

02-03-2005

ET

1-27-05



HDP Docket No. 5774-500001
Express Mail Label No. EV 570 163 097 US
(1/24/2005)

To the Director of the U.S. Patents a

102933113

documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

Brian M. Cavanaugh
15810 Beech Daly Road, Lot 364
Taylor, Michigan 48180

2. Name and address of receiving party(ies)

Name: Bola Industries LLC

Internal Address:

Execution Date(s) November 19, 2004

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

Street Address: 30946 Industrial Road

City: Livonia

State: Michigan

Country: Wayne Zip: 48150

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 _____

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

A. Patent Application No.(s)

☐ This document is being filed together with a new application.

B. Patent No.(s)
6,722,826

Additional numbers attached? ☐ Yes ☒ No

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

Name: Bernard J. Cantor, Esq.

Internal Address: Harness, Dickey & Pierce, P.L.C.

Street Address: P.O. Box 828

City: Bloomfield Hills

State: MI Zip: 48303

Phone Number: 248-641-1600

Fax Number: 248-641-0270

Email Address: bjcantor@hdp.com

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 40.00

- ☐ Authorized to be charged by credit card
☐ Authorized to be charged to deposit account
☒ Enclosed
☐ None required (government interest not affecting title)

8. Payment Information

- a. Credit Card Last 4 Numbers _____
Expiration Date _____
b. Deposit Account Number 08-0750
Authorized User Name _____

9. Signature:

Bernard J. Cantor

Bernard J. Cantor

Jan 24, 2005

Date

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

9

2/02/2005 DBYRNE 00000091 6722826
Name of Person Signing

FC:8021

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, V.A. 22313-1450

EV 570 163 097 US

PATENT
REEL: 016195 FRAME: 0880

ASSIGNMENT OF U.S. PATENT NO. 6,722,826

Introduction

By this agreement, Brian M. Cavanaugh, who resides at 15810 Beech Daly Rd., Lot 364, Taylor, Michigan 48180, hereby assigns U.S. Patent No. 6,722,826 to Bola Industries LLC, whose business address is 30946 Industrial Road, Livonia, Michigan 48150, on this 19 day of NOVEMBER 2004, as follows:

The parties hereby agree that:

1. Brian M. Cavanaugh (hereinafter "Cavanaugh" or "Assignor"), a resident of 15810 Beech Daly Rd., Lot 364, Taylor, Michigan 48180 represents and warrants that he is the entire owner of all rights, title and interest in and to U.S. Patent No. 6,722,826 and the invention claimed in said patent, issued April 20, 2004, entitled "Internal Cavity Cutting Tool With Stable Support" which patent is based upon his patent application Serial No. 10/161,072, filed June 1, 2002, published as U.S. 2003/0049086 A1, on March 13, 2003 pursuant to his earlier provisional application No. 60/318,559, filed on September 1, 2001.

2. Bola Industries LLC, a Michigan limited liability company, whose business address is 30946 Industrial Road, Livonia, Michigan 48150 (referred to as "Bola"), is desirous of acquiring said patent and the rights to said patent and the invention claimed therein.

3. For good and valuable consideration, the adequacy of which is hereby acknowledged, Cavanaugh hereby assigns to Bola said U.S. Patent No. 6,722,826 and the invention claimed therein, including all rights, title, and interest in said patent and the

invention claimed therein, for the United States of America and all of its territories and all foreign countries.

4. Cavanaugh represents and warrants that there are no prior assignments, sales, agreements, liens or other encumbrances which have been entered into and which would conflict with this assignment and that he has no knowledge of any claims by any third parties to said patent rights and/or the invention claimed therein, and that he has the sole right to enter into this present agreement and assignment.

5. As consideration for this assignment and the rights assigned herein, Bola shall pay to Cavanaugh 50% of the net profits received by Bola on products that are made or sold by Bola which are covered by one or more of the claims of Patent No. 6,722,826. Payments shall continue for the life of such patent or until such patent is otherwise terminated, if termination should occur prior to the normal expiration date of the patent or until this agreement is terminated. The payments shall be based upon the following:

- a. The term "net profits" as used here shall be based on the cash receipts of Bola for sales or distribution of products covered by one or more of the claims of the Patent. "Net profits" shall be calculated in accordance with generally accepted accounting procedures, to be the gross receipts, less returns, commissions, taxes, shipping, storage and other recognized expenses that are incurred in the manufacture and/or sales and/or marketing of such products.
- b. "Net profits" shall also be based upon monies received from third parties by way of, for example, royalties, settlements or other

payments received concerning uses of the invention claimed in the patent.

- c. Bola shall pay the foregoing to Cavanaugh on net 30 terms after receipt of receivables. Bola will provide a (calendar) quarterly accounting of pending receivables and distributions for Cavanaugh and Bola along with running summaries for the fiscal year.
- d. Payments by Bola shall include an un-audited report explaining the basis for the payment, including, to the extent possible, the calculations of gross sales, net sales and such related information as needed to generally explain and account for the amount of the payment.
- e. Bola shall keep complete records of its relevant money receipts and information concerning the calculations of net profit and shall make such information available to Cavanaugh and/or to a certified public accountant representing Cavanaugh at Cavanaugh's expense, for auditing such information whenever reasonably desired by Cavanaugh. Any such audits shall be based upon a review of Bola's relevant record at Cavanaugh's request at reasonable times at Bola's place of business or at such other place as the parties may agree.
- f. Bola will establish an escrow account for accumulating cash for use in settling incurred legal fees owed by Cavanaugh to Cantor Colburn PLC not to exceed \$50,000.00 and determined by the following schedule: All orders of \$50,000.00 or less in value to fund the escrow

account with 10% of net profit before distribution. All orders of \$50,000.01 to \$150,000.00 to fund the escrow account with 20% of net profit before distribution. All orders greater than \$150,001.00 to fund the escrow account at the rate of 25% of net profit before distribution. Upon negotiated settlement and due amount recognized, of the above claimed debt, the escrow account will be closed.

