

05-02-2002

Form ☐ ☐ ☐ ☐
(Rev. 03/01)

RECO

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

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

Tab settings ☐ ☐ ☐

102076122

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

1. Name of conveying party(ies):

Flex-O-Lite, Inc.

4-19-02

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

3. Nature of conveyance:

☐

Assignment

☐

Merger

☐

Security Agreement

☐

Change of Name

☒

Other Attached hereto as Exhibit A

Patent Collateral Assignment
and Security Agreement

04/10/02

Execution Date: _____

2. Name and address of receiving party(ies)

Name: JPCA, Inc.

Internal Address: _____

600 Travis, Suite 6110

Street Address: _____

City: Houston State: TX Zip: 77002

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) _____

See Schedule A

B. Patent No.(s) _____

See Schedule A

Additional numbers attached? ☒ Yes ☐ No

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

Name: Teresa Tran

Internal Address: Vinson & Elkins LLP

2300 First City Tower

Suite 2340

Street Address: 1001 Fannin Street

City: Houston State: TX Zip: 77002

6. Total number of applications and patents involved: 13

7. Total fee (37 CFR 3.41) \$ 520.00

☒

Enclosed

☐

Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

05/01/2002 DBYRME 00000108 4859983

01 FC:581

Teresa Tran 520.00 OP

Name of Person Signing

Signature

4/15/02

Date

Total number of pages including cover sheet, attachments, and documents: 19

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231PATENT
REEL: 012831 FRAME: 0825

Schedule A

STATUS LIST FOR FLEX-O-LITE

Revised 2/12/98

<u>PLASTIC BARRICADE</u>		<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
<u>FILE NO.</u>	<u>SER. NO.</u>							
A-5081	208,865	06/15/88	4,859,983	08/22/89	U.S.	02/22/01	08/22/06	

<u>METHOD AND APPARATUS FOR SAVING ENERGY</u>		<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
<u>FILE NO.</u>	<u>SER. NO.</u>							
A-5087	884,147	03/07/78	4,230,970	10/28/80	U.S.	-----	03/07/98	

<u>METHOD AND APPARATUS FOR CONSERVING</u>		<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
<u>FILE NO.</u>	<u>SER. NO.</u>							
A-5088	885,392	03/10/78	4,237,405	12/02/80	U.S.	-----	03/10/98	

<u>YIELDABLE SIGN STAND</u>		<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
<u>FILE NO.</u>	<u>SER. NO.</u>							
A-5124	117,032	11/04/87	4,951,407	08/28/90	U.S.	02/28/02	11/04/07	

<u>YIELDABLE SIGN STAND</u>		<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
<u>FILE NO.</u>	<u>SER. NO.</u>							
A-5144	559,797	02/25/88	1,307,111	09/08/92	Canada	09/08/98	02/25/08	

<u>REMOVABLE REFLECTIVE TAPE OR SHEETING</u>		<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
<u>FILE NO.</u>	<u>SER. NO.</u>							
A-5231	982,232	11/25/92	5,437,907	08/01/95	U.S.	02/01/99	08/01/12	

<u>REFLECTIVE ROLL-UP SIGNS</u>		<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
<u>FILE NO.</u>	<u>SER. NO.</u>							
A-5258	528,225	05/24/90	5,175,646	12/29/92	U.S.	06/29/00	05/24/10	

Schedule 1f

Revised 2/12/98

STATUS LIST FOR FLEX-O-LITE

<u>HIGH-DENSITY LOW-PROFILE TRAFFIC CHANNELIZER BASE</u>							
<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN EXPIRES</u>	<u>COMMENTS</u>
A-5298	102,571	08/05/93	-----	-----	U.S.	-----	FWC FILED
A-5298	344,355	11/23/94	5,451,118	09/19/95	U.S.	05/19/99	08/05/13

<u>TRAFFIC CHANNELIZER BASE</u>							
<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN EXPIRES</u>	<u>COMMENTS</u>
A-5322	531,101	09/29/95	5,630,675	05/20/97	U.S.	11/20/00	09/29/15

<u>REFLECTIVE MARKING TAPE WITH MESH LAYER</u>							
<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN EXPIRES</u>	<u>COMMENTS</u>
A-5334	509,658	07/31/95	5,679,437	10/21/97	U.S.	04/21/01	07/31/15

