




Form PTO-1595

(Rev. 03/01)

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

Tab settings    ▼04-18-2003
102423979U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):

Comerica Bank-Texas

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

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☒ Other Purchase and Sale Agreement

Execution Date: December 30, 2002

2. Name and address of receiving party(ies)

Name: Comerica Bank-California

Internal Address: Mail Code 4604

Street Address: 9920 S. La Cienega Blvd.
Suite 1401

City: Inglewood State: CA Zip: 90301

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) 60/149,156;

09/470,588; 09/470,580; 09/470,582

B. Patent No.(s) _____

Additional numbers attached? ☐ Yes ☒ No

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

Name: Debra J. Villarreal

Internal Address: Thompson & Knight, LLP

Street Address: 1700 Pacific Ave., Suite 3300

City: Dallas State: TX Zip: 75201

6. Total number of applications and patents involved: 4

7. Total fee (37 CFR 3.41).....\$ 160.00

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Debra J. Villarreal

Name of Person Signing

Signature

April 17, 2003

Date

Total number of pages including cover sheet, attachments, and documents: 7

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

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PATENT
REEL: 013960 FRAME: 0001

PURCHASE AND SALE AGREEMENT

PURCHASE AND SALE AGREEMENT ("Agreement") dated as of December 30, 2002, between Comerica Bank-Texas ("Assignor"), and Comerica Bank-California ("Assignee").

RECITALS:

A. Assignor originated an equipment term loan (the "Loan") to Parago, Inc. ("Borrower") as evidenced by that certain Variable Rate-Installment Note and Security Agreement (All Assets) dated September 22, 2000 (together, with related documents, as amended and supplemented from time to time, the "Loan Documents").

B. Assignee is concurrently originating a working capital line to Borrower to be secured by, among other things, a blanket lien in Borrower's assets (the "Working Capital Loan").

C. Assignee and Assignor are affiliate institutions that desire to have all indebtedness owing by Borrower consolidated in a single institution.

D. Assignor therefore desires to assign, and Assignee desires to purchase, all Assignor's rights, title and interest to the Loan and the Loan Documents upon the terms and conditions set forth below.

The parties agree as follows:

1. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Loan Documents. "Purchase Price" shall mean an amount equal to \$400,000 (the principal amount currently outstanding under the Loan Documents), less any principal payments received by Assignor after the date of this Agreement (the "Effective Date"). If a principal payment is received by Assignor on or after the Effective Date, Assignor shall pay such principal payment to Assignee pursuant to paragraph 6.

2. Subject to the terms and conditions of this Agreement:

(a) Assignor hereby irrevocably sells and assigns to Assignee, its successors and assigns, all of Assignor's right, title and interest in and to the Loan and the Loan Documents, including (i) all payments thereunder and proceeds thereof that are made or paid by Borrower on or after the Effective Date, (except as set forth in (d) below) (ii) all documents evidencing the Loan, and (iii) any property which may be distributed with respect to the Loan. Upon the satisfaction of the condition precedent set forth in subsection (e) below and payment of the Purchase Price as set forth in subsection (c) below, Assignee shall be entitled to collect and receive all payments or distributions, to exercise and enforce all rights, with respect to the Loan and the Loan Documents, and to prepare and submit to Assignor such other assignments, including UCC-3 assignment forms, necessary to file in the UCC records of each jurisdiction where the collateral described in the Loan Documents is located in form and substance satisfactory to Assignor, and Assignor shall execute and deliver the same to Assignee (Assignee shall be exclusively responsible for the preparation, filing and recording of all documents and for all recording and filing fees, transfer taxes and expenses incident thereto, if any).

(b) Assignee hereby assumes all of Assignor's Obligations in respect of the Loan and Loan Documents.

(c) In consideration of the sale and assignment of the Loan and Loan Documents, Assignee shall concurrently pay to the Purchase Price. Such amount shall be paid to Assignor on the Effective Date, as defined below by wire transfer of immediately available funds to Assignor at Comerica Bank-Texas, ABA Routing No. _____ Attention: Commercial Loan Accounting, Phone Advice:

(d) Assignor shall be entitled to receive all interest accrued and payable on a current basis under the Loan Documents for the period up to and including the Effective Date (exclusive, however, of any interest accrued but not currently payable under the Loan Documents, the Assignee's share of which shall be for the account of the Assignee), and if such interest is received by Assignee, it shall hold such interest in trust for the account of Assignor and immediately pay over such interest to Assignor.

(e) The sale, assignment and transfer contemplated herein shall be effective as of the Effective Date. As a condition precedent, Borrower shall have consented in writing to the sale, assignment and transfer contemplated herein, and any other necessary consents and waivers shall have been obtained. If, however, the Working Capital Loan does not become effective, then, unless the parties otherwise agree in writing, this Agreement shall terminate and neither party shall have any further obligations under this Agreement.

(f) Except as expressly provided in this Agreement, the transactions contemplated herein are made by the Assignor without recourse of any type or kind to the Assignor and without any representation or warranty of any kind by Assignor, whether express or implied in fact or by law.

