

FORM PTO-1595
(Rev. 6-93)

RECORDATION FORM COVER SHEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

PATENTS ONLY

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

1. Name(s) of conveying party(ies):

- 1) PASTEURIZED EGGS CORPORATION
 2)
 3)
 4)
 5)
 6)

Additional names of conveying parties attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☒ Other Bankruptcy Order Approving Sale

Execution Dates:

- 1) JULY 25, 2003 4) _____
 2) _____ 5) _____
 3) _____ 6) _____

2. Name and address of receiving party:

Name: NATIONAL PASTEURIZED EGGS LLC

Internal Address: _____

Street Address: 2963 BERNICE ROADCity: LANSING State ILZip: 60438Additional names & addresses attached? ☐ Yes ☒ No

4. Application number(s) or registration 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).
09/954,46208/519,184B. Patent No(s).
5,589,211; 5,939,118; 5,843,505; 6,166,538Additional numbers attached? ☐ Yes ☒ No

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

Name: DORSEY & WHITNEY LLP
 Internal Address: MARK W. ROBERTS, PH.D.
SUITE 3400
 Street Address: 1420 FIFTH AVENUE
 City: SEATTLE State: WA ZIP: 98101

6. Total number of applications and patents involved.....

Six (6)7. Total Fee (37 CFR 3.41): \$240☐ Enclosed☒ Authorized to be charged to deposit account

8. Deposit account number:

50-1266

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.

MARK W. ROBERTS, PH.D.

Name of Person Signing



Signature

27
02-26-04

Date

Total number of pages including cover sheet, attachments, and document: 20

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW HAMPSHIRE

In re:)	Chapter 11
)	Case No. 02-13086-JMD
Pasteurized Eggs Corporation)	
)	Hearing Date: July 22, 2003
Debtor.)	Hearing Time: 1:00 p.m.

ORDER APPROVING DEBTOR'S MOTION FOR ORDER (a) AUTHORIZING AND
APPROVING SALE OF SUBSTANTIALLY ALL OF DEBTOR'S ASSETS
FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND
OTHER INTERESTS, AND (b) FOR APPROVAL OF THE ASSUMPTION AND
ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS

On June 11, 2003, Pasteurized Eggs Corporation (the "Debtor") moved this Court for an Order (a) Authorizing and Approving Sale of Substantially all of Debtor's Assets Free and Clear of all Liens, Claims, Encumbrances and Other Interests, and (b) for Approval of the Assumption and Assignment of Certain Executory Contracts (the "Sale Motion"). Among other things, the Sale Motion seeks approval of that certain Asset Purchase Agreement, (the "APA") by and among the Debtor and National Pasteurized Eggs, LLC ("NPE"), pursuant to which the Debtor has agreed to sell to NPE substantially all of its assets (the "Assets"). The Sale Motion also seeks approval for the assumption and assignment of certain executory contracts pursuant to 11 U.S.C. § 365. Capitalized terms used but not defined in this Order shall have the meanings ascribed to them in the APA.

NOW, THEREFORE, based upon all of the evidence provided to the Court at hearings held on July 11, 2003 and July 15, 2003, the memoranda and objections filed in connection with, and arguments of counsel made at, the hearing on the Motion; and upon the entire record of such hearing and this case; and after due deliberation thereon; and good cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:

1. This Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. §§ 157 and 1334.

2. The Motion is a core proceeding under 28 U.S.C. §§ 157(b)(2)(A) and (N). The statutory predicates for the relief requested herein are sections 105, 363, 365 and 1146 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") 2002, 6004 and 6006.

3. Proper, timely, adequate and sufficient notice of the Motion and the transactions contemplated therein has been provided in accordance with section 102(l) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, and 6006, and no other or further notice of the Motion is required.

4. All interested persons and entities, including: (i) the Office of the United States Trustee for the District of New Hampshire, (ii) counsel for NPE, (iii) all parties known to the Debtor to have or assert liens upon the Assets, (iv) all entities known to have expressed an interest in potentially acquiring the Assets, and (v) all entities required to be served under the Bid Procedures Order have been afforded a reasonable opportunity to object to or be heard regarding the relief requested in the Motion.