6. This agreement shall run for the life of said patent and any reissues, continuations, or continuations-in-part or extensions or patents otherwise based thereon. Cavanaugh further agrees that he will execute all instruments or documents and provide all testimony that may be required of him or upon Bola's request in support of this assignment and agreement and in support of the maintenance and enforcement of the rights assigned in this agreement.

7. This agreement includes the assignment by Cavanaugh to Bola of all rights of legal action for past infringements and/or for enforcement of past or future claims of unauthorized use of said patent by third parties and any recoveries from such parties due to legal actions and/or settlements or licenses.

8. It is understood by the parties hereto that Bola presently intends to manufacture the internal cavity cutting tool of said patent and, therefore, it is agreed that in the event of any claims by third parties that Bola's products infringe upon the proprietary rights of said third parties, such as patent rights, Cavanaugh shall share in the expenses and judgments incurred by Bola in defending against such claims on a basis calculated to be proportional to his percentage share of the net profits obtained by Bola and paid to Cavanaugh as set forth above. Conversely, any recoveries obtained by Bola

arising out of such claims shall be shared with Cavanaugh on the same proportional basis. Bola shall have the sole right at its own discretion and control to defend against claims by others, and/or to bring claims against others, concerning unauthorized use or infringement of the patent.

9. Should there be any substantial discrepancies observed or claimed in connection with the payments to Cavanaugh pursuant to this agreement, and should the parties be unable to resolve between them any discrepancies or differences concerning such payments, it is agreed that the matter will be resolved by arbitration pursuant to the request of either party. Arbitration shall be conducted under, and in accordance with, the Rules of the American Arbitration Association. While the parties hereto do not contemplate or anticipate any unresolved disputes between them, they agree that any unresolved disputes, of any nature, shall be resolved by such arbitration as indicated above. The object of the parties is to resolve any disputes between them amicably as possible and as quickly and inexpensively as possible. Hence, they agree that they shall endeavor in connection with any such arbitration to act and conduct the procedure in as expeditious and inexpensive way as feasible.

10. Bola agrees to exercise its reasonable, best efforts, in commercializing and in deriving revenue from the products covered by the patent claims. In the event that Bola discontinues its efforts in commercializing and/or attempting to commercialize the product covered by this patent for more than 180 days, it may terminate this agreement and return the rights granted by this agreement to Cavanaugh upon 60 days written notice and/or Cavanaugh may, upon 60 days written notice, terminate this agreement and request return of such rights. Should the agreement be terminated, Bola will have no

obligations to Cavanaugh thereafter, except for the payment of money that is due to Cavanaugh as of the time of termination. Should there be disputes regarding the subject matter of this clause, either party may request arbitration as set forth above to resolve such issues.

11. One objective of this agreement is to enable Bola to successfully commercialize the product covered by the patent, to the extent reasonably feasible. Thus, Cavanaugh agrees that he will consult with, and endeavor to assist Bola, upon Bola's reasonable request and expense, should Bola believe that such will be necessary or reasonably helpful in commercializing the products.

12. This agreement may be terminated for breaches of the terms thereof upon 60 days written notice. However, if the breach is cured within 60 days of receipt of such notice, this agreement shall continue.

13. This agreement may be assigned by either party subject to agreement by the assignee to undertake and comply with the terms and conditions of this agreement and, that the non-assigning party shall consent in writing to such assignment. Such consent shall not be unreasonably withheld, subject to the objectives of the parties hereto concerning commercialization of products covered by the patent claims.

Brian M. Cavanaugh

Bola Industries, LLC

Brian M. Cavanaugh

Laurence Nolan

By: MEMBER

11-19-04

Dated

11-19-2004

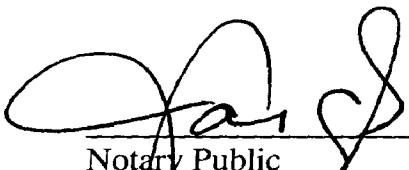
Dated

NOTARIZATION

State of Mi)
County of Wayne) ss

On this 19th day of Nov., 2004, before me personally appeared

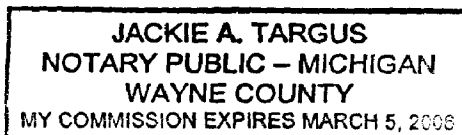
Brian M. Cavanaugh, who executed the foregoing instrument and to acknowledge to me
that he executed the same of his own free will for the purpose set forth therein.



Notary Public
Wayne County
State of Mi


My commission expires _____.

Seal



State of Michigan)
) ss
County of Wayne)

On this 19th day of Nov., 2004, before me personally appeared the undersigned, a member of Bola Industries, LLC, who executed the foregoing instrument and to acknowledge to me that he executed the same of his own free will for the purpose set forth therein.



Notary Public
Wayne County
State of mi.

My commission expires _____.

Seal

