

08-20-1998



100800829

Attorney Docket
No.: 9665-1

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

1. Name of conveying party(ies):

Crystal Medical Products, Inc.
(an Illinois corporation)

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

Kingco, L.L.C.
1105 North Market Street
Suite 1300
Wilmington, Delaware 19899
(a Delaware limited liability company)

3. Nature of conveyance:

☒ Security Agreement

Effective Date: July 1, 1997

Execution Date: **April 2, 1998 (both parties)**

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: N/A

A. Patent Application No.(s):

B. Patent No.(s): 4,794,089, 5,137,827, 5,284,748, 4,665,574,
Provisional Appln. Nos. 60/035,788 and 60/035,812

Additional numbers attached? ☐ Yes ☒ No

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

Alan S. Nadel, Esq.
PANITCH SCHWARZE JACOBS & NADEL, P.C.
One Commerce Square - 2005 Market Street - 22nd Fl.
Philadelphia, PA 19103-7086
Telephone: (215) 567-2020
Facsimile: (215) 567-2991
E-Mail: asn@psjn.com
Direct Dial: (215) 965-1280

6. Total number of applications and patents involved: [6]

7. Total fee (37 CFR 3.41) Cal. 6 x \$40.00 = \$ 240.00

☐ Enclosed

☒ Authorized to be charged to deposit account

8. Deposit account number: 16-0235

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DO NOT USE THIS SPACE

FC-1581 240.00 CH

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.

Alan S. Nadel
Name of Person Signing

Alan S. Nadel
Signature

August 6, 1998
Date

Total number of pages including cover sheet, attachments and document: [6]

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT ("Agreement") made as of this 1st day of July, 1997 between Crystal Medical Products, Inc., an Illinois corporation ("Debtor") and Kingco, L.L.C., a Delaware Limited Liability Company ("Secured Party").

WHEREAS, in consideration of the credit extended to Debtor by Secured Party pursuant to the terms of that certain Interim Revolving Credit Agreement of even date herewith between Debtor and Secured Party ("Credit Agreement"), Debtor and Secured Party entered into that certain Security Agreement of even date herewith ("Security Agreement"); and

WHEREAS, pursuant to the Security Agreement, Debtor granted Secured Party a security interest in certain patents and agreed to execute this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and promises set forth herein and for other good and valuable consideration, Debtor and Secured Party agree as follows:

1. CREATION OF SECURITY INTEREST

Debtor hereby grants to Secured Party a security interest in the collateral, described in Section Two of this Agreement, to secure the performance and payment of the Interim Revolving Credit Note of even date herewith between Debtor and Secured Party (the "Note") and all costs and expenses (including attorney's fees) incurred by Secured Party in the collection and enforcement of the Note and any other indebtedness of Debtor to Secured Party pursuant to the Credit Agreement and Security Agreement.

2. DESCRIPTION OF COLLATERAL

The collateral of this Agreement, herein referred to as "Collateral", consists of the following property (collectively, sometimes referred to herein as the "patents."):

- a. United States Patent No. 4,794,089 issued December 27, 1988;
- b. United States Patent No. 5,137,827 issued August 11, 1992;
- c. United States Patent No. 5,284,748 issued February 8, 1994;
- d. United States Patent No. 4,665,574 issued May 19, 1987;
- e. Canadian Patent No. 2002660 filed November 9, 1989; and
- f. Canadian Patent No. 1256495.

- g. Provisional patent applications (nos. 60/035, 788 and 60/035, 812) filed by Kenneth Siegesmund on January 8, 1997 with the U.S. Patent Trademark Office, and assigned to Crystal Medical Products, Inc. under that certain Assignment of Patent Applications and Patents dated April 29, 1997.

The Collateral includes all continuations, continuations-in-part and/or divisions of the above-named patents and all reissues, reexaminations and extensions thereof, and corresponding foreign patent rights, applications and issues in respect of any of the foregoing.

