above, at which the purchaser for resale resells such products rather than on the selling price of LICENSEE.

## V. PAYMENT

Royalty payments hereunder shall be due and payable quarterly on or before the 15th day of April, July, October and January (for the quarters ending March, June, September and December) of each year during which this agreement is in effect.

## VI. COOPERATION

LICENSOR shall provide LICENSEE with all requested technical information relating to the licensed invention, provided that such information is in his possession, and shall aid LICENSEE in developing the licensed invention.

## VII. REPORTING

LICENSEE shall submit written reports to LICENSOR quarterly, coinciding with the payments dates set forth in paragraph V, above. Each report shall include a statement of the number, description, and aggregate gross selling price, as defined above, of licensed products sold during the preceding calendar quarter and on which royalty is payable as provided in section III. The first report shall include all licensed products sold from the date of this agreement and shall be due on or before the 25th day of \_\_\_\_\_, 1997.

## VIII. IMPROVEMENTS

Any improvements relating to the licensed invention are hereby included within the scope of this license agreement. If a patent is granted for any such improvement, LICENSEE shall then pay LICENSOR the royalty as provided in section III.

## IX. DEFAULT

If LICENSEE commits any default or breaches with respect to any of the provisions of this agreement, or fails to account for or pay to LICENSOR any of the royalties that become due hereunder, LICENSOR shall have the right to cancel this agreement on sixty (60) days' written notice to LICENSEE. However, if LICENSEE cures the designated default(s) within the stated sixty (60) days, the license shall not be cancelled.

## X. BANKRUPTCY

In the event of any adjudication of bankruptcy, appointment of a receiver, assignment for the benefit of creditors, or levy of execution directly involving LICENSEE, this agreement shall thereupon terminate.

## XI. ARBITRATION

All disputes that may arise in connection with this agreement and that are not settled by the parties themselves shall be submitted to arbitration under the rules and regulations of the American Arbitration Association. All costs of arbitration shall be divided equally between the parties, and the parties agree to abide by the award.

## XII. WARRANTIES

Neither party makes any representations, extends any warranties, or assumes any responsibilities whatever with respect to use, sale or other disposition by the other party or its vendees of transferees of the licensed products.

vendors of transferees of the licensed products.

XIII. TRANSFERABILITY OF RIGHTS AND OBLIGATIONS

The license granted in this agreement shall be binding on any successor to ownership or control of the licensed patents. The obligations shall run in favor of any successor of LICENSEE. Neither party shall have any right to assign its rights hereunder except to the purchaser of substantially all its business, without the written consent of the other party.

XIV. TERMINATION

LICENSEE shall have the right to cancel this agreement on one hundred eighty (180) days' written notice to LICENSOR. In the event of such cancellation, LICENSEE shall pay to LICENSOR all royalties due and payable up to the effective date of such cancellation. After the effective date of cancellation, LICENSEE shall be in the same position that it would have occupied had this agreement not been entered.

IN WITNESS WHEREOF, the parties have executed this agreement at Bellingham, Washington the day and year first above written.

LICENSOR:

  
Robert W. Cameron

LICENSEE:

The Cameron Group

By: 

Title: DR. W. J. CAMERON



PROMISSORY NOTE

\$362,235.24

Bellingham, Washington  
April 1, 1998

FOR VALUE RECEIVED, THE CAMERON GROUP ACQUISITION CORPORATION, a Delaware Corporation, promises to pay to THE CAMERON GROUP, L.L.C., a Washington Limited Liability Company, or order, the sum of THREE HUNDRED SIXTY-TWO THOUSAND TWO HUNDRED THIRTY-FIVE and 24/100 DOLLARS together with interest at the rate of ten percent (10%) per annum commencing the date hereof, payable as follows:

The entire balance of principal of THREE HUNDRED SIXTY-TWO THOUSAND TWO HUNDRED THIRTY-FIVE and 24/100 (\$362,235.24) and accrued interest shall be due on September 30, 1998.

This Note shall bear interest at the rate of twelve percent (12%) per annum after maturity.

If this Note shall be placed in the hands of an attorney for collection, or if suit shall be brought to collect any of the principal or interest of this Note, the Maker promises to pay costs of collection and a reasonable attorney's fee.

This Note is secured by a UCC Security Agreement and Financing Statement of even date.

Each maker of this Note executes the same as a principal and not as a surety.