Schedule A

STATUS LIST FOR FLEX-O-LITE

Revised 2/12/98

<u>COMBINATION COOLER STOOL & TABLE</u>				<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>		
<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
D-5015	036,694	04/10/87	D305,850	02/06/90	U.S.	-----	02/06/04	
<u>SOLAR POWERED BARRICADE LIGHT</u>				<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>		
<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
D-5016	934,152	08/20/92	D341,099	11/09/93	U.S.	-----	11/09/07	
<u>SOLAR POWERED BARRICADE LIGHT</u>				<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>		
<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
D-5017	934,341	08/20/92	D341,100	11/09/93	U.S.	-----	11/09/07	

PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

This **PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT**, dated as of April 10, 2002, is by **FLEX-O-LITE, INC.**, a Delaware corporation having its principal place of business at 2997 Clarkson Road, Chesterfield, Missouri 63017 (the "Assignor"), in favor of **JPCA, INC.**, a Delaware corporation, as Collateral Agent for the purchasers which are or may become parties to that Unit Purchase Agreement (as hereinafter defined) (the "Purchasers") (in such capacity, the "Collateral Agent") under the Unit Purchase Agreement dated as of April 10, 2002 (the "Unit Purchase Agreement"), among Jackson Products, Inc. ("JPI"), the Purchasers, the Assignor and others as guarantors, pursuant to which JPI issued 13,000 units, each unit consisting of a 15% secured senior subordinated note due 2004 having a stated principal amount of \$1,000 and a warrant to purchase common stock of JPI.

WHEREAS, it is a condition precedent to the purchase of the Units by the Purchasers pursuant to the Unit Purchase Agreement that the Assignor execute and deliver to the Collateral Agent, for the benefit of the Collateral Agent and the Purchasers, a patent agreement in substantially the form hereof;

WHEREAS, the Assignor has executed and delivered to the Collateral Agent, for the benefit of the Collateral Agent and the Purchasers, a Security Agreement, dated as of April 10, 2002 (the "Security Agreement"), pursuant to which the Assignor has granted to the Collateral Agent, for the benefit of the Collateral Agent and the Purchasers, a security interest in all of the Assignor's personal property and fixture assets, including without limitation the patents and patent applications listed on Schedule A attached hereto, all to secure the payment and performance of all of the unpaid principal of and interest on (including interest accruing after the maturity of the Notes and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Obligor, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Notes and all other obligations and liabilities of any Obligor to any Purchaser, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which arises under, out of, or in connection with, the Unit Purchase Agreement, any Note, any other Unit Document or any other document made, delivered or given in connection therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs or expenses (including all fees, charges and disbursements of counsel to any Purchaser that are required to be paid by JPI pursuant hereto or pursuant to any other Unit Document) or otherwise (the "Unit Obligations"); and

WHEREAS, this Patent Agreement is supplemental to the provisions contained in the Security Agreement;

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

§1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Unit Purchase Agreement and the Security Agreement. In addition, the following terms shall have the meanings set forth in this §1 or elsewhere in this Patent Agreement referred to below:

Patent Agreement. This Patent Collateral Assignment and Security Agreement, as amended and in effect from time to time.

Patent Collateral. All of the Assignor's right, title and interest in and to all of the Patents, the Patent License Rights, and all other Patent Rights, and all additions, improvements, and accessions to, all substitutions for and replacements of, and all products and Proceeds (including insurance proceeds) of any and all of the foregoing, and all books and records and technical information and data describing or used in connection with any and all such rights, interests, assets or property.

Patent License Rights. Any and all past, present or future rights and interests of the Assignor pursuant to any and all past, present and future licensing agreements in favor of the Assignor, or to which the Assignor is a party, pertaining to any Patents, or Patent Rights, owned or used by third parties in the past, present or future, including the right in the name of the Assignor or the Collateral Agent to enforce, and sue and recover for, any past, present or future breach or violation of any such agreement.

