

05-13-2003

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Form PTO-1595 (Rev. 10/02) **5-8-03** F
OMB No. 0651-0027 (exp. 6/30/2005)
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U.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):

Climattech Safety, Inc., a Virginia Corporation

12-20-02

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

2. Name and address of receiving party(ies)

Name: Whitestone Corporation of Virginia, a Virginia Corporation

Internal Address: _____

Street Address: 1661 James Wharf Road

City: White Stone State: VA Zip: 22578

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

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name

Other RECORDATION TO CORRECT ASSIGNOR AND ASSIGNEE NAMES ON A SECURITY AGREEMENT PREVIOUSLY RECORDED ON REEL 013280 FRAME 0845.

Execution Date: January 30, 2002

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)

B. Patent No.(s) 5438707

5542413

6009713

6125645

Additional numbers attached? Yes No

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

Name: Kimberly A. Chasteen, Attorney at Law

Internal Address: _____

Williams Mullen

Street Address: One Old Oyster Point Road, Suite 210

City: Newport News State: VA Zip: 23602

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:

50-0766

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Kimberly A. Chasteen

Name of Person Signing

Kimberly A. Chasteen
Signature

12/13/2002
Date

12/27/2002 **DBYRNE** 00000115 500766 5438707 Total number of pages including cover sheet, attachments, and documents: 11

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

PATENT
REEL: 014043 FRAME: 0370

12/09/2002
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Form PTO-1595 (Rev. 10/02)		RECORDATION FORM COVER SHEET PATENTS ONLY		U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office	
OMB No. 0651-0027 (exp. 6/30/2005)					
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): Whitestone Corporation of Virginia, a Virginia Corporation Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			2. Name and address of receiving party(ies) Name: <u>Climatex Safety, Inc., a Virginia</u> Corporation Internal Address: _____ Street Address: <u>P. O. Box 1035</u> City: <u>White Stone</u> State: <u>VA</u> Zip: <u>22578</u>		
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other <u>Security Agreement</u>			Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Execution Date: <u>January 30, 2002</u>					
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) _____ B. Patent No.(s) <u>5438707</u> <u>5542413</u> <u>6009713</u> Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <u>8125645</u>					
5. Name and address of party to whom correspondence concerning document should be mailed: Name: <u>Kimberly A. Chasteen, Attorney at Law</u> Internal Address: _____ <u>Williams Mullen</u> Street Address: <u>One Old Oyster Point Road,</u> <u>Suite 210</u> City: <u>Newport News</u> State: <u>VA</u> Zip: <u>23602</u>			6. Total number of applications and patents involved: <input checked="" type="checkbox"/> 4		
			7. Total fee (37 CFR 3.41).....\$ <u>160.00</u> <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account		
			8. Deposit account number: <u>50-0766</u> (Attach duplicate copy of this page if paying by deposit account)		
DO NOT USE THIS SPACE					
9. Statement and signature. To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. <u>Kimberly A. Chasteen</u> <u>Kimberly A. Chasteen</u> <u>9 Dec 2002</u> Name of Person Signing Signature Date					
Total number of pages including cover sheet, attachments, and documents: <input checked="" type="checkbox"/> 11					

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

EXHIBIT A2**SECURITY AGREEMENT**

THIS AGREEMENT, made this 30th day of JANUARY 2002, by and between CLIMATECH SAFETY, INC., whose address is P. O. Box 1035, White Stone, VA 22578 (hereinafter called "Debtor" whether one or more), and WHITESTONE CORPORATION of Virginia whose principal office is at 1661 James Wharf Rd., White Stone, Virginia 22578 (hereinafter called the "Secured Party").

The Debtor desires to grant to Secured Party and Secured Party desires to define its security interests and to obtain additional collateral security for Debtor's liabilities to Secured Party. The parties understand and agree that the terms and provisions hereof shall reconfirm, as well as augment, supplement and expand Secured Party's rights, security interests, privileges, and remedies set forth in any notes, or agreement previously executed by the Debtor and Secured Party.

II. OBLIGATIONS SECURED

The parties hereto, intending to be legally bound hereby, agree that security interests are granted in the hereinafter described Collateral to insure the performance by Debtor under all agreements with Secured Party, as well as payment of any and all sums now owing to Secured Party by Debtor, including without limitation, all interest, fees, charges, expenses and attorney's fees chargeable to Debtor's account to the extent not prohibited by applicable law, whether provided for herein or in any other agreement with Secured Party.

III. COLLATERAL

The Debtor hereby gives and grants to Secured Party a continuing lien and security interest in and to the following types of property (hereinafter sometimes referred to as "Collateral") as specifically conveyed in EXHIBIT C - BILL OF SALE.

CHECKING THE BOXES BELOW CONSTITUTES THE INCLUSION OF THE COLLATERAL THEREIN DESCRIBED.