The Cameron Group Acquisition  
Corporation, a Delaware  
Corporation:

By

*[Signature]* 4/16/98

[Chattel Mortgage Type Instrument. Do Not Use for Inventory or Retail Sale Transactions on Consumer Goods.]  
**SECURITY AGREEMENT—EQUIPMENT, FIXTURES, OR CONSUMER GOODS**  
(May Be Used for Motor Vehicles and Aircraft in Above Categories)

THE UNDERSIGNED THE CAMERON GROUP ACQUISITION CORPORATION

(hereinafter called "Debtor") hereby grants to THE CAMERON GROUP, L.L.C.  
(hereinafter called "Secured Party"), a security interest in the following described property, together with all increases therein, all added and substituted parts and equipment, tools, parts, accessories, supplies and improvements therefor, together with all proceeds of all such property, to-wit:

[Insert full description of property, including identifying data such as year, make, model, serial and identification numbers.]

SEE "EXHIBIT A" ATTACHED HERETO

All of said property is hereinafter referred to as the "property."

This Security Agreement is given to secure the payment and performance of all indebtedness and obligations of Debtor to Secured Party presently existing and hereafter arising, direct or indirect, and interest thereon. 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 at any of its offices from Debtor in connection with any other transactions, any deposits or other moneys owing from Secured Party at any of its offices 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 said 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 as checked here:

Personal, family or household purposes  Business or Farming use

2. **Debtor and Collateral Location:** The address appearing next to Debtor's signature below is the address of Debtor's chief executive office or, if the Debtor has no place of business, his residence. If the collateral is not located at the Debtor's address appearing below, it will be located at:

\_\_\_\_\_

Debtor will give Secured Party prior written notice of any change in either the Debtor's chief executive office or, if he has no place of business, his residence and of any change in collateral location.

3. **Fixtures:** If any of the property is to be or has been attached to real estate, the legal description of the real estate is as follows: \_\_\_\_\_

If the Debtor does not have a record interest in the above real property, the record owner is: \_\_\_\_\_

4. **Ownership and Liens:** Debtor is over 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.

5. **Taxes:** Debtor will pay before delinquency all taxes or other governmental charges that are or may become a lien or charge on the property and will pay any tax which may be levied on any obligation secured hereby.

6. **Repairs and Inspection:** Debtor will keep the property in good repair. Secured Party may inspect the property at reasonable times and intervals and may for this purpose enter the premises upon which the property is located.

7. **Insurance:** Debtor will keep the property continuously insured by an insurer approved by Secured Party against fire, theft and other hazards designated at any time by Secured Party, in an amount equal to the full insurable value thereof or to all sums secured hereby, with such form of loss-payable clause as designated by and in favor of Secured Party, and will deliver the policies and receipts showing payment of premiums to the Secured Party. In the event of loss, Secured Party shall have full power to collect any and all insurance upon the property and to apply the same at its option to any obligation secured hereby, whether or not matured, or to the restoration or repair of the property. Secured Party shall have no liability whatsoever for any loss that may occur by reason of the omission or lack of coverage of any such insurance.

The terms and conditions appearing on the back hereof are part of this Security Agreement.

Signed this \_\_\_\_\_ day of March, 1998

\_\_\_\_\_  
Street City  
\_\_\_\_\_  
County State Zip Code ADDRESS OF DEBTOR (Print)

**EXHIBIT 5**

NATURE OF DEBTOR)  
NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION  
**PATENT**

**EXHIBIT A**

All of the personal property assets of The Cameron Group Acquisition Corporation, both tangible and intangible, including but not limited to: all cash on hand, all deposits and all sums in any and all bank accounts; the furniture, fixtures, equipment and supplies; all inventory held for resale (provided, however, that this Security Agreement is not applicable to inventory sold in the ordinary course of business); all license agreements, patents or patent rights pertaining to Whistle Patent (No. 5,546,877) and the Locking Clip Patent (No. 5,388,313); all trademarks, logos, trade names or variations thereof; the goodwill of the business; all accounts receivable; all customer lists and business records of debtor, or copies thereof; reassignment of any leases for office equipment; together with any and all replacement items above described (provided, however, that if such replacement items have been purchased on installment contracts properly secured by UCC filings, that such purchase money security agreements and UCC filings shall be deemed superior to the security interest of secured party herein).

563350

WASHINGTON LEGAL BLANK, INC.

