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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):
C. R. BRADFORD AND COMPANY LTD.

2. Name and address of receiving party(ies)

Name: **GLENN HOWARD**

Internal Address: **P.O. Box 911**

Coarsegold, CA 93614

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

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other _____

Street Address: **P.O. Box 911**

City: **Coarsegold** State: **CA** Zip: **93614**

Execution Date: **10/15/2002**

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

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s) **4,779,379**

B. Patent No.(s) **6,009,670**

Additional numbers attached? Yes No

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

Name: **PAUL T. CHAMBERS, ESQ.**

Internal Address: **246 W. Shaw Avenue**

Fresno, CA 93704

Street Address: **246 W. Shaw Avenue**

City: **Fresno** State: **CA** Zip: **93704**

6. Total number of applications and patents involved: **2**

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

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

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JUL 14 AM 7:51
FINANCE SECTION

DO NOT USE THIS SPACE

9. Signature.

GLENN HOWARD

Name of Person Signing

Signature

4/28/03

Date

Total number of pages including cover sheet, attachments, and documents: **10**

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

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

07/15/2003 6TOM11

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80.00 DP

PATENT
REEL: 014261 FRAME: 0082

**ATTACHMENT TO
RECORDATION FORM COVER SHEET
PATENTS ONLY**

2. Name and address of receiving party(ies)

Name: Devrecon Corporation,
a California Corporation

Internal
Address: P. O. Box 911

Street
Address: P. O. Box 911

City: Coarsegold

State: CA

Zip: 93614

Corporation-
State California

BUSINESS ASSETS PURCHASE AGREEMENT

THIS AGREEMENT is made effective as of this 15th day of October, 2002, by and between DEVRECON CORPORATION, a California corporation, and GLENN HOWARD, an individual, on the one hand (collectively "Sellers") and CHRIS BRADFORD, on the other hand ("Buyer").

C.R. BRADFORD AND COMPANY LTD. CB

RECITALS:

A. WHEREAS, Sellers are the owner of that certain vertical pivot gate opener manufacturing business commonly known as "Gatemaster" (the "Business"), with its principal offices located at Box 911, Coarsegold, California.

B. WHEREAS, Sellers desire to sell and Buyer desires to purchase certain assets of the Business pursuant to the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Purchase and Sale of Assets. Pursuant to the terms set forth in this Agreement, Sellers agree to sell, convey, transfer and assign to Buyer and Buyer agrees to purchase from Sellers the following assets of the Business at the closing:

(a) Equipment and Inventory. Certain equipment and inventory as more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Equipment").

(b) Customer Lists. All current lists of all customers and potential customers of the Business.

(c) Intellectual Property. Patent Nos. 4,779,379 and 6,009,670, the "Gatemaster" trademark U. S. Registration Number 1486730 and any and all other intellectual property owned by Sellers, or either of them regarding the Business.

(d) Other Intangibles. All goodwill and going concern value of the Business, if any (the "Other Intangibles").

All items described in the above subparagraphs (a) through (d) of this paragraph shall be collectively referred to as the "Assets."

2. Purchase Price. In consideration for the sale, transfer, assignment and delivery of the Assets to Buyer, Buyer hereby agrees to pay Sellers the following:

(a) **Cash.** Buyer will pay to Sellers, on or before ~~December 1, 2002~~, the sum of \$20,000.00. FEB 15, 2003 CB

(b) **Promissory Note.** A Promissory Note in the sum of \$400,000.00 payable on or before January 1, 2006, bearing no interest, payable to Sellers, or order.

(c) **Royalty.** Buyer will pay to Sellers a royalty on the gross sales price of each opener sold (i.e., the gross price of the opener itself which does not include accessories that may be added to the opener) of five percent (5%) on the gross sales price of each opener sold commencing upon the date of this Agreement, and continuing through and including June 30, 2009. Commencing July 1, 2003 and ending June 1, 2006, Buyer will pay to Seller the sum of \$3,750.00 per month as a minimum Royalty to the extent that said sum of \$3,750.00 per month exceeds the Royalty determined on a monthly basis of five percent (5%) payable herein. The Royalty will be payable on the 10th day of each month, said payment to include the Royalty due for each opener sold the previous month. Royalty payments not made by the required date shall bear interest at the rate of one and one-half percent (1-1/2%) per month, or if such rate exceeds the maximum rate allowed by law, the maximum rate allowed by law until such payment is made in full.

With each payment of the Royalty, Buyer shall submit to Sellers an accounting of the gate openers sold and the price for which they were sold. Buyer shall keep accurate books and records and Sellers shall have the right to inspect the books and records of Buyer to insure compliance with the payment provisions of the Royalty. If, pursuant to such an inspection, Sellers demonstrate that a Royalty was not paid when due, the interest provisions in the subparagraph immediately above shall apply from the time the payment should have been made until it is made, and Buyer shall reimburse Sellers the reasonable costs of the inspection.