INVENTORY - All inventory of every nature, supplies, stock-in-trade, all raw materials, work in process, and all items of personal property, which are held for sale or furnished or are to be furnished under contracts of service or sale or lease, and all returned, reclaimed and repossessed goods, now in Debtor's possession or control, or acquired by way of replacement or substitution. [SEE EXHIBIT C - BILL OF SALE.]

[X] EQUIPMENT AND MACHINERY, ETC. -- All equipment and machinery of every type, furniture, fixtures, boilers, electrical generators, office equipment, equipment supplies, labels, wrappers, containers, cartons, cases, packaging materials, goods, machinery, tools, and trade fixtures, now owned by Debtor, or acquired by way of replacement or substitution, including but not limited to: [SEE EXHIBIT C - BILL OF SALE.]

[X] INTANGIBLES -- All present general intangibles, including but not limited to customer lists, books, and records, including, without limitation, all correspondence and credit files, tapes, cards, computer runs, computer programs, and other papers and documents whether in the possession or control of Debtor or any computer service bureau, rights in franchises and sales contracts, patents, copyrights, trademarks, logos, trade names, label design, brand names, plans, blueprints, patterns, trade secrets, licenses, jigs, dies, molds and formulas.

[X] OTHER COLLATERAL: SEE EXHIBIT C - BILL OF SALE.

[X] All proceeds and products of the foregoing Collateral, including insurance proceeds.

[X] All property of the type herein designated as Collateral now owned, or hereafter acquired by way of replacement, or substitution.

The above described property is or will be located upon property owned, or leased by the Debtor in the County of Lancaster, Virginia, or such other places as Debtor may move said property from time to time in connection with the operation of Debtor's business.

IV. WARRANTIES, COVENANTS AND REPRESENTATIONS

The Debtor hereby represents, warrants and covenants as follows:

1. Debtor is the owner of the within-described Collateral free and clear of liens and encumbrances and prior security interests, except for its debt to Secured Party.
2. Debtor will pay when due all indebtedness secured hereby with interest, together with any rent, taxes, levies, assessments, or other claims which are or may become liens against said Collateral, and
3. Debtor will care for and maintain the Collateral in a good manner and will not further encumber, cancel, remove, sell, or otherwise dispose of the same without the consent of the Secured Party, it being understood between the parties hereto that Debtor will be using some of the collateral in order to obtain investment capital, which in turn will allow Debtor to repay a portion of the debt to Secured Party, and
4. Debtor will insure the Collateral and will pay the premiums therefor, and
5. Debtor shall do, obtain, make, execute, and deliver all such additional and further acts, things, deeds, assurances, and instruments as Secured Party may require from time to time and vest in and to assure to Secured Party its rights hereunder and in or to the Collateral and proceeds thereof, and

6. Debtor shall, upon request of Secured Party, execute Financing Statements pursuant to the Uniform Commercial Code, and any other document required by Secured Party to perfect the security interest granted herein, or to effectuate the purposes of this Agreement, and

7. Debtor will report, in form satisfactory to Secured Party, such information as Secured Party may request regarding the Collateral. The Collateral, as well as Debtor's books and records, will be kept at the premises of Debtor, and Debtor will promptly notify Secured Party of any change in the location of the Collateral and Debtor will not remove the Collateral from said location(s) (except for motor vehicles and for inventory sold in the ordinary course of business). Debtor will immediately notify Secured Party, in writing, of any addition to, change in, or discontinuance of its place of business and of Debtor's progress in securing investment capital, and

8. Debtor will at all times during normal business hours, give to Secured Party or its agents full access to, and the right to audit, check, inspect, and make abstracts and copies from Debtor's books, records, audits, correspondence, and all other papers relating to the Collateral. Secured Party or its agents may enter upon any of Debtor's premises at any reasonable time during business hours and from time to time for the purpose of inspecting the Collateral and any records pertaining thereto, and

9. Debtor shall immediately notify Secured Party of any event causing a material loss or decline in value of the Collateral and the amount of such loss or depreciation.

V. EVENTS OF DEFAULT

Upon the occurrence of any of the hereinafter described events Debtor will be in default.