5. With respect to the Intellectual Property identified in Schedule 1.24A-1 of the APA, the Debtor has good, valid and marketable title to such Assets. With respect to United States Patent Application No. 09/954,462, the Debtor is a presumptive co-owner of the entire patent application, by virtue of a duly executed and recorded assignment from Myron Wagner, a co-inventor of such technology, subject to any claims by Davidson under any express agreements with Wagner which predate the assignment to the Debtor and to which the assignment would be subject to under applicable non-bankruptcy law. L. John Davidson ("Davidson") is the other presumptive co-owner of United States Patent Application No. 09/954,462, subject to the Debtor's rights under certain agreements with Davidson to also assert ownership over Davidson's interest therein. With respect to U.S. Patent Nos. 5,843,505 and 6,165,538, it is the

specific finding of the Court that Davidson previously assigned all of his rights under such patents to the Debtor, which rights shall pass to NPE as a result of the Closing.

6. With respect to the Intellectual Property identified in Schedule 1.24B of the APA, as amended by this Order, title in said assets is disputed and subject to the competing claims of the Debtor and Davidson. Accordingly, the Debtor is authorized to convey to NPE all legal and equitable rights the Debtor has to claim ownership in the assets listed on Schedule 1.24B-1, subject only to the competing ownership claims of Davidson.

7. The Debtor has marketed the Assets and conducted the sale process in compliance with applicable law.

8. The Debtor has full corporate power and authority to execute the APA and all other documents contemplated thereby. The Debtor has all the corporate power and authority necessary to consummate the transactions contemplated by the APA, and no consents or approvals, other than those expressly provided for in the APA, are required for the Debtor to consummate such transactions.

9. The APA and the transactions contemplated thereby reflect the exercise of the Debtor's sound business judgment and a proper exercise of the Debtor's fiduciary duties.

10. Approval at this time of the APA, and the transactions contemplated thereby, is in the best interests of the Debtor, its creditors, its estate, and other parties in interest.

11. The Debtor has demonstrated both (i) good, sufficient and sound business purpose and justification and (ii) compelling circumstances for consummating the proposed sale transaction pursuant to section 363(b) of the Bankruptcy Code. Among other things: (a) the Debtor has been and continues to incur substantial post-petition operating losses; (b) the Debtor has no further access to working capital; (c) a prompt sale of the Assets will maximize the value of the estate; (d) NPE has made a substantial offer to acquire the Assets; and (e) the bidding procedures proposed by the Debtor, approved by the Court and required by section 363 of the Bankruptcy Code, has permitted NPE's offer to be tested in the marketplace against qualifying higher and better offers.

12. The terms and conditions of the APA are fair and reasonable. The APA represents the highest and best offer made for the Assets, and the purchase price payable thereunder is fair and reasonable under the circumstances present in this case. The APA will provide a greater recovery for the Debtor's estate than would be provided by any other practical available alternative.

13. The APA was negotiated, proposed, and entered into by the parties without collusion, in good faith, and from arm's length bargaining positions. NPE is a buyer in good faith of the Assets under section 363(m) of the Bankruptcy Code and, as such, is entitled to the protections afforded thereby. Neither the Debtor nor NPE has engaged in any conduct that would cause or permit the APA and the transactions contemplated thereby to be avoided under section 363(n) of the Bankruptcy Code.

14. The relief requested in the Motion, including approval of the APA and the sale, is in the best interests of the Debtor, its creditors, and the estate.

15. The transfer of the Assets free and clear of Liens, claims, encumbrances and interests, except as provided for elsewhere in this Order, is appropriate under the circumstances because: (a) such liens, claims, interests, and encumbrances are subject to a bona fide dispute; (b) the price at which the Assets are to be sold exceeds the aggregate value of such liens, claims, interests, and encumbrances; (c) the holders of such liens, claims, interests, and encumbrances have consented to such transfer; and/or (d) such holders could be compelled in a legal or equitable proceeding to accept a money satisfaction of such liens, claims, interests, or encumbrances.

16. The sale of the Assets to NPE is a prerequisite to the Debtor's ability to confirm and consummate a plan of liquidation.