This UCC-1 FINANCING STATEMENT is presented for filing pursuant to the WASHINGTON UNIFORM COMMERCIAL CODE, chapter 62A.9 RCW, to perfect a security interest in the below named collateral. PLEASE TYPE FORM Filing fee: \$12.00.

1. DEBTOR(S) (see instruction sheet)

PERSONAL (last, first, middle name and address)

BUSINESS (legal business name and address)

THE CAMERON GROUP  
ACQUISITION CORPORATION

Debtor 1  
SSN: \_\_\_\_\_  
FEIN: \_\_\_\_\_

Debtor 2  
SSN: \_\_\_\_\_  
FEIN: \_\_\_\_\_

TRADE NAME, DBA, AKA:

2. FOR OFFICE USE ONLY — DO NOT WRITE IN THIS BOX

3. SECURED PARTY(IES) (name and address)

THE CAMERON GROUP, LLC

4. ASSIGNEE(S) of SECURED PARTY(IES) if applicable (name and address)

5. SECURED PARTY CONTACT PERSON: \_\_\_\_\_ Phone: \_\_\_\_\_

6. CHECK ONLY IF APPLICABLE: (For definitions of TRANSMITTING UTILITY AND PRODUCTS OF COLLATERAL, see instruction sheet.)

Debtor is a Transmitting Utility  Products of Collateral are also covered

7. THIS FINANCING STATEMENT covers the following collateral: (Attach additional 8-1/2" x 11" sheet(s) if needed.)

SEE "EXHIBIT A" ATTACHED HERETO

8. RETURN ACKNOWLEDGMENT COPY TO: (name and address)

John S. Ludwigson  
P. O. Box 399  
Bellingham, WA 98227

9. FILE WITH:

UNIFORM COMMERCIAL CODE  
DEPARTMENT OF LICENSING  
P.O. BOX 9860  
OLYMPIA, WA 98507-9860  
(360) 753-2523

MAKE CHECKS PAYABLE TO THE  
DEPARTMENT OF LICENSING

10. FOR OFFICE USE ONLY IMAGES TO BE FILMED

11. If collateral is described below, this statement may be signed by the Secured Party instead of the Debtor. Please check the appropriate box, complete the adjacent lines and box 13, if collateral is:

a.  already subject to a security interest in another jurisdiction when it was brought into this state or when the debtor's location was changed to this state. (complete adjacent lines 1 and 2)

b.  proceeds of the original collateral described above in which a security interest was perfected. (complete adjacent lines 1 and 2)

c.  listed on a filing which has lapsed. (complete adjacent lines 1 and 2)

d.  acquired after a change of name, identity, or corporate structure of the debtor(s). (complete adjacent lines 1, 2 and 3)

1. \_\_\_\_\_ ORIGINAL FILING NUMBER

2. \_\_\_\_\_ FILING OFFICE WHERE FILED

3. \_\_\_\_\_ FORMER NAME OR DEBTOR(S)

12. DEBTOR NAME(S) AND SIGNATURE(S):

THE CAMERON GROUP ACQUISITION  
TYPE NAME(S) OF DEBTOR(S) AS IT APPEARS IN BOX 1. CORPORATION

\_\_\_\_\_  
SIGNATURE(S) OF DEBTOR(S)

13. SECURED PARTY NAME(S) AND SIGNATURE(S) ARE REQUIRED IF BOX 11 HAS BEEN COMPLETED.

THE CAMERON GROUP, LLC  
TYPE NAME(S) OF SECURED PARTY(IES) AS IT APPEARS IN BOX 3 OR 4.

\_\_\_\_\_  
SIGNATURE(S) OF SECURED PARTY

PATENT

REEL: 012795 FRAME: 0224

EXHIBIT 6

FROM : THE CAMERON GROUP

PHONE NO. :

Mar. 26 1998 03:12PM P9

G-P CHEMICAL SALES

Fax:3606767206

Feb 19 '98 12:14

P.04

**The Cameron Group LLC  
Schedule of Assets to be included in purchase (partial)**

- 1 Marketing license for Whistle Patent
2. Marketing license for the Clip Patent.
3. Whistle tooling & Molds.
4. Whistle Pea Mold.
5. Clip tooling & Molds
6. Whistle Inventory
- 7 Clip Inventory
- 8 All whistle accessories.
9. All clip packaging & display parts
10. All advertising .& collateral materials
- 11 All shipping materials
12. All office Equipment including computers
13. Accounts Receivables
14. Drawings & documentations for all products
15. All trade marks and registered marks
- 16 All endorsements
17. All marketing agreements (Ex., Washington U.)
18. All sales contracts (if any)
- 19 All customer lists and call logs
20. Other