1. Any failure by Debtor to observe or to perform any condition, covenant, or undertaking under this Security Agreement, or any breach by Debtor of any warranty or representation in this Security Agreement, or

2. If Debtor commits a breach or default under any note, agreement, assignment, security agreement, or related agreement or document between the parties hereto, whether previously executed or executed in the future, or

3. If there is any material loss, deterioration, or decline in the value of the Collateral which is not covered by insurance, or

4. If Debtor shall default in an agreement or undertaking with any creditor of Debtor, if the effect of such default is to cause or permit the holder of such obligation or any representative on the holder's behalf to cause any such obligation to become due prior to its maturity date or prior to its regularly scheduled dates of payment or permit a trustee or holder of any indebtedness to elect a majority of Debtor's Board of Directors, or

5. If Debtor fails to make any payment of principal or interest to Secured Party on any note or under any agreement on or before the date such payment is due; or if the note is a demand instrument, fails to tender payment in full when demand is made, or

6. If Debtor fails to pay any other charges of Secured Party within thirty (30) days after it is billed or demanded by Secured Party, or

7. Upon the application for the appointment of a receiver, liquidator, custodian, trustee, or similar official or similar fiduciary for Debtor or Debtor's property, but if said application is made against the Debtor, then default hereunder shall not occur if said application is dismissed within thirty (30) days after being made, or

8. Upon the issuance of any execution or distraint process against Debtor or its property which is not removed, dismissed, or satisfied within thirty (30) days, or

9. If any final judgment for the payment of money shall be rendered by a court of record against Debtor and Debtor shall not discharge the same within thirty (30) days from the date of entry therefrom, or

10. If the Debtor becomes insolvent, makes an assignment for the benefit of creditors, offers a composition or extension to creditors, or

11. Upon the commencement of proceedings in bankruptcy or proceedings for dissolution, liquidation, or an arrangement, reorganization, or readjustment of any of Debtor's debts under state or federal law, now or hereafter enacted for the relief of debtors, or proceeding for any other relief under such law, whether instituted by or against the Debtor, but if such proceedings are instituted against the Debtor then default hereunder shall not occur if said proceedings are vacated or dismissed within thirty (30) days after such commencement.

VI RIGHTS AND REMEDIES ON DEFAULT

Upon occurrence of any of the foregoing Events of Default, Secured Party shall have the option to declare all indebtedness or obligations of Debtor under this Security Agreement and any other agreement, note, or undertaking by Debtor, including, without limitation, all liabilities under any agreements assigned to Secured Party, without recourse, together with interest thereon, to become immediately due and payable without further notice or demand by Secured Party. Notwithstanding anything to the contrary herein contained, Secured Party reserves the right to demand payment in full of any obligation of Debtor payable on demand without occurrence of any of the foregoing Events of Default. Whereupon, in addition to all the rights that Secured Party may have under the Uniform Commercial Code, or any other law, Secured Party shall also have the following rights and remedies:

1. To the extent permitted by law, the right to take possession of the Collateral with judicial process,

2. Secured Party may peaceably by its own means, or with judicial assistance, enter Debtor's premises and take possession of the Collateral, or render it unusable, or dispose of the Collateral on Debtor's premises without any liability for rent, storage, utilities, or other sums, and Debtor shall not resist or interfere with such action,

3. Secured Party may require Debtor to assemble all or any part of the Collateral and make it available to Secured Party at any place to be designated by Secured Party which is reasonably convenient to Debtor and Secured Party,

4. Debtor hereby agrees that a notice sent to it at least fifteen (15) days before the time of any intended public sale or of the time after which any private sale or other disposition of the Collateral is to be made, shall be deemed to be reasonable notice of such sales or other disposition; and

5. If permitted by law, Secured Party shall also have the right to apply for and have a receiver, custodian, or similar fiduciary appointed by the court of competent jurisdiction in order to manage, protect and preserve the Collateral and continue the operation of Debtor's business and to collect all revenues and profits thereof and apply the same to the payment of all expenses and other charges of such receivership, including the compensation of the receiver, and to the payment of Debtor's liabilities and indebtedness secured thereby,

6. If Debtor defaults in or fails to perform any covenant, warranty, or representation within this Security Agreement, Secured Party may, at its option, make payments or incur expenses to relieve the effect of the default or restore the performance, provided, however, that Secured Party shall be under no obligation to do so; and further provided, that any such action by the Secured Party shall not constitute a waiver of the Debtor's default. Any payment made or expense incurred by Secured Party in relieving the effect of any default or restoring any performance shall be liability secured by the Collateral and shall constitute part of Debtor's liabilities and obligations to Secured Party together with interest thereon at the highest rate set forth in any agreement or note from Debtor to Secured Party.

7. Debtor shall, to the extent not prohibited by applicable law, reimburse Secured Party for all costs, expenses, charges, and reasonable attorneys' fees incurred by Secured Party to enforce the provisions of this Security Agreement or collect any present or future liability or obligation owing by Debtor to Secured Party, together with interest thereon at the highest rate set forth in any agreement or note from Debtor to Secured Party.

8. If Debtor defaults, Secured Party is hereby granted the authority and license to transact any and all business that it deems necessary and appropriate to carry on the business currently known as Whitestone Corporation of Virginia, whose assets are being purchased by Debtor (hereinafter "the business"), including the use of any and all patents, inventory and assets that were in use by the business prior to the date of this Security Agreement; and Debtor agrees that in the event of any such default, Debtor will fully cooperate with Secured Party in carrying on the business until such time as the patents may be transferred back into the name of Whitestone Corporation of Virginia, or until the conclusion of any legal proceedings to establish the respective legal rights of Debtor and Secured Party in and to the use of said assets.

