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

OMB No. 0651-0027 (exp. 6/30/2005)

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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):
Janet C. Crowell

9.22.03

2. Name and address of receiving party(ies)
Name: Royal Park II, Ltd.

Internal Address: _____

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

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other Patent - License Agreement

Street Address: 18333 Preston Road, Suite 215

City: Dallas State: TX Zip: 75252

Execution Date: November 12, 2000

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) _____

B. Patent No.(s) 6,061,851

Additional numbers attached? Yes No

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

Name: Ross Spencer Garsson

Internal Address: Winstead Sechrest & Minick P.C.

Street Address: P.O. Box 50784

1201 Main Street

City: Dallas State: TX Zip: 75250-0784

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

23-2426 (19763-3)

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9. Signature.

Ross Spencer Garsson

Name of Person Signing

Signature

September 16, 2003

Date

Total number of pages including cover sheet, attachments, and documents: 12

CLIENT/MATTER NO:

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

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

DOCUMENT NO.:

PATENT
REEL: 014506 FRAME: 0095

PATENT LICENSE AGREEMENT

This AGREEMENT ("Agreement") is made as of the 12 day of November, 2000, by and between Janet C. Crowell, , a Texas resident, P.O. Box 148, Pittsburg, Texas 75686, ("LICENSOR") and Royal Park II Ltd., a Texas Limited Liability Partnership, 18333 Preston Road, Suite 215, Dallas, Texas 75252, ("LICENSEE").

Recitals

LICENSOR represents that it owns certain patents and patent applications relating to connected bed sheet assemblies, (the "Licensed Patents and Patent Applications" as defined in Section I) and represents it has the right to grant licenses under the Licensed Patents and Patent Applications; and

LICENSEE desires to obtain and LICENSOR is prepared to grant rights and licenses under the Licensed Patents and Patent Applications, under the terms and conditions more specifically set forth hereafter;

NOW, THEREFORE, in consideration of the promises and of the mutual undertakings and obligations of the Parties hereinafter set forth, it is hereby agreed and covenanted as follows:

I. Patents and Patent Applications.

A. This AGREEMENT covers United States Patent No. 6,061,851 for a Connected Bed Sheet Assembly, issued May 16, 2000 to LICENSOR ("the '851 Patent") and any and all equivalent, counterpart, or related continuation, continuation in part, and divisional applications and patents issuing therefrom in any country and any reissue, reexamination, amendment, revision, or extension of the '851 Patent.

B. The term "Licensed Patents and Patent Applications," shall mean the Patents and Patent Applications described in Section I.A. above, individually and/or collectively.

C. Each Patent and Patent Application included within the Licensed Patents and Patent Applications shall Aexpire@ when that Patent or Patent Application has expired either naturally or by failure to pay maintenance fees, has been abandoned, or when all claims of that Patent have been held invalid by a Court or administrative body of competent jurisdiction or when that Patent has been held unenforceable by a Court or administrative body of competent jurisdiction.

D. "Licensed Product" shall mean connected bed sheet assemblies that are covered by one or more claims of the Licensed Patents and Patent Applications, including, but not limited to, the inseparable sheet program sheets for twin beds, bunk beds, day beds, trundle beds, dorm beds, custom beds (RV; camper beds), double beds, queen beds, and truck sleepers.

II. License Grant. Subject to the terms and provisions set forth in this Agreement, all of which are conditions of this grant, LICENSOR hereby grants and LICENSEE accepts a personal, exclusive, irrevokable, non-transferable, sub-licenseable, worldwide, royalty-bearing license to make, have made, use, sell, offer for sale, and/or import the Licensed Product.

III. Consideration. In consideration of the license granted herein, LICENSEE shall pay royalties to LICENSOR as follows:

A. On sales of Licensed Product by LICENSEE to a third party for a Licensed Product made, used, sold, offered for sale, and/or imported anywhere in the United States, LICENSEE shall pay to LICENSOR a royalty of the gross sales actually paid by the third party for the Licensed Product (the "Royalty Payment"), which gross sales price shall not include returns, discounts. If taxes, insurance, and shipping and handling, are billed separately to the retailer, then royalties shall not be paid on those items.

