

Docket No. 9801880-0012

Form PTO-1595 (Rev. 06/04)
OMB No. 0651-0027 (exp. 6/30/2005)

**RECORDATION FORM COVER SHEET
PATENTS ONLY**

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

To the Director of the U.S. Patents and Trademarks: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):
JERDON PRODUCTS, L.P.

Execution Date(s) October 29, 2004

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

2. Name and address of receiving party(ies):

**LASALLE BANK NATIONAL
ASSOCIATION
135 South LaSalle
Chicago, Illinois 60603-3400**

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

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Government Interest Assignment
- Executive Order 9424, Confirmatory License
- Other: **PATENT COLLATERAL
ASSIGNMENT AND SECURITY AGREEMENT**

4. Application patent number(s): This document is being filed together with a new application.

A. Patent Application No.(s)

B. Patent No.(s)

5,852,279 and D314,839

Additional numbers attached Yes No

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

**Christine H. Hannafan
Sonnenschein Nath & Rosenthal
Post Office Box 061080
Wacker Drive Station
Sears Tower
Chicago, Illinois 60606-1080
(312) 876-8000 main
(312) 876-18148 direct dial
(312) 876-7934 facsimile**

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

7. Total fee (37 CFR 1.21(h) & 3.41) **\$80.00**
 Authorized to be charged to credit card
 Authorized to be charged to deposit account
 Enclosed **CREDIT CARD PAYMENT FORM**

8. Payment Information

a. Credit Card Last 4 Numbers _____
Expiration Date _____
b. Deposit Account Number **19-3140**
Authorized User Name _____

9. Signature:

Christine H. Hannafan
Print Name of Person Signing

Christine Hannafan _____ 11/18/04
Signature Date

Total number of pages including cover sheet, attachments, and documents: **9**

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

CH \$80.00 193140 6862279

PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (the "Agreement") is made as of this 29th day of October, 2004 by and between JERDON PRODUCTS, LP, an Illinois limited partnership with a principal place of business and chief executive office at 100-130 North Lakeview Parkway, Vernon Hills, Illinois 60061 ("Assignor") and LASALLE BANK NATIONAL ASSOCIATION with its principal banking office located at 135 South LaSalle, Chicago, Illinois 60603-3400 ("Lender").

RECITALS:

Focus Products Group, LLC ("Borrower") and Lender have entered into an Amended and Restated Loan Agreement dated as of July 31, 2003 as amended by First through Fourth Amendments to Amended and Restated Loan Agreement dated as of various dates (said Loan Agreement as so amended and as it may hereafter be amended or otherwise modified from time to time being the "Loan Agreement"). Assignor has given Lender a guarantee (the "Guaranty") of even date hereof in which Assignor guarantees to Lender the repayment of the Liabilities. As security for the Assignor's obligations under the Guaranty, Assignor has agreed to assign to Lender a continuing security interest in all of Assignor's patent rights pursuant to this Agreement. Assignor acknowledges that Lender would not have made the Loans had Assignor not executed and delivered this Agreement. The terms defined in the Loan Agreement and not otherwise defined herein shall have the meaning provided in the Loan Agreement). Assignor is the wholly owned subsidiary of Borrower.

NOW, THEREFORE, in consideration of the foregoing recitals, promises and of the mutual covenants herein contained and for other good and valuable consideration (the receipt, adequacy and sufficiency of which are hereby acknowledged), and in order to induce Lender to make the Loans under the Loan Agreement, the parties hereto agree as follows:

1. To secure the complete and timely satisfaction of all of Guarantor's obligations for the Liabilities now or hereafter existing, whether for principal, interest, fees, costs, disbursements, expenses or otherwise and all liabilities of Assignor now or hereafter existing under this Agreement, Assignor hereby grants, assigns and conveys to Lender a continuing security interest in all of Assignor's right, title and interest in and to the patent application(s) and patent(s) listed in Schedule A attached hereto and incorporated herein by reference, as the same may be amended pursuant hereto from time to time, including all after acquired patent applications and patents, and also including without limitation, all proceeds of all of the foregoing (including, but not limited to, license royalties and all proceeds of infringement suits), the right to sue for past, present and future infringements and all rights corresponding thereto throughout the world and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof (all of the foregoing are hereinafter collectively referred to as, the "Patents").

2. Assignor covenants and warrants that:

(a) The Patents are subsisting and have not been adjudged invalid or unenforceable;

(b) To the best of Assignor's knowledge, each of the Patents is valid and enforceable and Assignor has notified Lender in writing of all prior art (including public uses and sales) of which it is aware;

(c) Assignor has not received notice of any claim having been made that the use of any of the Patents does or may violate the rights of any third person;

(d) Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, shop rights and covenants by Assignor not to sue third persons; and

(e) Assignor has the unqualified right to enter into this Agreement and perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained.

Except as specifically set forth above, Assignor does not warrant that the Patents might not be declared invalid if challenged in court.