17. The claim of S.D.-Barn Real Estate, LLC shall be allowed as of July 15, 2003 in the amount of \$ 764,025.00 together with such additional interest and reasonable attorney's fees as are accrued prior to the Closing, such final sum to be documented and paid in accordance with the terms set forth in the APA. Subject to the execution and delivery of closing

documents acceptable to Egg Solutions, LLC and S.D.-Barn Real Estate, LLC, including an appropriate intercreditor agreement and new promissory notes, Egg Solutions, LLC and S.D.-Barn Real Estate, LLC have consented to the proposed sale to NPE and to NPE's assumption of the Debtor's financial liabilities and other obligations under the terms of the Assumed Loan Documents, which shall continue to be secured by the Preserved Liens, as such term is defined herein, and to modify such Loan Documents so that they conform to the APA and this Order. As used herein, the terms "Assumed Loan Documents" means and includes each and every document executed and delivered by the Debtor and any other person to Egg Solutions, LLC and S.D.-Barn Real Estate, LLC in connection with the Footbridge Note and the Note due to S.D.-Barn Real Estate, LLC.

18. The Debtor may assume and assign, pursuant to section 365 of the Bankruptcy Code, all contracts identified in Schedule 1.17 of the APA (the "Assigned Contracts"). The assumption and assignment of the Assigned Contracts is in the best interests of the Debtor and its estate, and reflects the exercise of sound and prudent business judgment by the Debtor. The Debtor may submit requests to the Court for authority to assume and assign such additional contracts or rights (the "Additional Contracts") as may be designated by NPE within thirty (30) days after the Closing Date.

19. With respect to the License Agreement dated July 22, 1995 by and between Pasteurized Eggs, L.P and Louis S. Polster (the "Polster Agreement"), the amount necessary under section 365(b)(1)(A) and (B) to cure all monetary defaults is \$3,653.85, plus such amounts as have accrued under the Polster Agreement after the Petition Date.

20. NPE has provided adequate assurance that it can perform each of the Assigned Contracts.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

A. The Debtor is hereby authorized to sell its assets pursuant to the terms of the APA, to be modified in accordance with this Order. To the extent the APA conflicts with terms of this Order, the terms of this Order shall govern.

B. The findings of fact set forth above and conclusions of law stated herein shall constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014.

C. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, mooted, or settled, and all reservations of rights included therein to the extent they are inconsistent with terms of this Order, are hereby overruled on the merits.

D. The terms, agreements, conditions and transactions contemplated by the APA, except as amended herein, hereby are hereby approved, and the sale is hereby approved and authorized and directed under section 363(b) of the Bankruptcy Code.

E. Pursuant to sections 363 and 365 of the Bankruptcy Code, the Debtor is hereby authorized, directed, and empowered on the Closing Date, to fully assume, perform under, consummate, and implement the APA, as amended herein, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the APA and the transactions contemplated thereby, and to take all further actions as may reasonably be requested by NPE for the purpose of assigning, transferring, granting, conveying, and conferring to NPE, or reducing to possession, any or all of the Assets, or as may be necessary or appropriate to the performance of the Debtor's obligations as contemplated by the APA (the "Closing").

F. The conveyance of the Assets under the APA shall be approved subject to the following modifications and legal requirements:

- i. Schedules 1.24A and 1.24B included in the APA shall be replaced with new Schedules 1.24A-1 and B-1 attached hereto, respectively;
- ii. Pursuant to Sections 105(a) and 363(f) of the Bankruptcy Code, upon the Closing under the APA, and except as set forth in subsections iii through v below, the Assets described on Schedules 1.24A-1 and B-1 hereto shall be transferred to NPE free and clear of all interests including,

but not limited to, all mortgages, security interests, conditional sale or other title retention agreements, pledges, liens, judgments, demands, encumbrances, easements, restrictions or charges of any kind or nature (the foregoing collectively referred to as "Liens" herein) and all other debts, liabilities, objections, commitments, responsibilities, claims (as that term is defined in the Bankruptcy Code), counterclaims, defenses, and offsets of any kind and nature, arising prior to Closing or relating in any way to acts of the Debtor occurring prior to Closing, however arising (the foregoing collectively referred to as "Claims" herein), with all such Liens and Claims to attach to the net cash and cash equivalent proceeds of the sale received at closing by the Debtor (the "Net Proceeds"), including the Closing Cash and the Performance Note (as these two terms are defined in the APA and amended by this Order), in the order of their priority, with the same validity, force and effect that they now have as against the Assets, subject to this Order and the rights, claims, defenses, offsets, demands, and objections, if any, of the Debtor and all interested parties with respect to such Liens and Claims. Pending further order of this Court, the Net Proceeds shall not be used for any purpose.