B. On sales of Licensed Product by a sub-licensed-party to a third party for a Licensed Product made, used, sold, offered for sale, and/or imported anywhere in the United States, LICENSEE shall pay LICENSOR a royalty of the actual royalty payments it receives from that sub-licensed party for the sub-license ("Sub-License Royalty Payments").

C. All Royalty Payments due and payable to LICENSOR by LICENSEE shall be paid to LICENSOR on a monthly basis calculated on the gross sales receipts received by LICENSEE for the Licensed Products during that month. All Sub-License Royalty Payments due and payable to LICENSOR by LICENSEE shall be paid to LICENSOR on a monthly basis calculated on the royalty payments received from sub-licensed parties during that month. The Royalty Payments and the Sub-License Royalty Payments shall be paid to LICENSOR within ten (10) business day after the conclusion of the month. Each Royalty Payment and Sub-License Royalty Payment shall be accompanied by a report showing all details necessary for royalty calculation. The Royalty Payment shall be remitted to LICENSOR at the following address:

P.O. Box 148
Pittsburg, TX 75686

D. All Royalty Payments and Sub-License Royalty Payments required to be made under this Agreement shall be made in United States currency drawn on a United States Bank to the account of LICENSOR at a place as LICENSOR may reasonably designate in writing. LICENSOR shall pay any tax, however designated, imposed as a result of the existence or operation of this Agreement and any royalties paid hereunder, including any tax which LICENSEE is required to withhold or deduct from payments to LICENSOR, including but not limited to: (i) any such tax constituting an income tax imposed upon LICENSOR by any governmental entity within the United States proper (the fifty (50) states and the District of Columbia), and (ii), any foreign tax imposed on

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LICENSOR.

E. In the event this Agreement expires or is terminated, whether by Section VI herein or otherwise, LICENSEE shall identify the type and quantity of the Licensed Products, if any, manufactured and unsold on the date this Agreement expires or terminates. LICENSEE may sell these Licensed Products provided LICENSEE pays the Royalty Payments for the sales of these Licensed Products and the Sub-License Royalty Payments. Thereafter and subject to Section VI, LICENSEE is expressly under no obligation to pay royalties in respect to any future manufacture according to any claim of the Licensed Patents ("Monthly Report").

IV. **Records.** LICENSEE shall keep true and accurate records, files and books of account containing all the data reasonably required for the full computation and verification of the statements made and the royalty amounts payable. Upon thirty (30) days written notice from LICENSOR to LICENSEE, LICENSEE agrees to permit an independent certified accountant appointed by LICENSOR and reasonably acceptable to LICENSEE to examine such records, files and books of account during usual business hours, but not more than once in any calendar year during the term of this Agreement. The cost of the examination and audit shall be borne by LICENSOR.

V. **Representations and Warranties.**

A. LICENSOR represents and warrants LICENSOR has the right and authority to grant the license and rights herein and further represents and warrants that LICENSOR'S granting of the license and rights herein does not violate any rights of any third party, including any third party intellectual property rights.

B. LICENSOR represents and warrants LICENSEE'S manufacture, use, sale, offer for sale, and/or import of the Licensed Products will not infringe any valid and subsisting intellectual property right owned by any entity other than LICENSOR and that there is no actual or threatened claim or lawsuit by any third party based on an alleged violation of a third party's rights by LICENSOR.

C. LICENSOR represents and warrants that if LICENSOR becomes aware of any actual or threatened claim or lawsuit by any third party based on an alleged violation of a third party's rights by LICENSOR and/or LICENSEE, LICENSOR shall notify LICENSEE within ten (10) calendar days of such circumstance, including all such knowledge and information to which LICENSOR is aware.

D. LICENSOR represents and warrants that it shall notify LICENSEE in writing at least thirty (30) prior to the date all maintenance fees are due. LICENSEE represents and warrants that it will pay all maintenance fees due for the Licensed Patents and Patent Applications and shall notify LICENSOR when such maintenance fees are paid for the Licensed Patents and Patent Applications.

VI. Term and Termination.

A. Unless earlier terminated in accordance under other terms of this Agreement, including Section XIII, this Agreement shall remain in force and effect until the date of expiration of any Licensed Patent last to expire.

B. LICENSOR shall have the right to terminate this Agreement in the event LICENSEE shall breach or default in any of its substantial obligations hereunder, which breach or default remains uncorrected for one-hundred and twenty (120) days after receipt by LICENSEE of written notice of such breach or default.