SEE APPENDIX

**EXHIBIT 1**

1 of 3

03/27/98 11:31 FAX 2067342019

FILE No. 342 03/27 '98 10:23 AD:ADELSTEIN SHARPE &amp; SERKA 360 647 8148

FROM : THE CAMERON GROUP

PHONE NO. :

Mar. 26 1998 03:10PM P4

- 1 glue gun & glue
- 1 world wall map, 1 US wall map
- 2 cameron group outdoor signs
- 1 D.A.R.E. artist drawing
- 3 boxes of shipping envelopes
- misc printed brochures
- 2 scotch tape dispensers
- 3 - 18"x36" brown tables
- 1 water dispenser culligan
- 1 four drawer legal file cabinet
- 1 oak desk
- misc whistle displays
- 1 shipping tape dispenser
- 2 ac power outlet 6 receptacle strips
- 1 plastic bag roll dispenser

EXHIBIT I

2 of 3

FROM : THE CAMERON GROUP

PHONE NO. :

Mar. 26 1998 03:09PM P3

**CAMERON GROUP EQUIPMENT & FURNISHINGS INVENTORY**

**Computer System I (leased equipment)**

Pentium 166 , 64 megs RAM, 4.0 Gig SCSI hard drive, 8X Plextor SCSI CD-ROM  
APC Smart UPS 450, CTX 17" Color monitor, Cannon BJ620 Color Printer, HP Color  
Scanner, Keyboard, MS Mouse, Ethernet card, 2940 Adaptec SCSI card, 33 Modem,  
Isotec Surge Protector, Diamond 2000 Vidio Card, AWE 32 Soundblaster Audio card.

**Computer System II**

166 Pentium, 32 megs RAM, Toshiba XM5702B CD-ROM, Diamond Stealth 2500 Vidio  
card, Keyboard, Logitech mouse, 600 MB Hard drive (Jim Youngs), 15" Reflex Monitor,  
3 1/2" Floppy Drive.

2 disc media cases

GE 1/2 size refrigerator

4 oak and blue fabric office chairs

Toshiba BD-8510 copier (leased equipment)

20 plastic paper trays

one 5 shelf paper tray

1 paper cutter

1 black desk lamp

4 waste baskets

3 GE 2-9450A phones

2 US West caller ID

1 Belkin Printer switch

4 vertical paper dividers

1 Casio FR-520 adding machine

1 Stearns Floatation Vest

3 staplers, 3 imprint stamps,

2 postal scales

**EXHIBIT**

3 of 3

**BILL OF SALE**

KNOW ALL MEN BY THESE PRESENTS,

That THE CAMERON GROUP, LLC, a Washington limited liability company (seller) of Bellingham, County of Whatcom, State of Washington, for and in consideration of the sum of Four hundred two thousand four hundred eighty three and  $\frac{60}{100}$  Dollars (\$ 402,483.60 ), lawful money of the United States, to it in hand paid, the receipt whereof is hereby acknowledged, does by these presents grant, bargain, sell and convey unto THE CAMERON GROUP ACQUISITION CORP. the following described personal property, located at 1420 Kentucky Street in Bellingham, County of Whatcom, State of Washington, to-wit:

SEE "EXHIBIT 1", CONSISTING OF 3 PAGES, ATTACHED HERETO

The Seller herein covenants, agrees and warrants that he owns said property and that the same is free from all liens and encumbrances and that he will defend the sale of property, goods and chattels, hereby made, against all and every person or persons whomsoever, lawfully claiming the same or any part thereof.

IN WITNESS WHEREOF, I have hereunder set my hand this 6 day of ~~March~~, 1998.  
April

SELLER:

The Cameron Group, LLC:

By *Sean C. Moody*

*Joseph D. [Signature]*

**EXHIBIT 8**



**EXHIBIT 9**

**ASSIGNMENT OF CONTRACT**

For valuable consideration, receipt of which is hereby acknowledged, The Cameron Group LLC, a Washington Limited Liability Company, hereby sets over and assigns unto The Cameron Group Acquisition Corporation, a Delaware corporation, its entire right, title and interest in and to the License of Rights Under Patent dated the 10th day of September, 1997 by and between Robert W. Cameron as Licensor and The Cameron Group as Licensee and the License of Rights Under Pending Patent dated the 14th day of March, 1997 by and between Robert Cameron as Licensor and The Cameron Group as Licensee, copies of which are attached to the Asset Purchase Agreement between The Cameron Group LLC, as Seller and The Cameron Group Acquisition Corp., as Purchaser, dated the 6 day of ~~March~~, 1998.  
April