3. DEBTOR'S OBLIGATIONS, GENERALLY

- . Payment. Debtor shall pay to Secured Party all sums due and owing pursuant to the Note, the Credit Agreement, the Security Agreement and this Agreement including any renewals or extensions thereof in accordance with the terms of such instruments.
- . Warranties and Representations. Debtor warrants and covenants that:
 - . Debtor owns the entire right, title and interest in and to the patents described above except for the patent described in Section 2d;
 - . The patents described above are valid and enforceable except for the patent described in Section 2d;
 - . The patents are free from any liens and security interests of any nature whatsoever, as well as licenses, except for the patent described in Section 2d and except for the lien filed on April 17, 1995 by Midwest Research Technologies, Inc. and assigned to Secured Party.
 - . The patents will not be pledged, sold, optioned, assigned, licensed, hypothecated or transferred to any person other than Secured Party or in any way encumbered except to Secured Party without the Secured Party's prior written permission; and
 - . The office or place where Debtor keeps the records of its patents is in Scranton, Pennsylvania.
- . Performance of Agreement. Debtor shall perform all covenants and agreements set forth in this Agreement, the Note, the Credit Agreement and the Security Agreement.

4. PROCEEDS OF COLLATERAL

Debtor hereby grants to Secured Party a security interest in and to all proceeds of the Collateral. This provision shall be construed to mean that Debtor is not authorized to sell, lease,

license or dispose of the Collateral or to pledge, hypothecate or otherwise encumber the Collateral without the written consent of Secured Party, unless otherwise provided in this Agreement.

5. FINANCING STATEMENT

At the request of Secured Party, Debtor will join in executing or will execute, as appropriate, all necessary financing statements and security interest filings with the United States Patent and Trademark Office and with the corresponding patent offices in Canada and such other foreign jurisdictions as Secured Party shall designate, in a form satisfactory to Secured Party. Debtor warrants that no financing statement covering the collateral or any part thereof or any proceeds thereof is presently on file in any public office, nor has any prior filing been made with the United States Patent and Trademark Office establishing a security interest in the patents.

6. DEFAULT

Each of the following shall constitute an event of default hereunder ("Event of Default"):

- (i) The breach by Debtor of any covenant, warranty or other agreement contained herein; or
- (ii) Any default or event of default by Debtor under the Note, Credit Agreement or Security Agreement.

7. REMEDIES

In the event of any default by Debtor under the terms of this Agreement, the Secured Party shall provide written notice thereof to the Debtor and as of the effective date of such notice the Secured Party shall have the right at its option upon notice to Debtor to treat this Patent Security Agreement as an unconditional assignment to Secured Party of Debtor's entire right, title and interest in and to the Collateral and to record such notice and the exercise of such option in the United States Patent and Trademark Office and in the patent offices of all foreign jurisdictions in which Debtor shall have filed any Patents. In addition to the foregoing, the Secured Party shall have any other rights provided under the Delaware Uniform Commercial Code including, without limitation, the right to take the Collateral peaceably and sell it. Proceeds from such sale shall be used by the Secured Party to reduce the amounts owed under the Note, the Credit Agreement and the Security Agreement. Proceeds as used in this paragraph shall mean the sales price of the Collateral less the expenses of repossessing, selling, reasonable attorney's fees and any other lawful expenses. Remedies under this Agreement are cumulative and no action by the Secured Party under this Agreement shall be deemed to be an election of remedies.

8. GOVERNING LAW

The validity of this Agreement shall be determined under and shall be construed according to the laws of the State of Delaware, notwithstanding the choice of law rules of Delaware or any other state.

IN WITNESS WHEREOF, Debtor and Secured Party have caused this Agreement to be executed by their authorized officers or agents on the date first above written.

DEBTOR:

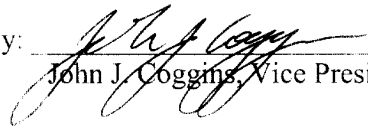
Crystal Medical Products, Inc.,

By: 
Herbert Lotman, President

SECURED PARTY:

Kingco, L.L.C.

By: Keystone Foods Corporation, a Member

By: 
John J. Coggins, Vice President

STATE OF Pennsylvania)
) ss.
COUNTY OF Montgomery)

I, Mary Jane Di Chiacchio, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Herbert Lotman,
President of Crystal Medical Products, Inc., who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, as such President appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 2nd day of April, 1998.

Mary Jane Di Chiacchio
Notary Public

My Commission Expires: April 6, 2000

STATE OF Pennsylvania)
) ss.
COUNTY OF Montgomery)

I, Mary Jane Di Chiacchio, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT John J. Coggins, Vice President of Keystone Foods Corporation, a Member of Kingco, L.L.C., who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, as such officer of the member appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 2nd day of April, 1998.

Mary Jane Di Chiacchio
Notary Public

My Commission Expires: April 6, 2000