C. LICENSEE shall have the right to terminate this Agreement upon thirty (30) days written notice to LICENSOR in the event LICENSEE determines it is either unable or unwilling to generate sales of the Licensed Product.

D. Termination of this Agreement by either Party under any of the provisions of this Section VI shall not terminate LICENSEE obligations to remit all royalties and other payments theretofore accrued hereunder. Termination of this Agreement prior to the date of expiration of the Licensed Patent shall result the termination of all rights granted to LICENSOR in Section II of this Agreement.

E. Waiver by either Party of a single breach or default, or a succession of breaches or defaults, shall not deprive such party of any right to terminate this Agreement arising by reason of any subsequent breach or default.

F. Either Party may terminate this Agreement at any time by giving notice in writing to the other party, which notice shall be effective upon dispatch, should the other Party file a petition of any type as to its bankruptcy, be declared bankrupt, become insolvent, make an assignment for the benefit of creditors, or go into liquidation or receivership.

VII. LICENSOR'S License.

A. LICENSOR has licensed no other party any rights under the Licensed Patents and Patent Applications and understands that LICENSEE's license is exclusive.

B. LICENSEE grants LICENSOR the right to make, use, sell, and/or offer for sale a Limited Number of Licensed Products per year during the duration of this Agreement, provided that the nature and quality of all such Limited Number of Licensed Products are the same or better than the nature and quality of the Licensed Products manufactured and/or sold by LICENSEE. The Limited Number of Licensed Products shall be 1200 units of the Licensed Products (*i.e.*, 1200 bed sheets). LICENSOR agrees that other than for these Limited Number of Licensed Products, LICENSOR shall not make, use, sell and/or offer for sale Licensed Products in any manner.

C. LICENSOR'S rights to make, use, sell, and offer to sell the Limited Number of Licensed Products is non-transferable, non-assignable, and non-licensable.

D. All of the Limited Number of Licensed Products sold by LICENSOR shall be marked in accordance with the marking requirements specified in Section VIII.

VIII. Marking. LICENSEE agrees to mark and have marked the Licensed Products that it makes, has made, uses, offers for sale, sells, imports, or sub-licenses in the United States under the terms of this Agreement with a notice of the '851 Patent. An acceptable mark may be made by placing, for example, the following inscription on an exterior surface of such product and on such packaging, if any, in which such product is sold or advertised for sale: A.U.S. Patent 6,061,851@ or ALicensed Under U.S. Patent 6,061,851.@ Alternative equally prominent forms of marking are acceptable.

IX. Trademark. LICENSOR agrees that LICENSEE shall have all rights, title, and interest to the term "Inseparable Sheet" and similar terms for use in association with the Licensed Products, which rights include the right to register federal and state trademarks.

X. Relationship of the Parties. The relationship of LICENSEE to LICENSOR is that of an independent contractor and neither LICENSEE nor its agents or employees shall be considered employees or agents of LICENSOR. This Agreement does not constitute and shall not be construed as constituting a partnership or joint venture or grant of a franchise between LICENSOR and LICENSEE. LICENSEE shall not have the right to bind LICENSOR to any obligations to third parties.

XI. Governing Law and Venue. The laws of the State of Texas shall govern the construction and interpretation of the Agreement. Furthermore, the Parties expressly agree that exclusive venue for any dispute or litigation that arises out of or concerns any matter covered by the terms of this Agreement shall be in Dallas County, Texas.

XII. Assignment. LICENSEE shall have the right to assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of LICENSOR, provided LICENSEE gives LICENSOR notice of the assignment or other transfer. LICENSOR may not assign or transfer her rights or obligations to any third party under this Agreement unless (a) LICENSOR notifies LICENSEE of the terms by which the third party shall be assigned or transferred LICENSOR's rights or obligations; (b) LICENSOR offers LICENSEE a right of first refusal under the identical terms with the third party; and (c) to the extent LICENSEE declines such offer, LICENSOR receives prior written consent from LICENSEE of the assignment or transfer. LICENSEE agrees it shall not unreasonably withhold its consent.