iii. In approving the sale of the Assets described on Schedules 1.24A-1 and B-1 hereto,

- this Order approves the transfer to NPE of any and all rights, claims (including the recently discovered potential malpractice/malfeasance claims against Fred S. Whisenhunt and/or the firm of Birch, Stewart, Kolasch & Birch, LLP) counterclaims and defenses held by the Debtor with respect to the Assets arising under the Bankruptcy Code, State Law, Patent Law or Trademark Law, including, but not limited to, the right to contest hereafter the validity of any lien, claim or interest against the Assets as void or voidable under 11 U.S.C. §§ 362, 363 and/or 549 of the Bankruptcy Code; the right under Patent and Trademark law to contest competing patents, patent applications and trademarks as infringing or being derivative of the rights acquired from the Debtor; the right under Patent and Trademark law to claim ownership of or an interest in a competing patent, patentable invention or trademark under a "work-for-hire" theory and/or "shop right" theory; and the right under the Bankruptcy Code or other applicable law to claim ownership of any competing patent, patentable invention or trademark under theories of theft of corporate opportunity, breach of fiduciary duty, ultra vires acts, employment law or contract law.
- this Order will not confer upon NPE the rights to Intellectual Property existing as of the Petition Date of any acknowledged joint owners with the Debtor or acknowledged licensor to the Debtor;

- this Order will specifically confer upon NPE all rights of the Debtor existing as of the Petition Date by virtue of the Patent Assignment dated January 1, 2001 recorded at the USPTO with respect to Patent Nos. 5,843,505 and 6,165,538. See USPTO Recording Number 101591760; and
- this Order will act as release of any and all direct and/or derivative claims, demands, causes of action and all equitable and statutory rights of the Debtor, the Unsecured Creditors Committee, and any future Chapter 7 or 11 trustees against Egg Solutions, LLC and S.D.-Barn Real Estate, LLC, except for the enforcement of the terms of this Order, the APA, and any obligations of Egg Solutions, LLC and S.D.-Barn Real Estate, LLC arising under documents executed and delivered at Closing.

iv. In approving the sale of the Assets described on Schedule 1.24A-1, the entry of this Order shall not impair the following:

- the licensor's rights arising under the Polster Agreement (the "Polster Licensor Rights");
- the rights of NPE (as assignee of the Debtor) and Davidson set forth in paragraph 5 of this Order with respect to U.S. Patent Application No. 09/954,462; and
- the right of Davidson to raise any claim which could have been raised against the Debtor in the USPTO or in a Court of appropriate jurisdiction on the Petition Date with respect to Trademark registration nos. 2,596,242 and 2,606,118.

v. In approving the sale of the Assets described on Schedule 1.24B-1, the entry of this Order shall not, with respect to such Assets including but not limited to U.S. Published Patent Application No. 10/084,444 (the "444 Application") impair any rights and claims held by Davidson or NPE (by assignment from the Debtor and Myron A. Wagner) against any party relating to the prosecution and/or ownership of such Assets as submitted to the USPTO and any patents that may issue hereafter with respect thereto.

G. Except as expressly provided in this Order and in the APA with respect to the Assumed Loan Documents, NPE is not assuming nor shall it in any way whatsoever be liable, as a successor or otherwise, for any debts, liabilities, obligations, commitments, fines, penalties, recoupments, audits, repayments, charge backs or other assessments of any form or

nature incurred by PEC, which arose prior to the date of the entry of this Order or any debts, liabilities, obligations, or commitments, in any way whatsoever relating to or arising from the Assets, or the Debtor's operations or use or ownership of the Assets prior to consummation of the transactions contemplated by the APA, which arose prior to the date of the entry of this Order.