3. Assignor agrees that, until all of the Liabilities shall have been satisfied in full, it will not enter into any agreement, including, but not limited to, any license agreements, which is inconsistent with Assignor's liabilities under this Agreement, without Lender's prior written consent.

4. If, before the Liabilities shall have been satisfied in full, Assignor shall obtain rights to any new patentable inventions, or become entitled to the benefit of any patent application or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of Paragraph 1 shall automatically apply thereto and Assignor shall give Lender prompt written notice thereof.

5. Assignor authorizes Lender to modify this Agreement by amending Schedule A to include any future patents and patent applications which constitute Patents covered by Paragraphs 1 and 4 hereof.

6. Unless and until there shall have occurred and be continuing an Event of Default (as defined in the Loan Agreement or under the Guaranty which is not remedied at the expiration of any applicable cure period), Lender hereby grants to Assignor the exclusive, nontransferable right and license to use the Patents to make, have made for it, use and sell the inventions disclosed and claimed in the Patents for Assignor's own benefit and account and for none other. Assignor agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to Assignor in this Paragraph 6, without the prior written consent of Lender.

7. If any Event of Default shall have occurred and be continuing which is not remedied at the expiration of any applicable cure period, Assignor's license under the Patents, as set forth in Paragraph 6, shall terminate forthwith, and Lender shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies

of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents may be located and, without limiting the generality of the foregoing, the Lender may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Assignor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in Chicago, Illinois, or elsewhere, all or from time to time any of the Patents, or any interest which the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Patents all expenses (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward payment of the Liabilities. Any remainder of the proceeds after payment in full of the Liabilities shall be paid over to the Assignor. Notice of any sale or other disposition of the Patents shall be given to Assignor at least ten (10) days before the time of any intended public or private sale or other disposition of the Patents is to be made, which Assignor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Patents sold, free from any right of redemption on the part of Assignor, which right is hereby waived and released.

8. Upon the occurrence of an Event of Default under the Loan Agreement, Assignor hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in its exclusive discretion, as Assignor's true and lawful attorney-in-fact, with the power to endorse Assignor's name on all applications, documents, papers and instruments necessary for Lender to use the Patents, or to grant or issue any exclusive or nonexclusive license under the Patents to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Patents to anyone else. Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.

9. At such time as Assignor shall completely satisfy all of the Liabilities, this Agreement shall terminate and Lender shall execute and deliver to Assignor all deeds, assignments and other instruments as may be necessary or proper to re-vest in Assignor full title to the Patents, subject to any disposition thereof which may have been made by Lender pursuant hereto.

10. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorney's fees and legal expenses incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Patents, or in defending or prosecuting any actions or proceedings arising out of or related to the Patents and/or this Agreement, shall be borne and paid by Assignor on demand by Lender and until so paid shall be added to the principal amount of the Liabilities and shall bear interest at the highest rate prescribed in the Loan Agreement which shall begin to accrue from the date of Lender's demand for payment hereunder.

11. Assignor shall have the duty, through counsel reasonably acceptable to Lender, to prosecute diligently (but subject to commercial reasonableness) any patent applications of the

Patents pending as of the date of this Agreement or thereafter until the Liabilities shall have been paid in full, to make application on unpatented but patentable inventions and to preserve and maintain all rights in patent applications and patents of the Patents, including, without limitation the payment of all maintenance fees. Any expenses incurred in connection with such an application shall be borne by Assignor. The Assignor shall not abandon any right to file a patent application, or any pending patent application or patent without the consent of Lender, which consent shall not be unreasonably withheld.

12. Assignor shall have the right, with the prior written consent of Lender, which will not be unreasonably withheld, to bring suit in its own name to enforce or protect the Patents and any licenses thereunder, in which event Lender may, if necessary, be joined as a nominal party to such suit if Lender shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. Assignor shall promptly, upon demand, reimburse and indemnify Lender for all damages, costs and expenses, including attorney's fees, incurred by Lender in the fulfillment of the provisions of this Paragraph 12.

13. Assignor agrees that it will join with Lender in executing and, at its own expense, file and refile under the Uniform Commercial Code such financing statements, continuation statements and other documents in such offices as Lender may deem necessary or appropriate and wherever required or permitted by law in order to perfect and preserve Lender's security interest in the Patents, and hereby authorizes Lender to file financing statements and amendments thereto relative to all or any part of the Patents without the signature of the Assignor where permitted by law, and agrees to do such further acts and things and execute and deliver to Lender such additional conveyances, assignments, agreements and instruments as Lender may require or deem advisable to carry into effect the purpose of this Agreement or to better assure and confirm unto Lender its rights, powers and remedies hereunder.

14. If Assignor fails to comply with any of its liabilities hereunder, Lender may do so in Assignor's name or in Lender's name, but at Assignor's expense, and Assignor hereby agrees to reimburse Lender in full for all expenses, including reasonable attorney's fees, incurred by Lender in protecting, defending and maintaining the Patents.