XIII. Change of Control.

A. In the event a sale of the LICENSEE, a sale of substantially all of the LICENSEE's assets (including those relating to the Licensed Product), or a Change of Control of the LICENSEE (collectively, a "Change of Control Event"), the LICENSEE shall have, at its sole option, the right to purchase the Licensed Patents and Patent Applications immediately before the Change of Control Event. "Change of Control" shall mean the sale of the majority of voting stock to an unrelated third party. To exercise this right to purchase, LICENSEE must notify LICENSOR in writing of the anticipated Change of Control Event within a reasonable time before the Change of Control Event, which reasonable time shall be at least five (5) business days. LICENSEE and LICENSOR agree that the purchase price for the Licensed Patents and Patent Applications shall be the Agreed Purchase Price calculated at the time of the Change of Control Event.

B. The "Agreed Purchase Price" shall be the aggregate of the net present value (discounted at a) of the Remaining Projected Royalty Payments. The "Remaining Projected Royalty Payments" shall be the monthly Projected Royalty Payments during the period between the Change of Control Event and the expiration of the '851 Patent. The Projected Royalty Payment shall be the average of Royalty Payments plus Sub-License Royalty Payments paid by LICENSEE to LICENSOR for the twenty-four (24) months prior to the Change of Control Event.

C. LICENSOR agrees to execute any and all papers necessary to perfect the assignment of the Licensed Patents and Patent Applications to LICENSEE.

D. This Agreement shall terminate after the assignment of the Licensed Patents and Patent Applications to LICENSEE is perfected.

XIV. Infringement.

A. Each Party shall give written notice to the other Party that it suspects, believes, or knows a third party is engaged in the unlicensed manufacture, use, sale, offer for sale, and/or importation in the United States of a product that infringes one or more of the Licensed Patents.

B. The Parties agree that LICENSEE has the complete discretion whether to notify such a third party of the suspicions, beliefs, or knowledge respecting such infringement by the third party. Under no circumstance may LICENSOR notify, contact, or otherwise communicate with such a third party of the suspicions, beliefs, or knowledge respecting such infringement by the third party.

C. LICENSOR specifically grants LICENSEE all rights to bring any action against such a third party. The Parties further agree that LICENSEE is under no obligation to bring any action against such third party, regardless of the circumstance.

D. The Parties agree that LICENSEE has full rights and authority to resolve the dispute with such a third party before the filing or initiation of a lawsuit by LICENSOR or such a third party. Under such circumstance, any revenues received by such a resolution shall be divided as follows: (a)

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LICENSEE shall first receive 100% of all reasonable expenses associated with the resolution of the dispute, including any legal fees ("Expenses"); and (b) all revenues remaining, if any, shall be treated as if the revenues were Sub-Licensed Royalty Payment paid under the terms of this Agreement.

E. To the extent the LICENSEE elects to initiate a lawsuit against such a third party, LICENSEE shall give LICENSOR notice of its election. Within five (5) business days of such notification, LICENSOR shall notify LICENSEE whether it will actively join in the suit. If so elected, LICENSOR and LICENSEE shall be "Active Co-Plaintiffs" in the suit.

F. If LICENSOR elects to be an Active Co-Plaintiff:

1. The Parties agree the suit shall be brought in the names of both Parties.

2. LICENSOR and LICENSEE each shall be obligated to pay fifty percent (50%) of the Expenses as they are incurred. While LICENSEE is under no obligation to advance payment of such Expenses on behalf of LICENSOR, to the extent such advanced payments occurs, LICENSEE shall have the right to withhold future Royalty Payments and Sub-License Royalty Payments to setoff any such advanced payments. If applicable, LICENSEE shall provide the withheld amounts and any setoff amounts in the Monthly Report.

3. The Parties further agree any settlement of the dispute shall be jointly agreed to by the Parties and that neither party may settle the dispute without the other Party.

4. To the extent the LICENSEE, LICENSOR, and the third party resolve the dispute and/or damages are otherwise recovered, any revenues received shall be divided as follows: (a) any Party that has advanced any payments on behalf of the other Party that one party shall receive 100% of all advanced payment amounts; (b) all revenues remaining, if any, shall be divided equally between LICENSOR and LICENSEE.