H. The Debtor, acting by and through any of its officers, acting singly, and NPE are authorized and directed to execute and deliver such documents as may be necessary to consummate the transactions contemplated by the APA.

I. The Assumed Loan Documents shall, upon execution by NPE, be deemed to be valid and binding and in full force and effect and enforceable in accordance with their terms notwithstanding any provision in any agreements that prohibits, restricts or conditions such assignment or transfer. The execution and delivery, at the Closing, of the Assumed Loan Documents to Egg Solutions, LLC and S.D.-Barn Real Estate, LLC, and the Performance Note to the Debtor shall constitute full and final satisfaction of all claims of Egg Solutions, LLC and S.D.-Barn Real Estate, LLC against the Debtor and its estate. The Debtor shall, upon such execution and delivery of the Assumed Loan Documents and Performance Note, be relieved from any debt or liability to Egg Solutions, LLC and S.D.-Barn Real Estate occurring after such assumption.

J. On and after Closing, consistent with the terms of this Order each of the Debtor's creditors, other than Egg Solutions, LLC, S.D.-Barn Real Estate, LLC is directed to execute such documents and take all other actions as may be necessary to release its Liens on or Claims, if any, against the Assets, as such Liens or Claims may have been recorded or may otherwise exist.

K. This Order (a) is and shall be effective as a determination that, on Closing, all Liens and other property interests which affected the Assets prior to Closing have been unconditionally released, discharged, and terminated, other than the Preserved Liens, the Polster Licensor Rights and the Davidson Claims, and (b) is and shall be binding upon and govern the

acts of all entities including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, registrars of trademarks or other intellectual property, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Assets.

L. Each and every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the APA.

M. If any person or entity other than Egg Solutions, LLC and S.D.-Barn Real Estate, LLC that has filed financing statements or other documents or agreements evidencing Liens on or interests in the Assets shall not have delivered to the Debtor prior to Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of Liens or other interests that the person or entity has with respect to the Assets or otherwise, then (a) the Debtor is hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Assets, and (b) NPE is hereby authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all Liens or other interests not expressly preserved under the terms of this Order.

N. In accordance with section 365 of the Bankruptcy Code, all Contract Rights specifically listed on the Schedule 1.17 to the APA shall be deemed assumed and assigned as of the date of the Closing.

O. All entities who are presently, or on Closing may be, in possession of some or all of the Assets are hereby directed to surrender possession and control (including the

right to designate the parties entitled to use test equipment heretofore owned by the Debtor) of said Assets to NPE on Closing.

P. No order entered hereafter in this case shall conflict with or derogate from the terms of this Order.

Q. The APA and any related agreements, documents, or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment or supplement is not material. Matters set forth in the APA involving the rights of Davidson, Polster, Egg Solutions, LLC and S.D.-Barn Real Estate, LLC shall be deemed to be material. The transfer of the Assets pursuant to the sale is not subject to taxation under any federal, state, local, municipal, or other law imposing or purporting to impose a stamp, transfer, recording, sale, or any other similar tax on any of the Debtor's transfers or sales of real estate, personal property, or other assets owned by it in accordance with sections 1146(c) and 105(a) of the Bankruptcy Code. As provided by Bankruptcy Rule 7062, this Order shall be effective and enforceable immediately upon entry.

R. Except as expressly provided in this Order, NPE is not acquiring or assuming, and the consummation of the sale shall not subject NPE to any Claims of any kind or nature whatsoever, whether known or unknown, contingent or otherwise, existing as of the date hereof or hereafter arising, of or against the Debtor, any affiliate of the Debtor, or any other person under the laws of the United States, any state, territory or possession thereof, or the District of Columbia applicable to such transactions.

S. In the absence of a stay pending appeal, if NPE elects to close under the APA at any time after entry of this Order, then, with respect to the sale approved and authorized herein, NPE shall be entitled to the protections of section 363(m) of the Bankruptcy Code if this Order or any authorization contained herein is reversed or modified on appeal.