Patent Rights. Any and all past, present or future rights in, to and associated with the Patents throughout the world, whether arising under federal law, state law, common law, foreign law, or otherwise, including, but not limited to, the following: all such rights arising out of or associated with the Patents; the right (but not the obligation) to register claims under any federal, state or foreign patent law or regulation; the right (but not the obligation) to sue or bring opposition or bring cancellation proceedings in the name of the Assignor or the Collateral Agent for any and all past, present and future infringements of or any other damages or injury to the Patents or the Patent Rights, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, damage or injury; and the Patent License Rights.

Patents. All patents and patent applications, whether United States or foreign, that are owned by the Assignor or in which the Assignor has any right, title or interest, now or in the future, including but not limited to:

(a) the patents and patent applications listed on Schedule A attached hereto (as the same may be amended pursuant hereto from time to time);

(b) all letters patent of the United States or any other country, and all applications for letters patent of the United States or any other country;

(c) all re-issues, continuations, divisions, continuations-in-part, renewals or extensions thereof;

(d) the inventions disclosed or claimed therein, including the right to make, use, practice and/or sell (or license or otherwise transfer or dispose of) the inventions disclosed or claimed therein; and

(e) the right (but not the obligation) to make and prosecute applications for such Patents.

Proceeds. Any consideration received from the sale, exchange, license, lease or other disposition or transfer of any right, interest, asset or property which constitutes all or any part of the Patent Collateral, any value received as a consequence of the ownership, possession, use or practice of any Patent Collateral, and any payment received from any insurer or other person or entity as a result of the destruction or the loss, theft or other involuntary conversion of whatever nature of any right, interest, asset or property which constitutes all or any part of the Patent Collateral.

PTO. The United States Patent and Trademark Office.

§2. Grant Of Security Interest. To secure the payment and performance in full of the Unit Obligations, the Assignor hereby grants, assigns, transfers and conveys to the Collateral Agent, for the benefit of the Collateral Agent and the Purchasers, BY WAY OF COLLATERAL SECURITY, all of the Patent Collateral. NEITHER THE COLLATERAL AGENT NOR ANY OF THE PURCHASERS ASSUMES ANY LIABILITY ARISING IN ANY WAY BY REASON OF ITS HOLDING SUCH COLLATERAL SECURITY.

§3. Representations, Warranties And Covenants. The Assignor represents, warrants and covenants that:

(a) to the best of the Assignor's knowledge, Schedule A attached hereto sets forth a true and complete list of all the patents, rights to patents and patent applications now owned, licensed, controlled or used by the Assignor;

(b) to the best of the Assignor's knowledge, the issued Patents are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and there is no litigation or proceeding pending concerning the validity or enforceability of the issued Patents;

(c) to the best of the Assignor's knowledge, each of the issued Patents is valid and enforceable;

(d) to the best of the Assignor's knowledge, there is no infringement by others of the issued Patents or Patent Rights;

(e) to the best of the Assignor's knowledge, no claim has been made that the use of any of the Patents does or may violate the rights of any third person, and there is no infringement by the Assignor of the patent rights of others;

(f) the Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents (other than ownership and other rights reserved by third party owners with respect to Patents which the Assignor is licensed to practice or use), and except for liens permitted under clause (a) of the definition of "Permitted Liens" contained in that certain Indenture, dated as of April 22, 1998, between Assignor and State Street Bank and Trust Company, as trustee, and incorporated by reference into the Unit Purchase Agreement, free and clear of any liens, charges, encumbrances and adverse claims, including without limitation pledges, assignments, licenses, shop rights and covenants by the Assignor not to sue third persons, other than the Superior Interest (as defined in §23 hereof) and the security interest and mortgage created by the Security Agreement and this Patent Agreement;

(g) the Assignor has the unqualified right to enter into this Patent Agreement and perform its terms and will comply with the covenants herein contained;

(h) this Patent Agreement, together with the Security Agreement, will create in favor of the Collateral Agent, for the benefit of the Collateral Agent and the Purchasers, a valid and perfected security interest in the Patent Collateral upon making the filings referred to in clause (i) of this §3; and

(i) except for the filing of financing statements under the Uniform Commercial Code and the filing of this Patent Agreement with the PTO, no authorization, approval or other action by, and no notice to or filing with, any governmental or regulatory authority, agency or office is required either (i) for the grant by the Assignor or the effectiveness of the security interest and assignment granted hereby or for the execution, delivery and performance of this Patent Agreement by the Assignor, or (ii) for the perfection of or the exercise by the Collateral Agent of any of its rights and remedies hereunder.