THE CAMERON GROUP LLC

By: Julie Moody 4/4/98

THE CAMERON GROUP ADVISORY GROUP

Julie Moody  
Mark Kultz  
John W. [unclear]  
Robert Leboy

03/27/98  
© 1998 by [unclear]

03/26/98

The CAMERON GROUP, LLC  
**A/P Aging Summary**  
 As of March 26, 1998

|                            | Current     | 1-30            | 21-60           | 61-90        | > 90              | TOTAL             |
|----------------------------|-------------|-----------------|-----------------|--------------|-------------------|-------------------|
| HATHAWAY, TODD             | 0.00        | 825.00          | 0.00            | 0.00         | 0.00              | 825.00            |
| APEX PLASTICS INDUSTRIES   | 0.00        | 0.00            | 0.00            | 0.00         | 82.25             | 82.25             |
| AT&T                       | 0.00        | 0.00            | 0.00            | 0.00         | 832.83            | 832.83            |
| Boy Scouts of America      | 0.00        | 0.00            | 5,565.00        | 0.00         | 31,535.00         | 37,100.00         |
| BRANSON ULTRASONICS CORP.  | 0.00        | 0.00            | 0.00            | 0.00         | 2,420.04          | 2,420.04          |
| Business Pulse             | 0.00        | 0.00            | 0.00            | 0.00         | 250.00            | 250.00            |
| Clean Water Delivery, LLC  | 0.00        | 0.00            | 0.00            | 0.00         | 10.78             | 10.78             |
| DRAGONTEX IND. CO. LTD.    | 0.00        | 0.00            | 0.00            | 0.00         | 42,288.00         | 42,288.00         |
| FED EX                     | 0.00        | 0.00            | 0.00            | 88.50        | 745.37            | 833.87            |
| JIM YOUNG                  | 0.00        | 0.00            | 0.00            | 0.00         | 14,083.77         | 14,083.77 *       |
| JOHN WRIGHT                | 0.00        | 0.00            | 0.00            | 0.00         | 17,337.28         | 17,337.28         |
| Little Nickle Classifieds  | 0.00        | 0.00            | 0.00            | 0.00         | 275.51            | 275.51            |
| Ion WOODBURY               | 0.00        | 0.00            | 0.00            | 0.00         | 33.00             | 33.00             |
| Newell Office Products     | 0.00        | 0.00            | 0.00            | 0.00         | 23.00             | 23.00             |
| Northwest Industries       | 0.00        | 0.00            | 0.00            | 0.00         | 20,142.80         | 20,142.80         |
| Royalox International Inc. | 0.00        | 250.00          | 500.00          | 0.00         | 175.05            | 925.05            |
| Scott Plastics             | 0.00        | 0.00            | 0.00            | 0.00         | 3,598.90          | 3,598.90          |
| Stearns                    | 0.00        | 0.00            | 0.00            | 0.00         | 26,088.81         | 26,088.81         |
| STRANDPAC                  | 0.00        | 0.00            | 0.00            | 0.00         | 85.46             | 85.46             |
| UPS                        | 0.00        | 0.00            | 0.00            | 0.00         | 5,330.81          | 5,330.81          |
| ZNOA INTERNATIONAL         | 0.00        | 0.00            | 0.00            | 20.00        | 2,074.37          | 2,094.37          |
| <b>TOTAL</b>               | <b>0.00</b> | <b>1,175.00</b> | <b>6,065.00</b> | <b>88.50</b> | <b>170,722.51</b> | <b>178,048.01</b> |

\* The amount of the claim of Jim Young has yet to be determined.

6/8  
 4/6/98

SM  
 4/6/98

EXHIBIT 10

**EXHIBIT LIST**

1. Furniture, fixture and equipment list (3 pages).
2. License agreement
3. License agreement
4. (1) Promissory note (Ludwigson is preparing)
5. Security agreement.
6. Security agreement.
7. Security agreement (omitted).
8. Bill of Sale.
9. Assignment of Contract.
10. List of creditors as of October 26, 1997.