G. If LICENSOR elects not to be an Active Co-Plaintiff:

1. LICENSOR shall cooperate with and assist LICENSEE throughout the suit as requested to by LICENSEE, which specifically includes joining the case as a party to the suit. The Parties agree that LICENSOR shall have no obligation to pay or reimburse LICENSEE for any Expenses incurred by LICENSEE in the suit.

2. The Parties agree that LICENSEE has full rights and authority to resolve the dispute with such a third party.

3. To the extent the LICENSEE and the third party resolve the dispute and/or damages are otherwise recovered, any revenues received shall be distributed exclusively to LICENSEE.

H. To the extent the such a third party initiates the lawsuit against LICENSEE and/or LICENSOR respecting the Licensed Patents:

1. The Parties agree that the Parties shall petition the court to join the suit, to the extent it has not already joined or been joined.

2. LICENSEE and LICENSOR shall be Active Co-Defendants whose obligations and benefits shall be the same terms and conditions that apply for Active Co-Plaintiffs, as specified in Section XIV(F) of this Agreement.

XV. Waiver. No failure by either party to take any action or assert any right hereunder shall be deemed to be a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right.

XVI. Notices. Notices under this Agreement shall be given and shall be deemed sufficient if given by either (i) hand delivery or (ii) overnight international courier.

A. If to LICENSEE, to the address specified as:

Royal Park II Ltd.
18333 Preston Road, Suite 215
Dallas, Texas 75252
Attn: James E. Coyle III
Facsimile: (972) 732-7775

with a copy to:

WINSTEAD SECHREST & MINICK P.C.
5400 Renaissance Tower
1201 Elm Street
Dallas, Texas 75270-2199
Attn: Mark Johnson
Facsimile: (214) 745-5390

B. If to LICENSOR, to the address specified as:

Janet C. Crowell
117 Redbud
Pittsburg, Texas 75686
Facsimile: (903) 856-3229

Any such notice shall be deemed to be given as of the date so delivered, if delivered personally, or as of the date on which such notice was sent via overnight courier, addressed and sent as aforesaid.

XVII. Modification. No change, modification or alteration of this Agreement shall be binding upon either LICENSOR or LICENSEE unless made in writing and executed by both LICENSOR and LICENSEE.

XVIII. Authorization. The persons executing this Agreement on behalf of LICENSOR and LICENSEE represent and warrant to LICENSOR and LICENSEE that he or she has all requisite authority to execute this Agreement on behalf of LICENSOR and LICENSEE, respectively.

XIX. Section Headings. Section headings have been inserted only for convenience of reference and shall not be afforded any effect in the construction or implementation of this Agreement.

XX. Validity. Should any provision, term or condition of the Agreement be declared or determined by any court of competent jurisdiction to be illegal, unenforceable or invalid, the validity or legality of the remaining parts, terms or provisions shall not be affected thereby and shall continue in full force and effect or said illegal or invalid provision, term or condition shall be deemed not to be part of this Agreement.

XXI. Binding Nature. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, assigns, heirs, executors, legal representatives, personal representatives and agents.

XXII. Counterparts. LICENSOR and LICENSEE may execute this Agreement in several counterparts, and all such counterparts when executed shall together constitute one final agreement, as if one document had been signed by LICENSOR and LICENSEE. This Agreement is without effect until LICENSOR and LICENSEE have executed and delivered a counterpart. Transmittal of a signed counterpart by facsimile shall constitute delivery of an original counterpart.

XXIII. No Bias. This Agreement shall be interpreted as written and negotiated jointly by the parties. It shall not be strictly construed against either party, regardless of the actual drafter of the Agreement.

XXIV. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes all previous agreements by and between LICENSOR and LICENSEE as well as all proposals, oral or written, and all negotiations, conversations, understandings, agreements or discussions heretofore had between the parties related to this Agreement all of which are merged herein. In making their decision to enter this Agreement, each Party has not received and is not relying upon any representation or warranties from the other Party, or any of the attorneys, accountants, financial advisors, officers, directors, shareholders, employees, partners, or agents or anyone else acting on behalf of the other Party, and each party

agrees that they are not relying upon any information other than the information contained in this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their officers thereunto duly authorized.

JANET C. CROWELL

By: Janet C. Crowell
Date: 11/12/00

ROYAL PARK II LTD.

By: Royal Park II LTD.
Name: Janet C. Crowell
Title: President
Date: 11/12/00