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FORM PTO-1594

(Rev. 6-93)

OMB No. 0651-0011 (exp. 4/94)

08-07-1998



100787168

COVER SHEET ONLY

U.S. DEPARTMENT OF COMMERCE

Patent and Trademark Office

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

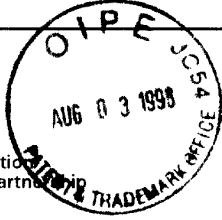
8-3-98

1. Name of conveying party(ies):

Cold Jet, Inc.

- Individual(s)
- General Partnership
- Corporation - State
- Other
- Association
- Limited Partnership

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



2. Name and address of receiving party(ies)

Name: Sirrom Capital Corporation

Internal Address: _____

Street Address: 500 Church Street #200

City: Nashville State: TN ZIP: 37219

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State Tennessee
- Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from assignment)

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

Execution Date: July 28, 1998

4. Application number(s) or trademark registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 1,567,977

Additional numbers attached? Yes No

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

Name: Ms. Maria-Lisa Caldwell

Internal Address: _____

Street Address: 500 Church Street, Suite 200

City: Nashville State: TN ZIP: 37219

6. Total number of applications and registrations involved: 1

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

Enclosed

Authorized to be charged to deposit account

8. Deposit Account No. _____

08/06/1998 DMSUYEN 00000208 1567977

01 FC:481

40.00 US

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.

Kathleen A. Ranney
Name of Person Signing Reg. #37,702

Kathleen A. Ranney
Signature

July 31, 1998
Date

Total number of pages including cover sheet, attachments, and document: 5

TRADEMARK

REEL: 1763 FRAME: 0940

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

Name: LaSalle National Bank

Internal Address: _____

Street Address: 135 South LaSalle Street

City: Chicago State: IL ZIP: 60674

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State Illinois
- Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached:

Yes No

(Designations must be a separate document from assignment)

**SECURITY AGREEMENT
(Short-Form for Recordation)**



This SECURITY AGREEMENT is effective this 29th day of June, 1998, by and between Cold Jet, Inc., an Ohio Corporation ("Grantor") and LaSalle National Bank, an Illinois corporation ("LaSalle") and Sirrom Capital Corporation, a Tennessee corporation ("Sirrom," and together with LaSalle hereinafter referred to as the "Secured Parties").

A. WHEREAS, Grantor is indebted to Secured Parties for the payment of any and all liabilities and obligations of Grantor to Secured Parties, howsoever created, arising or evidenced, and howsoever owned, held or acquired, whether now or hereafter existing, whether now due or to become due, whether direct or indirect, or absolute or contingent, and whether several, joint or joint and several, including, without limitation that certain loan to Sirrom in the principal amount of \$1,000,000, as evidenced by that certain Secured Promissory Note dated of even date herewith and that certain loan to LaSalle in the principal amount of \$750,000, as evidenced by that certain Revolving Note dated May 31, 1998 (collectively, the "Obligations"); and.

B. WHEREAS, Grantor has agreed to grant Secured Parties a security interest in certain Letters Patent and Federal Trademark Registration described below as security for timely and complete payment of the Obligations.

NOW, THEREFORE, in consideration of the foregoing mutual covenants and considerations set forth herein and the Agreement, Grantor and Secured Parties agree as follows:

1. Grant of Security Interest. For good and valuable consideration, the receipt of which is hereby acknowledged and in furtherance of the security interest granted under this Security Agreement, Grantor hereby grants to Secured Parties a continuing security interest in any and all of its right, title, and interest in and to United States Patent Nos. 4,843,770 and 4,947,592 and

5,018,667 and 5,050,805 and 5,109,636 and Federal Trademark Registration 1,567,977 (collectively "the Patents and Trademark Registration"). Such grant shall include all rights to maintain and bring actions for past infringement and to recover for past infringement under the Patents and Trademark Registration.

2. Security for Obligations. This Security Agreement secures and the Patents and Trademark Registration are collateral security for the timely payment of the Obligations.

3. Representations and Warranties. Grantor represents and warrants to Secured Parties as follows:

- (a) Grantor is a corporation duly organized and existing in good standing under the laws of Ohio. Grantor has the power and authority to own its assets and transact the business in which it is presently engaged and to grant Secured Parties the security interests in the Patents and Trademark Registration as herein provided;
- (b) This Security Agreement constitutes a legal, valid and binding obligation of Grantor enforceable against Grantor in accordance with its terms;
- (c) Except for the security interests granted to Secured Parties hereunder, Grantor has good and marketable title to all of the Patents and Trademark Registration free and clear of any mortgage, pledge lien, security interest, encumbrance, conditional sale contract or any other title retention agreement; and
- (d) Upon execution and delivery of this Security Agreement by Grantor, Secured Parties will have a first priority perfected security interest in and to the Patents and Trademark Registration.

4. Preservation of Rights. Grantor does hereby further covenant and agree that it shall have the duty: (a) to prosecute diligently any patent application associated with the Patents and Trademark Registration pending as of the date hereof or at any time hereafter until the Obligations have been paid in full; and (b) to preserve and maintain all rights in the Patents and

Trademark Registration. Any expenses in connection with such preservation of rights shall be borne by Grantor.

5. Priority of Security Interest Between Secured Parties. The priority of Secured Parties' rights in and to the Patents and Trademark Registration are governed by and subject to meet certain Subordination Agreement dated of even date herewith between Grantor and the Secured Parties.

6. Governing Law. This Security Agreement shall be governed by the laws of the State of Illinois and shall be deemed to have been made in Illinois. By executing this Security Agreement, the parties acknowledge that they have had an opportunity to discuss all terms of this Security Agreement with their respective counsel and that they understand and consent to each and every provision in this Security Agreement.

Grantor:
Cold Jet, Inc., an Ohio corporation

By: Alan D. Baker
Print Name: Alan D. Baker
Title: CFO

STATE OF OHIO)
) SS
COUNTY OF CLERMONT)

I hereby certify that before me, Natalie J. Bedinghaus in the State of Ohio, personally appeared Alan D. Baker, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to this instrument, and acknowledge that he executed it.

WITNESS my hand and official seal.

July 28th, 1998 Natalie J. Bedinghaus
Notary Public
My Commission expires: _____

NATALIE J. BEDINGHAUS
Notary Public, State of Ohio
My Commission Expires Oct. 31, 2000

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