15. No course of dealing between Assignor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

16. All of Lender's rights and remedies with respect to the Patents, whether established hereby or by Guaranty or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

17. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

18. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Paragraph 5.

19. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

20. **THIS AGREEMENT SHALL BE CONSTRUED IN ALL RESPECTS IN ACCORDANCE WITH, AND GOVERNED BY THE LAWS AND DECISIONS (WITHOUT GIVING EFFECT TO THE CONFLICTS OF THE LAWS PRINCIPLES THEREOF) OF THE STATE OF ILLINOIS, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN ILLINOIS.**

21. **ASSIGNOR (A) HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY ILLINOIS STATE OR FEDERAL COURT SITTING IN CHICAGO, ILLINOIS OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND ASSIGNOR HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH ILLINOIS STATE OR FEDERAL COURT, AND (B) AGREES NOT TO INSTITUTE ANY LEGAL ACTION OR PROCEEDING AGAINST THE LENDER OR THE DIRECTORS, OFFICERS, EMPLOYEES OF LENDER OR PROPERTY OF THE LENDER, ARISING OUT OF OR RELATING TO THIS AGREEMENT, IN ANY COURT OTHER THAN AS HEREINABOVE SPECIFIED IN THIS SECTION. ASSIGNOR HEREBY IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN ANY ACTION OR PROCEEDING (WHETHER BROUGHT BY ASSIGNOR, THE LENDER OR OTHERWISE) IN ANY COURT HEREINABOVE SPECIFIED IN THIS SECTION AS WELL AS ANY RIGHT IT MAY NOW OR HEREAFTER HAVE TO REMOVE ANY SUCH ACTION OR PROCEEDING, ONCE COMMENCED, TO ANOTHER COURT ON THE GROUNDS OF FORUM NON CONVENIENS OR OTHERWISE. ASSIGNOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.**

22. **ASSIGNOR AND LENDER (BY ITS ACCEPTANCE HEREOF) HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG ASSIGNOR AND LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR ANY OTHER FINANCING AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT TO LENDER TO PROVIDE THE FINANCING DESCRIBED IN THE LOAN AGREEMENT OR IN THE OTHER FINANCING AGREEMENTS.**

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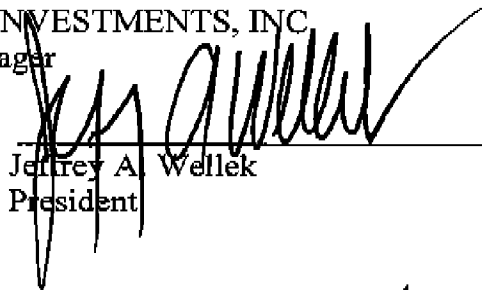
IN WITNESS WHEREOF, the undersigned have executed this Patent Collateral Assignment and Security Agreement as of the day and year first above written.

ASSIGNOR:

JERDON PRODUCTS, L.P., an Illinois limited partnership

By: JERDON PRODUCTS HOLDING COMPANY, LLC
Its: General Partner

By: FOCUS INVESTMENTS, INC
Its: Sole Manager

By: 
Name: Jeffrey A. Wellek
Title: President

LENDER:

LASALLE BANK NATIONAL ASSOCIATION

By: 
Name: Jeffrey Michalezyk
Title: Vice President

Schedule A to that certain Patent Collateral Assignment and Security Agreement dated October 29, 2004 executed by and between JERDON PRODUCTS, L.P. and LASALLE BANK NATIONAL ASSOCIATION.

<u>U.S. Patent Registration No.</u>	<u>Date of Issue</u>	<u>Description</u>	<u>Inventor</u>
D314,839	February 19, 1991	Wall Mount Hair Dryer	Elizabeth Ho
5,852,279	December 22, 1998	Clothes Iron With Automatic Shut Off System Controlled By and Multiple Switches Yeung	Chi Kin Mak, Ka Hong Wo, Wai Man

CERTIFICATE OF ACKNOWLEDGEMENT

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 29th day of October, 2004, personally appeared Jeffrey A. Wellek to me known personally, and who, being by me duly sworn, depose and say that he is the President of Focus Investments, Inc., an Illinois corporation, which is the Sole Manager of the General Partner of Jerdon Products, LP, an Illinois limited partnership and that said instrument was signed on behalf of said partnership by authority of its partners and members, and said Jeffrey A. Wellek acknowledged said instrument to be the free act and deed of said partnership.

[Signature]
Notary Public



My commission expires: 2-9-2006

CERTIFICATE OF ACKNOWLEDGEMENT

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 29th day of October, 2004, personally appeared Jeffery Michalczyk to me known personally, and who, being by me duly sworn, depose and say that he is the Vice President of LaSalle Bank National Association, and that said instrument was signed on behalf of said Bank and said Jeffery Michalczyk acknowledged said instrument to be the free act and deed of said Bank.

[Signature]
Notary Public

My commission expires: 02/08/06