VII. MISCELLANEOUS PROVISIONS

1. All of the Secured Party's rights hereunder shall inure to the benefit of its successors and assigns, and all obligations of Debtor(s) shall be binding on Debtor's successors and assigns,

2. All parties hereto consent and agree that: (1) performance of any obligation by any party may be waived, extended, or accelerated by the Secured Party, (2) any credit arrangement may be renewed, extended, or reamortized in whole or in part, (3) any Collateral may be exchanged, surrendered, released, or otherwise dealt with as the Secured Party may determine, (4) any party may be released totally or partially of liability, and (5) any defenses that may be available if Secured Party fails to perfect a security interest in property in accordance with applicable laws are waived. All parties hereby severally waive demand, presentation, protest, and notice of protest herein and waive the benefit of all exemption laws now existing or hereafter enacted to the extent set forth in any note or other instrument secured hereby and, in any event, to the extent of the property described herein, and further waive any and all defenses, right to setoff, or right of subrogation which they or any of them may or might have against the Secured Party, its successors or assigns, and hereby waive any defense which they or any of them may or might have in connection with the exchange, sale, surrender, or other handling or disposition of any Collateral,

3. Debtor hereby authorizes Secured Party, or its agent, on its behalf, to record a photocopy of the original Security Agreement which Debtor agrees will be sufficient as a Financing Statement.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed the day and year aforesaid.

CLIMATECH SAFETY, INC.

By: Stevens M. Sadler
Stevens M. Sadler, President

ATTEST:

Stevens M. Sadler (SEAL)
, Secretary

STATE OF VIRGINIA,

COUNTY OF LANCASTER; to-wit:

The foregoing instrument was executed before me this 30th day of January 2002, by Stevens

EXHIBIT C**BILL OF SALE**

FOR VALUE RECEIVED, Whitestone Corporation of Virginia, a Virginia corporation (the "Seller"), in conjunction with the sale of a substantial part of its operating assets, pursuant to the terms of a certain Asset Purchase Agreement entered into between the parties hereto dated the 30th day of January, 2002, (the "Asset Purchase Agreement"), and by its duly authorized officer, does hereby GRANT, BARGAIN, SELL AND TRANSFER to CLIMATECH SAFETY, INC., a Virginia corporation (the "Purchaser"), its successors and assigns, all its rights, title, interest and privileges in and to the following described property, all of which relate to the operation of Whitestone Corporation of Virginia, at 1661 James Wharf Road, White Stone, Virginia (the "Business"):

1. All of Seller's inventory, materials, fixtures, equipment, databases and supplies now located in the Business, shown by Exhibit C1 attached hereto.
2. Seller's goodwill relating to the Business, including, but not limited to, its right, title and interest in the name "Whitestone Corporation of Virginia", and Seller's right to existing Business telephone numbers and website.
3. Any and all patents currently held in the name of the Business, or in the name of Stephen T. Horn that pertain to cooling vests, heating vests, or any other equipment or apparatus that was developed for use in the business. In this regard, Stephen T. Horn has disclosed to Buyer all patents currently held or pending by himself or Whitestone Corporation of Virginia.

Seller warrants that it is the rightful owner in every respect of all the property described in Items 1 and 2 above, and that all of the property described herein is free and clear from encumbrances, claims, demands, and charges of any kind and character whatsoever.

Seller has good and marketable title to each of the assets described in Items 1 and 2 above, free and clear of all claims, mortgages, deeds of trust, liens, pledges, charges, rights, options, restrictions, easements, conditions or encumbrances of any nature whatsoever, and the Seller has full authority to assign all of its rights, title and interest thereto.

IN WITNESS WHEREOF, the Seller has caused its signature to be affixed hereto by its duly authorized officer this 30th day of January, 2002.

Whitestone Corporation of Virginia


By  (SEAL)
Stephen T. Horn, President

Exhibit C1

Exhibit C1

All patents current, or pending of Whitestone Corporation of Virginia and/ or Stephen T. Horn, that are, or have been, or were intended to be, used in that part of Whitestone Corporation which deals in heating and cooling vests, or equipment, including but not limited to the following:

- 1. Airvest patent #5,438,707
- 2. BreathingAir patent # 5,542,413
- 3. Glove Liner patent # 6,009,713
- 4. Heatshield patent # 6,125,645

Finally, this Bill of Sale conveys to ClimaTech Safety, Inc. all products that are currently under development by Whitestone Corporation of Virginia that pertain to microclimate technology.