§4. No Transfer or Inconsistent Agreements. Without the Collateral Agent's prior written consent, the Assignor will not (a) mortgage, pledge, assign, encumber, grant a security interest in, transfer, license or alienate any of the Patent Collateral, or (b) enter into any agreement (for example, a license agreement) that is inconsistent with the Assignor's obligations under this Patent Agreement or the Security Agreement.

§5. After-Acquired Patents, Etc.

§5.1. After-acquired Patents. If, before the Unit Obligations shall have been finally paid and satisfied in full, the Assignor shall obtain any right, title or interest in or to any other or new patents, patent applications or patentable inventions, or become entitled to the benefit of any patent application or patent or any reissue, division, continuation, renewal, extension,

or continuation-in-part of any of the Patent Collateral or any improvement on any of the Patent Collateral, the provisions of this Patent Agreement shall automatically apply thereto and the Assignor shall promptly give to the Collateral Agent notice thereof in writing and execute and deliver to the Collateral Agent such documents or instruments as the Collateral Agent may reasonably request further to transfer title thereto to the Collateral Agent, for the benefit of the Collateral Agent and the Purchasers.

§5.2. Amendment to Schedule. The Assignor authorizes the Collateral Agent to modify this Patent Agreement, without the necessity of the Assignor's further approval or signature, by amending Schedule A attached hereto to include any future or other Patents or Patent Rights under §§2 or 5 hereof.

§6. Patent Prosecution.

§6.1. Assignor Responsible. The Assignor shall assume full and complete responsibility for the prosecution, grant, enforcement or any other necessary or desirable actions in connection with the Patent Collateral, and shall hold the Collateral Agent and the Purchasers harmless from any and all costs, damages, liabilities and expenses which may be incurred by the Collateral Agent or any of the Purchasers in connection with the Collateral Agent's title to any of the Patent Collateral or any other action or failure to act in connection with this Patent Agreement or the transactions contemplated hereby. In respect of such responsibility, the Assignor shall retain patent counsel reasonably acceptable to the Collateral Agent.

§6.2. Assignor's Duties, Etc. The Assignor shall have the duty, through patent counsel reasonably acceptable to the Collateral Agent, to prosecute diligently any patent applications of the Patents pending as of the date of this Patent Agreement or thereafter, to make application for unpatented but reasonably patentable inventions and to preserve and maintain all rights in the Patents, including without limitation the payment when due of all maintenance fees and other fees, taxes and other expenses which shall be incurred or which shall accrue with respect to any of the Patents. Any expenses incurred in connection with such applications and actions shall be borne by the Assignor. The Assignor shall not abandon any filed patent application, or any pending patent application or patent, without the consent of the Collateral Agent, which consent shall not be unreasonably withheld. The Collateral Agent hereby appoints the Assignor as its agent for all matters referred to in the foregoing provisions of this §6 and agrees to execute any documents necessary to confirm such appointment. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent may terminate such agency by providing written notice of termination to the Assignor.

§6.3. Assignor's Enforcement Rights. The Assignor shall have the right, with the consent of the Collateral Agent which shall not be unreasonably withheld, to bring suit or other action in the Assignor's own name to enforce the Patents and the Patent Rights. The Collateral Agent shall be required to join in such suit or action as may be necessary to assure the Assignor's ability to bring and maintain any such suit or action in any proper forum so long as the Collateral Agent is completely satisfied that such joinder will not subject the

Collateral Agent or any of the Purchasers to any risk of liability. The Assignor shall promptly, upon demand, reimburse and indemnify the Collateral Agent and the Purchasers for all damages, costs and expenses, including legal fees, incurred by the Collateral Agent and any of the Purchasers pursuant to this §6.

§6.4. Protection of Patents, Etc. In general, the Assignor shall take any and all such actions (including but not limited to institution and maintenance of suits, proceedings or actions) as may be necessary or appropriate to properly maintain, protect, preserve, care for and enforce the Patent Collateral. The Assignor shall not take or fail to take any action, nor permit any action to be taken or not taken by others under its control, which would affect the validity, grant or enforcement of any of the Patent Collateral.