3. Assignor, for the purpose of inducing Assignee to enter into this Agreement and pay the the Purchase Price, represents and warrants to Assignee, which representations and warranties are also made as of the Effective Date, and agrees that:

(a) Assignor is a Texas banking corporation incorporated and validly existing under the laws of the State of Texas and has all requisite power and authority to execute and deliver, and to perform all of its obligations under, this Agreement and all instruments and other documents executed and delivered by Assignor in connection herewith;

(b) The execution, delivery and performance of this Agreement have been duly authorized by all necessary action and do not and will not (i) require any consent or approval of shareholders, (ii) violate any law, rule, regulation, order, writ, judgment, injunction, determination or award presently in effect having applicability to the Assignor or any provision of Assignor's articles or by-laws, (iii) result in a breach or constitute a default under any agreement to which Assignor is a party or by which it is bound, or (iv) require any authorizations, consents or approvals, licenses, exemptions from or filings or registrations with any court, executive or legislative body, governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign;

(c) This Agreement constitutes a legal, valid and binding obligation of Assignor enforceable against it in accordance with its terms;

(d) Assignor has not sold, assigned, transferred or pledged the Loan or Loan Documents, has not transferred any interest therein and Assignor owns the Loan and Loan Documents free and clear of any lien, or other encumbrance whatsoever;

(e) No principal payment in respect of the Loan has been made since December 1, 2002;

(f) Assignor has provided Assignee with a true and accurate copy of the Loan Documents;

(g) The outstanding amount of the Loan and Loan Documents consists of outstanding principal in the amount of \$400,000, plus unpaid interest at the rate or rates set forth in the Loan Documents;

(h) The Assignor has not entered into any oral modifications of the Loan Documents, nor breached any material provision of the Loan Documents; and

(i) The Assignor is a sophisticated seller with respect to the Loan and Loan Documents and has adequate information concerning the business and financial condition of Borrower to make an informed decision regarding the sale of the Loan and Loan Documents and has independently and without reliance upon the Assignee and based on such information as the Assignor has deemed appropriate, made its own analysis and decision to enter into this Agreement, except that the Assignor has relied upon the representations and warranties of the Assignee contained in this Agreement.

4. Assignee, for the purpose of inducing Assignor to enter into this Agreement, hereby represents and warrants to Assignor, which representations and warranties are also made as of the Effective Date, and agrees that:

(a) Assignee is a banking corporation duly organized and validly existing under the laws of the California. Assignee has all requisite power and authority to execute and deliver, and to perform all of its obligations under, this Agreement and all instruments and other documents executed and delivered by Assignee in connection herewith;

(b) The execution, delivery and performance of this Agreement have been duly authorized by all necessary action and do not and will not (i) violate any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to Assignee or any provision of Assignee's charter or by-laws, (ii) result in a breach or constitute a default under any agreement to which Assignee is a party or by which it is bound, or (iii) require any authorizations, consents, approvals, licenses, exemptions from or filings or registrations with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign;

(c) This Agreement constitutes a legal, valid and binding obligation of Assignee enforceable against it in accordance with its terms conditioned only on the consent described in Section 5 below; and

(d) Assignee (i) has such knowledge and experience in financial matters that it is capable of evaluating the merits and risks of the sale of the Loan and Loan Documents; (ii) is knowledgeable regarding the rights and remedies of an unsecured or undersecured creditor in a proceeding filed under Chapter 7 or Chapter 11 of Title 11 of the United States Bankruptcy Code (a "bankruptcy case") and the rights and remedies of other creditors and interest holders in a bankruptcy case; (iii) is experienced, or has retained advisors who are experienced, in the purchasing and selling of claims against and interests in financially distressed entities, including entities operating under the protection of the United States Bankruptcy Code; (iv) is knowledgeable regarding the Borrower, its business, operations and future prospects; and (v) has agreed to purchase the Loan and Loan Documents on the basis of its own independent investigation, evaluation and credit determination and has not sought or relied upon any representation or warranty from Assignor (except those representations expressly stated in Section 3 of this Agreement) or information provided by or statements made by Assignor regarding Borrower, its business, operations or future prospects or payments to be made under the Loan Documents; and (v) is a

qualified institutional buyer under Rule 144A (17 CFR §230.144A) and is a qualified buyer under similar, applicable state law.

5. On or promptly following the Effective Date, Assignor shall notify Borrower of the consummation of this assignment.

6. Assignor agrees that if, on or after the Effective Date, Assignor shall receive (a) any obligation issued in substitution or replacement of the Loan and Loan Documents or (b) any cash or securities, or other property distribution or paid in connection with the Loan and Loan Documents, Assignor shall accept Assignee's interest in or under all such notes, cash, securities or other distributions ("Distributions") received on account of the Loan and Loan Documents as Assignee's agent and hold the Distributions in trust on behalf of and for the benefit of, Assignee, and shall immediately deliver the same to Assignee, in the same form received, with the endorsement (without recourse and without any representation or warranty of any kind by Assignor, whether expressed or implied in fact or by law, other than the representations and warranties set forth in this Agreement) of Assignor when necessary or appropriate.