T. Subject to the provisions of, and except as provided in the APA, this Court retains jurisdiction (i) to enforce and implement the terms and provisions of the APA, all

amendments thereto, any waivers and consents thereunder, and of each of the agreements executed in connection therewith, (ii) to compel delivery of the Assets to NPE, (iii) to compel delivery of the Purchase Price (as defined in the APA) and all adjustments to the Purchase Price under the APA, (iv) to resolve any disputes, controversies or claims arising out of or relating to the APA, and (v) to interpret, implement and enforce the provisions of this Order.

U. The terms and provisions of this Order shall be binding in all respects upon the Debtor, its estate and creditors, NPE, and its respective affiliates, successors and assigns, and any affected third parties, and all persons asserting a Claim against or interest in the Debtor's estate or any of the Assets to be sold to NPE pursuant to the APA. The APA and the transactions contemplated thereby shall be specifically performable and enforceable against and binding upon, and not subject to rejection or avoidance by the Debtor or any Chapter 7 or Chapter 11 trustee of the Debtor and its estate.

V. The failure specifically to include any particular provisions of the APA in this Sale Order shall not diminish or impair the efficacy of such provisions, it being the intent of the Court that the APA be approved in its entirety.

W. The ten day stay imposed by Bankruptcy Rules 6004(g) and 6006(d) is hereby waived.

X. This order shall be binding upon any subsequently appointed trustee under any provision of the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*

Dated at Manchester, New Hampshire.

July 25, 2003

/s/ J. Michael Deasy

J. Michael Deasy
UNITED STATES BANKRUPTCY JUDGE

SCHEDULE 1.24A-1

**Non-Exhaustive Listing of Intellectual Property Included
with Assets Being Sold to Buyer Free and Clear of All
Liens and Other Property Interests**

The following assets all copyrights, URL's, licenses, software (including documentation and object and source code listings), web sites, web page designs, and web addresses, equipment designs and know-how, trade secrets, phone numbers, facsimile numbers, customer lists and the following patents, patent applications, patent assignments, and patent agreements are not subject to L. John Davidson's objections filed herein:

A. DEBTOR'S UNDISPUTED PATENT RIGHTS**1. PATENTS**

<u>Patent No.</u>	<u>Title</u>	<u>Publication No.</u>	<u>App. No.</u>	<u>Filing Date</u>	<u>Status</u>
U.S. Patents					
5,589,211 (Cox, et al)	Methods for Processing Poultry Shell Eggs	n/a	156,273	11/22/1993	Issued 12/31/1996
5,939,118 (Cox, et al)	Method for Processing Poultry Shell Eggs	n/a	08/691,744	8/2/1996	Issued 8/17/1999
5,843,505 (Davidson)	Method for Production of Pasteurized In-Shell Chicken Eggs	n/a	962,766	11/3/1997	Issued 12/1/1998
6,165,538 (Davidson)	Pasteurized In-Shell Chicken Eggs	n/a	09/197,573	11/23/1998	Issued 12/23/1998
U.S. Published Applications					
N/a (Wagner et al)	Methods of Improving Shelf Life of Eggs ¹	2002/0041921 A1	09/954,462	9/14/2001	Published 4/11/2002
U.S. Applications					
N/a (Davidson)	unknown	never published	08/519,184	8/25/1995	Abandoned

¹ Subject to the findings and rulings set forth in Paragraphs 5 and F.iv of the Order approving the sale, dated July 25, 2003.

2. PATENT PURCHASE/LICENSE AGREEMENTS

a. COX: All rights in and to the above listed patents pursuant to that certain Patent Purchase and Option Agreement dated January 2, 1997 with Debtor and James P. Cox et al.:

b. POLSTER: Exclusive license to use and sub-license all Polster patents pursuant to a License Agreement dated August 7, 1995 between Debtor and Louis Polster, including but not limited to the following issued patents:

6,035,647 (Polster)	Method and Apparatus for Chilling In-Shell Eggs	n/a	09/001,673	12/31/1997	Issued 3/14/2000
6,103,284 (Polster)	Method of Preparing Waxed In-Shell Eggs	n/a	09/001,674	12/31/1997	Issued 8/15/2000
6,113,961 (Polster)	Apparatus and Methods for Pasteurizing In-Shell Eggs	n/a	09/002,244	12/31/1997	Issued 9/5/2000
5,916,617 (Polster)	Process for Heat Treating Food Product	n/a	08/640,746	11/7/1994	Issued 6/29/1999