§6.5. Notification by Assignor. Promptly upon obtaining knowledge thereof, the Assignor will notify the Collateral Agent in writing of the institution of, or any final adverse determination in, any proceeding in the PTO or any similar office or agency of the United States or any foreign country, or any court, regarding the validity of any of the Patents or the Assignor's rights, title or interests in and to any of the Patent Collateral, and of any event which does or reasonably could materially adversely affect the value of any of the Patent Collateral, the ability of the Assignor or the Collateral Agent to dispose of any of the Patent Collateral or the rights and remedies of the Collateral Agent and the Purchasers in relation thereto (including but not limited to the levy of any legal process against any of the Patent Collateral).

§7. License Back to Assignor. Unless and until there shall have occurred and be continuing an Event of Default and the Collateral Agent has notified the Assignor that the license granted hereunder is terminated, the Collateral Agent hereby grants to the Assignor the sole and exclusive, nontransferable, royalty-free, worldwide right and license under the Patents to make, have made for it, use, sell and otherwise practice the inventions disclosed and claimed in the Patents for the Assignor's own benefit and account and for none other; provided, however, that the foregoing right and license shall be no greater in scope than, and limited by, the rights assigned to the Collateral Agent, for the benefit of the Collateral Agent and the Purchasers, by the Assignor hereby. The Assignor agrees not to sell, assign, transfer, encumber or sublicense its interest in the license granted to the Assignor in this §7 without the prior written consent of the Collateral Agent. Any such sublicenses granted on or after the date hereof shall be terminable by the Collateral Agent upon termination of the Assignor's license hereunder.

§8. Remedies. If any Event of Default shall have occurred and be continuing, then at the discretion of the Collateral Agent, or upon instructions by the Majority Purchasers to the Collateral Agent, and upon notice by the Collateral Agent to the Assignor: (a) the Assignor's license with respect to the Patents as set forth in §7 hereof shall terminate; (b) the Assignor shall immediately cease and desist from the practice, manufacture, use and sale of the inventions claimed, disclosed or covered by the Patents; and (c) the Collateral Agent shall have, in addition to all other rights and remedies given it by this Patent Agreement, the Unit Purchase Agreement, the Security Agreement, and the other Unit Documents, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code

as enacted in the State of New York and, without limiting the generality of the foregoing, the Collateral Agent may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to the Assignor, all of which are hereby expressly waived, and without advertisement, sell or license at public or private sale or otherwise realize upon the whole or from time to time any part of the Patent Collateral, or any interest which the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Patent Collateral all expenses (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the payment of the Unit Obligations as set forth in the Security Agreement. Notice of any sale, license or other disposition of any of the Patent Collateral shall be given to the Assignor at least fifteen (15) days before the time that any intended public sale or other disposition of such Patent Collateral is to be made or after which any private sale or other disposition of such Patent Collateral may be made, which the Assignor hereby agrees shall be reasonable notice of such public or private sale or other disposition. At any such sale or other disposition, the Collateral Agent may, to the extent permitted under applicable law, purchase or license the whole or any part of the Patent Collateral or interests therein sold, licensed or otherwise disposed of.

§9. Collateral Protection. If the Assignor shall fail to do any act that it has covenanted to do hereunder, or if any representation or warranty of the Assignor shall be breached, the Collateral Agent, in its own name or that of the Assignor (in the sole discretion of the Collateral Agent), may (but shall not be obligated to) do such act or remedy such breach (or cause such act to be done or such breach to be remedied), and the Assignor agrees promptly to reimburse the Collateral Agent for any cost or expense incurred by the Collateral Agent in so doing.