Buyer's obligation for the above-referenced payments to Seller shall be secured by such documentation as is necessary or appropriate in order to perfect a security interest by Seller in the Patents referred to above, the name "Gatemaster" and the goodwill associated therewith. The parties shall execute such documents as are necessary or appropriate in order to perfect said security interest, and register the Royalty interest provided for herein with the United States Patent Office.

3. **Sales and Use Taxes.** Sellers shall pay all sales and use taxes arising out of Seller's operation of the Business prior to the date of close. Buyer shall pay all sales and use taxes arising out of the operation of the Business after the date of close. Sellers shall pay all sales and use taxes, if any, and other charges necessary to transfer title, if any of the Assets to Buyer.

4. **Other Taxes.** Sellers shall pay all business, occupation, withholding or similar Federal, State and local taxes, and any other Federal, State, and local taxes or assessments arising, accruing or relating to the Business prior to the date of close. Buyer shall be responsible for the payment of all business, occupation, withholding, income and other Federal, State and local taxes

and assessments arising or accruing on or after the date of the close.

5. **Representations, Warranties and Covenants of Buyer.** Buyer hereby represents, warrants and covenants to Sellers as follows:

(a) The execution, delivery and performance of this Agreement, and any other documents to be executed concurrently herewith or pursuant thereto, have been duly authorized and no other approval is necessary for the consummation by Buyer of its obligations under this Agreement or any such other documents.

(b) Buyer will pay all required fees due to the Patent and Trademark Office to maintain the Patents in good standing;

(c) Buyer will maintain all commercially reasonable liability policies in place in connection with the operation of the Business, including, without limitation, products liability insurance, vehicle insurance and worker's compensation insurance which said insurance shall name Sellers as an additional insured, and shall provide that the same shall not be cancelled unless thirty (30) days' written notice is given to Sellers.

(d) Buyer agrees that so long as Buyer is obligated to pay a Royalty hereunder, if Buyer becomes aware of any suspected or actual infringement of the Patents described herein, or any unfair competition relating to the products manufactured pursuant to said Patents, Buyer shall take such action as is necessary or appropriate in order to fully defend and protect the rights infringed at Buyer's sole cost and expense, and shall notify Sellers of said infringement and/or unfair competition. Buyer further agrees that Buyer will provide Sellers with a quarterly statement setting forth any significant activities with regard to the vertical pivot gate opener described herein, including, but not limited to, activities conducted by Sellers with regard to marketing said product, the amount of inventory in stock, and any improvements or other changes made to said product. Buyer further agrees that Buyer will, so long as Royalties are payable to Sellers herein, actively market the products manufactured by Buyer pursuant to the Patents described above, in order to maximize the number of products sold. Buyer further agrees that to the extent that Buyer makes any improvements and/or modifications to the product covered by the above-referenced Patents during the term of this Agreement, that he will promptly notify Sellers and that Sellers shall have the right, in Sellers' discretion, to apply for such Patent and/or copyright protection in Sellers' name as Sellers shall desire.

6. **Representations, Warranties and Covenants of Sellers.** Sellers hereby represent, warrant and covenant to Buyer as follows:

(a) Sellers are the sole owners of the Assets, and there are no liens or encumbrances of any kind or nature on the Assets, nor are Sellers aware of any

circumstances that would give rise to any such liens or encumbrances. Sellers warrant that the transfer of title of the Assets to Buyer is free and clear of all liens and encumbrances.

(b) No notice of violation of any applicable law, order, ordinance, rule, regulation, code or requirement, of any lease, contract or agreement, or of any covenant, condition, restriction or judgment or decree of any court or governmental authority, affecting or relating to the operation of the Business has been issued or threatened by any governmental agency having jurisdiction over the Business, and Sellers have fully complied with all such laws, orders, ordinances, rules, regulations, codes, requirements, leases, contracts, agreements, covenants, conditions, restrictions and judgments or decrees.

(c) Neither the execution and delivery of this Agreement nor the consummation of the transfer of the Assets by Sellers to Buyer under this Agreement will violate any lease, contract or agreement to which Sellers and/or the Business is a party.

(d) Sellers and/or the Business are not a party to any labor contract or collective bargaining agreement which could become binding on Buyer or impose any burden, lien, charge or encumbrance on any of the Assets, the Business and/or Buyer.

(e) There is no suit, action, arbitration or legal, administrative or other proceeding, or governmental investigation pending or threatened against or affecting the Business and/or the Assets.

7. **Indemnification by Buyer.** Buyer shall indemnify, defend and hold Sellers, and their officers, directors, shareholders, agents, employees, attorneys, successors and permitted assigns, harmless against and in respect of any and all claims, demands, losses, costs, expenses, obligations, liabilities, taxes, damages, recoveries, and deficiencies (including, without limitation, interest, penalties, and reasonable attorneys', paralegals', and other professionals' fees and costs) that Sellers, and/or their officers, directors, shareholders, agents, employees, attorneys, successors, and/or permitted assigns, may incur or suffer, which arise, result from or relate to (i) Buyer's operation of the Business and/or (ii) Buyer's actual or threatened breach of this Agreement, including without limitation, the failure of any of Buyer's representations, warranties and covenants given herein.

