

PATENT ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY AGREEMENT
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CONVEYING PARTY DATA

Name	Execution Date
POLAR WRAP, LLC	09/29/2004

RECEIVING PARTY DATA

Name:	EDWARD A. LABRY III
Street Address:	5763 SUMMER TREES DRIVE, SUITE 110
City:	MEMPHIS
State/Country:	TENNESSEE
Postal Code:	38134

PROPERTY NUMBERS Total: 3

Property Type	Number
Patent Number:	5706802
Patent Number:	5887285
Patent Number:	6196221

CORRESPONDENCE DATA

Fax Number: (901)525-2389
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: (901) 576-1883
 Email: rstarnes@glankler.com
 Correspondent Name: ROBERT C. STARNES
 Address Line 1: ONE COMMERCE SQUARE, SUITE 1700
 Address Line 4: MEMPHIS, TENNESSEE 38103

NAME OF SUBMITTER:	ROBERT C. STARNES
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Total Attachments: 7
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PATENT COLLATERAL ASSIGNMENT

PATENT COLLATERAL ASSIGNMENT (this "Agreement"), dated and effective as of September 29, 2004, made between POLAR WRAP, LLC, a Tennessee limited liability company having a mailing address at 6047 Executive Centre Drive, Suite 8, Memphis, Tennessee 38134 (the "Assignor"), and EDWARD A. LABRY, III, having a mailing address at 5763 Summer Trees Drive, Suite 110, Memphis, Tennessee 38134 (the "Lender").

WITNESSETH:

WHEREAS, Assignor has executed and delivered its Demand Promissory Note dated of even date herewith, payable to the order of Lender in the aggregate principal amount of \$578,942.41 (together with all modifications, extensions, renewals and restatements thereof, the "Note"); and

WHEREAS, Assignor has secured the performance of its obligations under the Note and certain other Obligations by executing and delivering to Lender a Security Agreement dated of even date herewith (as modified, amended, supplemented or restated from time to time, the "Security Agreement"), pursuant to which Assignor has granted to Lender a continuing security interest in certain personal property of Assignor more particularly described therein; and

WHEREAS, Assignor has agreed to assign to Lender certain patent rights as further security for the performance of the Obligations upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, Assignor hereby agrees with Lender as follows:

1. Capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement.
2. To secure the complete and timely satisfaction of all Obligations, Assignor hereby grants, assigns and conveys to Lender all of Assignor's rights, title and interests of every nature or description in and to the patent applications and patents listed in Schedule A hereto, including (i) all proceeds thereof (including license royalties and proceeds of infringement suits), (ii) the right to sue for past, present and future infringements, (iii) all rights corresponding thereto throughout the world, and (iv) all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof (collectively called the "Patents").
3. (a) Assignor hereby covenants and warrants that: (i) the Patents are subsisting and have not been adjudged invalid or unenforceable, in whole or in part; (ii) 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; (iii) 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 pledges, assignments, licenses, shop rights and covenants by Assignor not to sue third persons; and (iv) 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.

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

4. Assignor agrees that, until all of the Obligations shall have been satisfied in full, it will not enter into any agreement which is inconsistent with Assignor's obligations hereunder without Lender's prior written consent.

5. If, before the Obligations 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 Section 1 shall automatically apply thereto and Assignor shall give Lender prompt notice thereof in writing.

6. Assignor authorizes Lender to modify this Agreement by amending Schedule A to include any future patents and patent applications which constitute Patents under Sections 1 or 5.

7. Unless and until there shall have occurred and be continuing an Event of Default, Lender hereby grants to Assignor the exclusive, nontransferable right and license under 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 Section, without the prior written consent of Lender.

8. If any Event of Default shall have occurred and be continuing, Assignor's license under the Patents as set forth in Section 7 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, 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 Memphis, Tennessee, or elsewhere, the whole or from time to time any part of the Patents, or any interest which 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 brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations in the manner set forth in the Security Agreement. 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, any holder of the Note or 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.