§10. Power of Attorney. If any Event of Default shall have occurred and be continuing, the Assignor does hereby make, constitute and appoint the Collateral Agent (and any officer or agent of the Collateral Agent as the Collateral Agent may select in its exclusive discretion) as the Assignor's true and lawful attorney-in-fact, with the power to endorse the Assignor's name on all applications, documents, papers and instruments necessary for the Collateral Agent to use any of the Patent Collateral, to practice, make, use or sell the inventions disclosed or claimed in any of the Patent Collateral, to grant or issue any exclusive or nonexclusive license of any of the Patent Collateral to any third person, or necessary for the Collateral Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Patent Collateral or any part thereof or interest therein to any third person, and, in general, to execute and deliver any instruments or documents and do all other acts which the Assignor is obligated to execute and do hereunder. The Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, and releases the Collateral Agent from any claims, liabilities, causes of action or demands arising out of or in connection with any action taken or omitted to be taken by the Collateral Agent under this power of attorney (except for the Collateral Agent's gross negligence or willful misconduct). This power of attorney shall be irrevocable for the duration of this Patent Agreement.

§11. Further Assurances. The Assignor shall, at any time and from time to time, and at its expense, make, execute, acknowledge and deliver, and file and record as necessary

or appropriate with governmental or regulatory authorities, agencies or offices, such agreements, assignments, documents and instruments, and do such other and further acts and things (including, without limitation, obtaining consents of third parties), as the Collateral Agent may request or as may be necessary or appropriate in order to implement and effect fully the intentions, purposes and provisions of this Patent Agreement, or to assure and confirm to the Collateral Agent the grant, perfection and priority of the Collateral Agent's security interest in any of the Patent Collateral.

§12. Termination. At such time as all of the Unit Obligations have been finally paid and satisfied in full, this Patent Agreement shall terminate and the Collateral Agent shall, upon the written request and at the expense of the Assignor, execute and deliver to the Assignor all deeds, assignments and other instruments as may be necessary or proper to reassign and reconvey to and re-vest in the Assignor the entire right, title and interest to the Patent Collateral previously granted, assigned, transferred and conveyed to the Collateral Agent and the Purchasers by the Assignor pursuant to this Patent Agreement, as fully as if this Patent Agreement had not been made, subject to any disposition of all or any part thereof which may have been made by the Collateral Agent and the Purchasers pursuant hereto or the Security Agreement.

§13. Course Of Dealing. No course of dealing among the Assignor, the Purchasers and the Collateral Agent, nor any failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any of the Purchasers, any right, power or privilege hereunder or under the Security Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

§14. Expenses. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by the Collateral Agent in connection with the preparation of this Patent Agreement and all other documents relating hereto, the consummation of the transactions contemplated hereby or the enforcement hereof, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving any of the Patent Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to any of the Patent Collateral, shall be borne and paid by the Assignor.

§15. Overdue Amounts. Until paid, all amounts due and payable by the Assignor hereunder shall be a debt secured by the Patent Collateral and other Collateral and shall bear, whether before or after judgment, interest at the rate of 17% per annum.

§16. No Assumption of Liability; Indemnification. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NEITHER THE COLLATERAL AGENT NOR ANY PURCHASER ASSUMES ANY LIABILITIES OF THE ASSIGNOR WITH RESPECT TO ANY CLAIM OR CLAIMS REGARDING THE ASSIGNOR'S OWNERSHIP OR PURPORTED OWNERSHIP OF, OR RIGHTS OR PURPORTED RIGHTS ARISING FROM, ANY OF THE PATENT COLLATERAL OR

ANY PRACTICE, USE, LICENSE OR SUBLICENSE THEREOF, OR ANY PRACTICE, MANUFACTURE, USE OR SALE OF ANY OF THE INVENTIONS DISCLOSED OR CLAIMED THEREIN, WHETHER ARISING OUT OF ANY PAST, CURRENT OR FUTURE EVENT, CIRCUMSTANCE, ACT OR OMISSION OR OTHERWISE. ALL OF SUCH LIABILITIES SHALL BE EXCLUSIVELY BORNE BY THE ASSIGNOR, AND THE ASSIGNOR SHALL INDEMNIFY THE COLLATERAL AGENT AND THE PURCHASERS FOR ANY AND ALL COSTS, EXPENSES, DAMAGES AND CLAIMS, INCLUDING LEGAL FEES, INCURRED BY THE COLLATERAL AGENT OR ANY PURCHASER WITH RESPECT TO SUCH LIABILITIES.