8. **Indemnification by Sellers.** Sellers shall indemnify, defend and hold Buyer, and its officers, directors, shareholders, agents, employees, attorneys, successors and permitted assigns, harmless against and in respect of any and all claims, demands, losses, costs, expenses, obligations, liabilities, taxes, damages, recoveries, and deficiencies (including, without limitation, interest, penalties, and reasonable attorneys', paralegals', and other professionals' fees and costs) that Buyer, and/or its officers, directors, shareholders, agents, employees, attorneys, successors, and/or

permitted assigns, may incur or suffer, which arise, result from or relate to (i) Sellers' operation of the Business and/or (ii) Sellers' actual or threatened breach of this Agreement, including without limitation, the failure of any of Sellers' representations, warranties and covenants given herein.

9. **Effect of Headings.** The subject headings of the paragraphs and subparagraphs of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

10. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations and understandings of the parties. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all of the parties hereto.

11. **Waiver.** A waiver of any breach of this Agreement by any party hereto shall not constitute a continuing waiver or a waiver of any breach of the same or another provision of this Agreement.

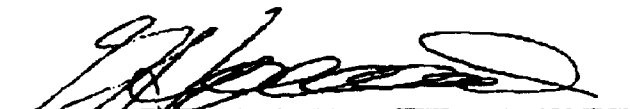
12. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

13. **Ambiguities or Uncertainties.** This Agreement and any ambiguities or uncertainties herein or therein, shall be equally and fairly interpreted and construed without reference to the identity of the party or parties preparing this document or the documents referred to herein, on the express understanding and agreement that the parties hereto participated equally in the negotiation and preparation of the Agreement and the documents referred to herein, or have had equal opportunity to do so.

14. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

SELLERS:


GLENN HOWARD

10/17/02

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(Continuation of Signature Page)

DEVRECON CORPORATION

By: 

GLENN HOWARD, President

BUYER:

C. R. BRADFORD AND COMPANY LTD. *CB*



CHRIS BRADFORD, PRESIDENT *CB*

10/17/02

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**ADDENDUM
TO
BUSINESS ASSETS PURCHASE AGREEMENT**

This Addendum to Business Assets Purchase Agreement (hereafter "Addendum") is executed contemporaneously with that certain Business Assets Purchase Agreement dated October 15, 2002 (hereafter "Agreement") by and between DEVRECON CORPORATION, a California corporation, and GLENN HOWARD, an individual, on the one hand (collectively "Sellers") and CHRIS BRADFORD, on the other hand ("Buyer").

C.R. BRADFORD AND COMPANY LTD. CB

The parties do hereby supplement said Agreement in the following particulars:

Paragraph 2 (c), Royalty, is hereby amended to read as follows:

(c) Royalty. Buyer will pay to Sellers a royalty on the gross sales price of each opener sold (i.e., the gross price of the opener itself which does not include accessories that may be added to the opener) of five percent (5%) on the gross sales price of each opener sold commencing upon the date of this Agreement, and continuing through and including December 31, 2006. The monthly minimum Royalty shall be the following sums:

(i) \$1,250.00 per month commencing January, 2004 through and including June 30, 2004;

(ii) \$2,500.00 per month commencing July, 2004 through and including December, 2004;

(iii) \$3,750.00 per month commencing January, 2005 through and including December, 2005;

(iv) \$5,000.00 per month commencing January, 2006 through and including June, 2006; and

(v) \$6,250.00 per month commencing July, 2006 through and including December, 2006.

With each payment of the Royalty, Buyer shall submit to Sellers an accounting of the gate openers sold and the price for which they were sold. Buyer shall keep accurate books and records and Sellers shall have the right to inspect the books and records of Buyer to insure compliance with the payment provisions of the Royalty. If, pursuant to such an inspection, Sellers demonstrate that a Royalty was

not paid when due, the interest provisions in the subparagraph immediately above shall apply from the time the payment should have been made until it is made, and Buyer shall reimburse Sellers the reasonable costs of the inspection.

Buyer's obligation for the above-referenced payments to Seller shall be secured by such documentation as is necessary or appropriate in order to perfect a security interest by Seller in the Patents referred to above, the name "Getmaster" and the goodwill associated therewith. The parties shall execute such documents as are necessary or appropriate in order to perfect said security interest, and register the Royalty interest provided for herein with the United States Patent Office.

Except as supplemented herein, the parties do hereby affirm the Agreement described above.

SELLERS:

Date: November 5, 2002.



GLENN HOWARD

DEVRECON CORPORATION

By: 

GLENN HOWARD, President

BUYER:

C. R. BRADFORD AND COMPANY LTD. CB

DATED: November ~~5~~ 2002.

FEBRUARY 8, 2003



CHRIS BRADFORD, PRESIDENT CB

11/5/02

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