9. If any Event of Default shall have occurred and be continuing, Assignor hereby authorizes and empowers Lender to make, constitute and appoint any 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 any third person, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Patents to any third person. 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 term of this Agreement.

10. Upon the indefeasible payment in full and performance of all of the Obligations, the assignment and security interest granted hereby shall terminate and all rights to the Patents shall revert to Assignor. Upon any such termination, Lender will, at Assignor's expense, execute and deliver to Assignor such 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.

11. 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, shall be borne and paid by Assignor on demand by Lender and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the highest rate permitted by applicable law.

12. Assignor shall have the duty, through counsel acceptable to Lender, to prosecute diligently any patent applications of the Patents pending as of the date hereof or thereafter until the Obligations 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 the payment of all maintenance fees. Any expenses incurred in connection with such an application shall be borne by Assignor. 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.

13. Assignor shall have the right, with the consent of Lender, which shall not be unreasonably withheld, to bring suit in its own name, and to join Lender, if necessary, as a party to such suit so long as Lender is satisfied that such joinder will not subject it to any risk of liability, to enforce the Patents and any licenses thereunder. Assignor shall promptly, upon demand, reimburse and indemnify Lender for all damages, costs and expenses, including legal fees, incurred by Lender pursuant to this Section.

14. 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 Security 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.

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

16. 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 clause or provision of this Agreement in any jurisdiction.

17. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Section 6.

18. 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.

19. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with the internal laws of the State of Tennessee, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Tennessee or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Tennessee.

20. For purposes of this Agreement, unless the context otherwise requires: (i) the words "hereof," "herein" and "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular provision of this Agreement; (ii) references to any Section or Schedule are references to Sections and Schedules in or to this Agreement and references to any paragraph, subsection, clause or other subdivision within any Section or definition refer to such paragraph, subsection, clause or other subdivision of such Section or definition; (iii) all Schedules attached or to be attached hereto, and all other agreements and instruments referred to herein, are hereby incorporated by reference into this Agreement, as fully as if copied herein verbatim; (iv) the term "including" means "including without limitation"; (v) except as otherwise expressly provided herein, references to any law or regulation refer to that law or

regulation as amended from time to time and include any successor law or regulation; (vi) references to any person include that person's successors and assigns; (vii) descriptive headings of Sections herein are inserted for purposes of reference only and shall not otherwise affect the meaning, construction, interpretation or effect of any provision hereof; and (viii) the masculine, feminine or neuter gender and the singular or plural number shall be deemed to include the others whenever the context so requires.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ASSIGNOR:

POLAR WRAP, LLC

By: J. Peter Clifton
Peter Clifton,
Chief Operating Officer

LENDER:

Edward A. Labry, III
Edward A. Labry, III

Schedule A

Patents and Patent Applications

This Schedule A is attached to and forms a part of that certain Patent Collateral Assignment dated as of September 29, 2004, between Polar Wrap, LLC, as Assignor, and Edward A. Labry, III, as Lender.

Issued U.S. Patents of Assignor		
Patent No.	Issue Date	Title
5706802	01/13/98	Cold Weather Breathing Apparatus
5887285	03/30/99	Insulated Liner for Headgear
6196221	03/06/01	Thermal Exchange Breathing Device

Pending U.S. Patent Applications of Assignor		
Serial No.	Filing Date	Title
None		

CERTIFICATE OF ACKNOWLEDGEMENT

STATE OF TENNESSEE

COUNTY OF SHELBY

Before me, Tracie W. Allen, of the state and county mentioned, personally appeared J. Peter Clifton, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged such person to be Chief Operating Officer of Polar Wrap, LLC, the within named bargainer, a Tennessee limited liability company, and that he, as such Chief Operating Officer, executed the foregoing instrument for the purposes therein contained, by personally signing the name of the limited liability company as Chief Operating Officer.

Witness my hand and seal, at office in Memphis, Tennessee, this 17th day of June, 2005.

Tracie W. Allen
Notary Public

My commission expires:

~~MY COMMISSION EXPIRES:
February 16, 2007~~

(Notary Seal)