§17. Rights and Remedies Cumulative. All of the Collateral Agent's and the Purchasers' rights and remedies with respect to the Patent Collateral, whether established hereby or by the Security Agreement or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. This Patent Agreement is supplemental to the Security Agreement, and nothing contained herein shall in any way derogate from any of the rights or remedies of the Collateral Agent and the Purchasers contained therein. Nothing contained in this Patent Agreement shall be deemed to extend the time of attachment or perfection of or otherwise impair the security interest in any of the Patent Collateral granted to the Collateral Agent for the benefit of the Collateral Agent and the Purchasers under the Security Agreement.

§18. Notices. All notices and other communications made or required to be given pursuant to this Patent Agreement shall be in writing and shall be delivered in hand, mailed by United States registered or certified first-class mail, postage prepaid, or sent by telegraph, telecopy or telex and confirmed by delivery via courier or postal service, addressed as follows: if to the Assignor, at the address set forth beneath its signature hereto, and if to the Collateral Agent, at the address for notices to the Collateral Agent set forth in §11.2 of the Unit Purchase Agreement, or at such address as either party may designate in writing to the other. Any such notice or demand shall be deemed to have been duly given or made and to have become effective (a) if delivered by hand to a responsible officer of the party to which it is directed, at the time of the receipt thereof by such officer, (b) if sent by registered or certified first-class mail, postage prepaid, two (2) Business Days after the posting thereof, and (c) if sent by telegraph, telecopy, or telex, at the time of the dispatch thereof, if in normal business hours in the country of receipt, or otherwise at the opening of business on the following Business Day.

§19. Amendment and Waiver. This Patent Agreement is subject to modification only by a writing signed by the Collateral Agent (with the consent of the Purchasers or Majority Purchasers as provided in the Unit Purchase Agreement) and the Assignor, except as provided in §5.2 hereof. The Collateral Agent shall not be deemed to have waived any right hereunder unless such waiver shall be in writing and signed by the Collateral Agent and the Purchasers or Majority Purchasers as provided in the Unit Purchase Agreement. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion.

§20. Governing Law; Consent to Jurisdiction. THIS PATENT AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. The Assignor agrees that any suit for the enforcement of this Patent Agreement may be brought in the courts of the State of New York or any federal court sitting therein and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon the Assignor by mail at the address specified in §18 hereof. The Assignor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

§21. Waiver of Jury Trial. THE ASSIGNOR WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS PATENT AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS. Except as prohibited by law, the Assignor waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. The Assignor (a) certifies that neither the Collateral Agent or any Purchaser nor any representative, agent or attorney of the Collateral Agent or any Purchaser has represented, expressly or otherwise, that the Collateral Agent or any Purchaser would not, in the event of litigation, seek to enforce the foregoing waivers, and (b) acknowledges that, in entering into the Unit Purchase Agreement and the other Unit Documents to which the Collateral Agent or any Purchaser is a party, the Collateral Agent and the Purchasers are relying upon, among other things, the waivers and certifications contained in this §21.

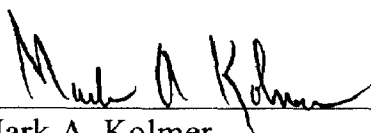
§22. Miscellaneous. The headings of each section of this Patent Agreement are for convenience only and shall not define or limit the provisions thereof. This Patent Agreement and all rights and obligations hereunder shall be binding upon the Assignor and its respective successors and assigns, and shall inure to the benefit of the Collateral Agent, the Purchasers and their respective successors and assigns. In the event of any irreconcilable conflict between the provisions of this Patent Agreement and the Unit Purchase Agreement, or between this Patent Agreement and the Security Agreement, the provisions of the Unit Purchase Agreement or the Security Agreement, as the case may be, shall control. If any term of this Patent Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Patent Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Assignor acknowledges receipt of a copy of this Patent Agreement.

23. Superior Interest.

For so long as a commitment to lend or indebtedness or any other obligations exist pursuant to the Secured Credit Agreement, the security interest granted, assigned, transferred and conveyed pursuant to this Patent Agreement remains subject to the terms of Article 8 of the Unit Purchase Agreement (the "Superior Interest").

IN WITNESS WHEREOF, this Patent Agreement has been executed as of the day and year first above written and delivered to the Collateral Agent.