7. Any amount due from Assignor to Assignee under paragraph 6 or any amount due from Assignee to Assignor, under subparagraph 2(d), which is not paid within three business days of its receipt shall bear interest at the federal funds rate from the date of its receipt until paid.

8. Assignor authorizes Assignee to endorse the name of Assignor on any check, money order or other evidence of payment made on or after the date hereof in respect of the Loan and Loan Documents and authorizes Assignee to be substituted in its place as a participant under the Loan Documents and to act to obtain monies or property lawfully due and payable in respect of the Loan or Loan Documents.

9. Assignor agrees to indemnify Assignee, its directors, officers, employees and shareholders against and hold such persons harmless from any and all liability, claim, cost, loss, damage or expense (including reasonable attorneys' fees) which such persons shall incur or suffer as a result of or arising out of or in connection with (i) any breach by Assignor of any representation or warranty of Assignor contained in this Agreement and (ii) any failure by Assignor to carry out any of its obligations under this Agreement, provided that such failure is not as a result of Assignee's failure to carry out its obligations under this Agreement or as a result of such persons' bad faith, willful misconduct or gross negligence.

10. Assignee agrees to indemnify Assignor, its directors, officers, employees and shareholders against and hold Assignor harmless from any and all liability, claim, cost, loss, damage or expense (including reasonable attorneys' fees) which such persons shall incur or suffer as a result of or arising out of or in connection with (i) any breach by such persons of any representation or warranty of Assignee contained in this Agreement, and (ii) any failure by Assignee to carry out any of its obligations under this Agreement, provided that such failure is not as a result of Assignor's failure to carry out its obligations under this Agreement, or as a result of such persons' bad faith, willful misconduct or gross negligence.

11. Assignor and Assignee hereby covenant and agree (i) to execute and deliver all such documents and to take all such further actions as the other may reasonably deem necessary, from time to time, to carry out the intent and purpose of this Agreement and to consummate the transactions

contemplated hereby; and (ii) that each has made its own independent determination to enter into and perform this Agreement and, except as stated herein, each has not relied on the other.

12. Assignee is purchasing the Loan and Loan Documents for its own account and not with a view to, or for sale in connection with, any public distribution thereof, which would violate applicable securities laws. Subject to the terms of the Loan Documents, Assignee shall have the right to sell, assign and transfer and sell participations in Loan and Loan Documents, or any part thereof, or Assignee's rights pursuant to this Agreement, without the consent of the Assignor. In the event Assignee determines that it requires Assignor's assistance in connection with such sale, assignment and transfer, Assignee shall furnish notice of the sale, assignment or transfer to Assignor and Assignor shall execute and deliver all documents as Assignee may reasonably request to effect and consummate such sale, assignment and transfer; provided, that Assignor shall have no obligation to execute and deliver any such documents other than to Assignee; provided further, that notwithstanding any such sale, assignment and transfer, the obligations of Assignee and Assignor contained herein shall continue and remain in full force and effect until fully paid, performed and satisfied.

13. The agreements, representations and warranties of the parties contained herein shall survive the consummation of the transactions contemplated hereby.

14. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REFERENCE TO CONFLICTS OF LAW.

15. This Agreement sets forth the entire agreement and understanding of the parties hereto, and supersedes all prior agreements and understandings between the parties hereto with respect to the transactions contemplated hereby. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

16. This Agreement may be signed in counterparts, each of which shall be an original and both of which taken together shall constitute one agreement.

17. This Agreement may not be amended, changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

18. Each party hereto shall bear its own costs and expenses (including, without limitation, those of its attorneys) in respect of the preparation, execution and delivery of this Agreement.

19. All notices between the parties shall be in writing and shall be served either personally, by certified mail, by overnight courier service, or by telex and shall be deemed given on receipt.

All notices to Assignor shall be given to it at:

Comerica Bank-Texas
P.O. Box 650282
Dallas, Texas 75265-0282
Attention: Nancy Oaks, Mail Code: 6514
Telephone: (214) 589-4827
Telecopy: (214) 589-4873

Attention: Nancy Oaks, Mail Code: 6514
Telephone: (214) 589-4827
Telecopy: (214) 589-4873

All notices to Assignee shall be given to it at:

Comerica Bank-California
9920 S. La Cienega Boulevard, Suite 1401
Mail Code 4604
Inglewood, CA 90301
Attn: Joan Liebowitz
Telephone: (310) 417-5886
Telecopy: (310) 338-6110

20. TO THE MAXIMUM EXTENT PERMITTED BY LAW, ASSIGNOR AND ASSIGNEE EACH HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN RESPECT OF ANY CONTROVERSY CONCERNING THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Assignor:

COMERICA BANK-TEXAS

By: Joan Liebowitz
Title: SVP

Assignee:

COMERICA BANK-CALIFORNIA

By: John M. Head
Title: VP