3. USPTO PATENT ASSIGNMENTS:

a. All right title and interest to the patents and inventions arising under the Patent Assignment dated January 1, 2001 and recorded at the United States Patent and Trademark Office on or about January 24, 2001 (USPTO Recording Number 101591760) from L. John Davidson, inventor and conveying party, to Pasteurized Eggs Corporation as the receiving party, Debtor, of all right title and interest in US Patent No. 5,843,505 and US Patent No. 6,165,538, together with reissues and extensions thereof.

b. All right title and interest to the patents and inventions arising under the assignment dated September 14, 2001 and recorded with the United States Patent and Trademark Office on or about May 30, 2002 (USPTO Recording Number 102106826) and executed on or about April 10, 2002 from Myron A. Wagner, co-inventor and conveying party, to Pasteurized Eggs Corporation, receiving party and Debtor, of Wagner's right, title and interest in United States Patent Application No. 09/954,462, together with reissues and extensions thereof.

B. DEBTOR'S TRADEMARK RIGHTS

1. U.S. FEDERAL TRADEMARK APPLICATIONS

<u>TRADEMARK</u>	<u>OWNER</u>	<u>SER. NO.</u>	<u>FILE DATE</u>	<u>GOODS/SERVICES (CLASS)</u>	<u>REG. NO.</u>
Davidson's Pasteurized	Pasteurized Eggs	76,032934	4/24/00	29	2,596,242

Eggs ²	Corporation				
Pasteurized for your safety ²	Pasteurized Eggs Corp.	76/033,2 14	4/24/00	29	2,606,118

Rights to and in the following trademark pursuant to that certain Option Agreement dated January 2, 1997 with James P. Cox et al:

THERMALPURE Bon Dente JV	76/297109	8/7/01	29 & 40	Pending
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2. DEBTOR'S UNREGISTERED TRADEMARKS

<u>TRADEMARK</u>	<u>SER. NO.</u>	<u>FILE DATE</u>	<u>GOODS SERVICES (CLASS)</u>	<u>STATUS</u>
Nature made them good. We make them safer.				Salcs Mark

3. INTERNET DOMAIN NAMES

- Safereggs.com
- Safeeggs.com
- Pasteurizedshelleggs.com
- Pasteurizedeggs.com
- Pastcurized.com
- Eggspasteurized.com
- Eggsafety.com
- Davidsonscggs.com

C. DEBTOR'S EQUIPMENT DESIGN RIGHTS, COPYRIGHT & SOFTWARE

Shell-egg pasteurization equipment and equipment design developed in conjunction with Heat & Control.

² Subject to the rulings set forth in Paragraph F.iv of the Order approving the sale, dated July 25, 2003.

Shell-egg pasteurization equipment software and operating protocols developed in
conjunction with Loman Control Systems, Inc. with offices located in Lititz, PA 17543

SCHEDULE 1.24B-1**Non-Exhaustive Listing of Intellectual Property Included
with Assets Being Sold to Buyer Subject Only to Liens
and Other Property Interests of L. John Davidson**

The following assets conveyed to Buyer by Seller are subject to the objection filed by L. John Davidson in these proceedings. Davidson and the Buyer hereby each separately reserve all rights to assert full ownership to the following intangible assets to which Debtor asserts title and purports to convey to Buyer and acknowledge that title may be subject to future litigation between Davidson and Buyer:

A. DEBTOR'S DISPUTED PATENT RIGHTS**1. PATENTS**

All patents and patent applications in which Debtor has any right, title, or interest, including without limitation, all divisions, continuations, continuations-in-part, reissues, reexaminations, extensions or equivalents thereof in all pending applications therefore, all foreign counterparts thereof and all pending applications therefore, and any period of market exclusivity relating thereto, in and to the patents and patent applications, and including damages and payments for past or future infringements thereof, and the right to bring suit and recover against any third party for acts of infringement occurring before the date of this sale and transfer. Such patents and patent applications shall include but are not limited to the following patents and applications:

<u>Patent No.</u>	<u>Title</u>	<u>Country</u>	<u>Publication No.</u>	<u>App. No.</u>	<u>Filing Date</u>	<u>Status</u>
U.S. Patents						
6,322,833 (Davidson)	Pasteurized In-Shell Chicken Eggs and Method for Production Thereof	U.S.	n/a	09/613,832	7/11/2000	Issued 11/27/2001
U.S. Published Applications						
N/a (Davidson)	Pasteurized In-Shell Chicken Eggs and Method for Production Thereof	U.S.	2002/0039618 A1	09/976,106	10/15/2001	Published 4/4/2002
N/a (Wagner et al)	Pasteurized Eggs	2002/00904 29 A1	10/084,444	2/28/2002	Published 7/11/2002	

U.S. Applications

N/a (Davidson)	Pasteurized In-Shell Chicken Eggs and Method for Production Thereof	U.S.	n/a	10/355,901	1/30/2003	Pending
N/a (Davidson)	Unknown	(provisional app.)	60/271,746	2/28/2001	Expired	
N/a (Davidson)	Unknown	(provisional app.)	60/271,726	2/28/2001	Expired	
N/a (Davidson)	Unknown	(provisional app.)	60/335,031	11/2/2001	Expired	

Foreign Applications

n/a (Davidson)	Pasteurized In-Shell Chicken Eggs and Method for Production Thereof ³	PCT	WO 97/07691	PCT/US96/13006	8/9/1996	Expired
n/a (Davidson)	Method for Production of Pasteurized In-Shell Chicken Eggs ³	Europe	EP 0845954 B1	96928837.2	8/9/1996	Pending
n/a (Davidson)	Pasteurized In-Shell Chicken Eggs and Method for Production Thereof ³	Australia	AU9668444A	unknown	8/9/1996	Pending
n/a (Davidson)	Pasteurized In-Shell Chicken Eggs and Method for Production Thereof ³	Canada	2,229,270	PCT/US96/13006	8/9/1996	Pending
n/a (Davidson)	³	PCT	WO2003/13278	PCT/US02/05771	2/28/2002?	Pending

Also included are any other foreign applications filed by Davidson with respect to any patent in which the Debtor claims an interest.

³ Subject to the findings set forth in Paragraph 5 of the Order approving the sale, dated July 25, 2003.

2. PATENT PURCHASE/LICENSE AGREEMENTS / USPTO PATENT ASSIGNMENTS

a. All rights in and to all patents, copyrights or other inventions conceived, reduced to practice and/or filed prior to January 1, 2001 in which L. John Davidson is named as an inventor or co-inventor pursuant to an employment agreement dated January 22, 2001 between L. John Davidson as an employee of Pasteurized Eggs Corporation and Debtor, other than the patents included in Schedule 1.24 A-1.

b. All rights in and to all patents, copyrights or other inventions pursuant to that certain Global Settlement Memorandum effective September 20, 2001, among L. John Davidson, the Debtor and the other parties named therein other than the patents included in Schedule 1.24 A-1.

c. All right title and interest to the patents and inventions arising under the assignment dated February 28, 2002 and recorded with the United States Patent and Trademark Office on or about June 3, 2002 (USPTO Recording Number 102109051) and executed on or about April 10, 2002 from Myron A. Wagner, co-inventor and conveying party, to Pasteurized Eggs Corporation, receiving party and Debtor, of Wagner's right, title and interest in United States Patent Application No. 10/084,444, together with reissues and extensions thereof.

B. DEBTOR'S TRADEMARK RIGHTS

1. U.S. FEDERAL TRADEMARK APPLICATIONS

<u>TRADEMARK</u>	<u>OWNER</u>	<u>SER. NO.</u>	<u>FILE DATE</u>	<u>GOODS/SERVICES (CLASS)</u>	<u>REG. NO.</u>
The Safer Egg	Pasteurized Eggs Corporation	2,473,362	4/24/00	29	2,473,362
Hens on Eggs	Pasteurized Eggs Corporation	2,446,452	4/24/00	29	2,446,452
Eat 'em any way you like	Pasteurized Eggs Corporation	2,467,616	4/24/00	29	2,467,616