FLEX-O-LITE, INC.

By: 
Mark A. Kolmer
Vice President Finance and Secretary

Address: 2997 Clarkson Road
Chesterfield, Missouri 63017

[Signature Page – Patent Collateral Assignment
and Security Agreement]

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF Missouri §
§
COUNTY OF St. Louis §

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 10th day of April, 2002, personally appeared Mark A. Kolmer, to me known personally, and who, being by me duly sworn, deposes and says that (s)he is the Vice President Finance and Secretary of Flex-O-Lite, Inc. and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said Mark A. Kolmer acknowledged said instrument to be the free act and deed of said corporation.

Cheryl E. Young
Notary Public
My commission expires:

CHERYL E YOUNG
NOTARY PUBLIC STATE OF MISSOURI
ST. CHARLES COUNTY
MY COMMISSION EXPIRES AUG 8, 2002

[Notary Page – Patent Collateral Assignment
and Security Agreement]

Schedule A

STATUS LIST FOR FLEX-O-LITE

Revised 2/12/98

PLASTIC BARRICADE

<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
A-5081	208,865	06/15/88	4,859,983	08/22/89	U.S.	02/22/01	08/22/06	

METHOD AND APPARATUS FOR SAVING ENERGY

<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
A-5087	884,147	03/07/78	4,230,970	10/28/80	U.S.	-----	03/07/98	

METHOD AND APPARATUS FOR CONSERVING

<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
A-5088	885,392	03/10/78	4,237,405	12/02/80	U.S.	-----	03/10/98	

YIELDABLE SIGN STAND

<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
A-5124	117,032	11/04/87	4,951,407	08/28/90	U.S.	02/28/02	11/04/07	

YIELDABLE SIGN STAND

<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
A-5144	559,797	02/25/88	1,307,111	09/08/92	Canada	09/08/98	02/25/08	

REMOVABLE REFLECTIVE TAPE OR SHEETING

<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
A-5231	982,232	11/25/92	5,437,907	08/01/95	U.S.	02/01/99	08/01/12	

REFLECTIVE ROLL-UP SIGNS

<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	<u>COMMENTS</u>
A-5258	528,225	05/24/90	5,175,646	12/29/92	U.S.	06/29/00	05/24/10	

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Revised 2/12/98

STATUS LIST FOR FLEX-O-LITE

<u>HIGH-DENSITY LOW-PROFILE TRAFFIC CHANNELIZER BASE</u>						
<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN EXPIRES</u>
A-5298	102,571	08/05/93	-----	-----	U.S.	-----
A-5298	344,355	11/23/94	5,451,118	09/19/95	U.S.	05/19/99 08/05/13

<u>TRAFFIC CHANNELIZER BASE</u>						
<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN EXPIRES</u>
A-5322	531,101	09/29/95	5,630,675	05/20/97	U.S.	11/20/00 09/29/15

<u>REFLECTIVE MARKING TAPE WITH MESH LAYER</u>						
<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN EXPIRES</u>
A-5334	509,658	07/31/95	5,679,437	10/21/97	U.S.	04/21/01 07/31/15

Schedule A

STATUS LIST FOR FLEX-O-LITE

Revised 2/12/98

<u>COMBINATION COOLER STOOL & TABLE</u>							<u>COMMENTS</u>	
<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	
D-5015	036,694	04/10/87	D305,850	02/06/90	U.S.	-----	02/06/04	
<u>SOLAR POWERED BARRICADE LIGHT</u>							<u>COMMENTS</u>	
<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	
D-5016	934,152	08/20/92	D341,099	11/09/93	U.S.	-----	11/09/07	
<u>SOLAR POWERED BARRICADE LIGHT</u>							<u>COMMENTS</u>	
<u>FILE NO.</u>	<u>SER. NO.</u>	<u>FILED</u>	<u>PAT. NO.</u>	<u>ISSUED</u>	<u>COUNTRY</u>	<u>MAINT/REN</u>	<u>EXPIRES</u>	
D-5017	934,341	08/20/92	D341,100	11/09/93	U.S.	-----	11/09/07	

PATENT

REEL: 012831 FRAME: 0843

RECORDED: 04/19/2002