

MRD 11/18/98

RECORDATION FORM COVER SHEET
PATENTS ONLY

Attorney Docket Number
9717-002

TO THE HONORABLE

12-02-1998

EMARKS



Please record

100912423

1. Name of conveying party(ies):

Lock-R-Lock, Inc.

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

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

Name: Bank of Salinas

Address: Salinas, California

Country (if other than USA):

3. Nature of conveyance:

☐ Assignment☐ Merger☒ Security Agreement☐ Change of Name☐ Other

Execution Date: June 26, 1992

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:

A. Patent Application No(s)

B. Patent No(s) 4,751,830; 4,829,795; 4,866,958; 4,862,714;
4,952,228Additional numbers attached? Yes ☒ No

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

PENNIE & EDMONDS LLP
1667 K Street, N.W.
Washington, D.C. 20006

6. Number of applications and patents involved: 5

7. Total fee (37 CFR 3.41): \$ 200.00
Please charge to the deposit account listed in Section 8.

8. Deposit account number:
16-1150

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.

Wilma F. Triebwasser

32,498

Name of Person Signing Reg. No.

Signature

Date

Total number of pages including cover sheet:

8

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignment
Washington, D.C. 20231

11/27/1998 SBURNS 00000265 161150 4751830

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PATENT
REEL: 9605 FRAME: 0283

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SECURITY AGREEMENT
(Equipment and/or Farm Products)

1. **THE SECURITY.** The undersigned LOCK-R-LOCK, INC. ("Borrower") hereby assigns and grants to Bank of Salinas ("Bank"), a security interest in the following described personal property ("Collateral"): (check applicable box or boxes)

- ☒ All machinery, furniture, fixtures and other equipment of every type now owned or hereafter acquired by Borrower.
☐ All crops growing or to be grown on, and all timber standing, cut or to be cut from, the following described property:

☐ All livestock, supplies used or produced in farming operations, and other farm products of every type now owned or hereafter acquired by Borrower.

☒ The Collateral shall also include the following described personal property of Borrower (attach supplemental sheet as Exhibit ^B ~~A~~ if needed):

SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF

☒ All proceeds and products of, increases, replacements and accessories to, and rights to insurance or documents now or hereafter covering, any of the above property or other Collateral.

2. **THE INDEBTEDNESS.** The Collateral secures and will secure all Indebtedness of Borrower to Bank. For the purposes of this Security Agreement, "Indebtedness" shall mean all loans and advances made by Bank to Borrower and all other obligations and liabilities of Borrower to Bank, whether now existing or hereafter incurred or created, whether voluntary or involuntary, whether due or not due, whether absolute or contingent, or whether incurred directly or acquired by Bank by assignment or otherwise. Unless Borrower shall have otherwise agreed in writing, Indebtedness, for the purposes of this Paragraph 2, shall not include "consumer credit" subject to the disclosure requirements of the Federal Truth in Lending Act or any regulations promulgated thereunder.

3. **BORROWER'S COVENANTS.** Borrower covenants and warrants that unless compliance is waived by Bank in writing:

- Borrower has sole ownership rights in the Collateral.
- Borrower will properly maintain and care for the Collateral, defend same against any adverse claims and demands and protect, produce, develop, grow and care for all crops and livestock in accordance with the highest standards customary for businesses similar to Borrower's.
- Borrower will maintain such insurance covering the Collateral as is customary for businesses similar to the business of Borrower and, at the request of Bank, will insure the Collateral against all hazards requested by Bank in an amount satisfactory to Bank and will name Bank as loss payee of any insurance now or hereafter covering any Collateral.
- Borrower has not executed and will not execute any security agreement, financing statement or sales proceeds assignment covering any of the Collateral except to Bank, and will keep the Collateral free from all liens, claims, security interests and encumbrances of any kind or nature except the security interest of Bank.
- Borrower will not sell, contract for sale or otherwise dispose of any of the Collateral or remove any Collateral from Borrower's place of business except in the ordinary course of business as heretofore conducted by Borrower.
- Borrower will promptly notify Bank in writing of any event which affects the value of the Collateral, the ability of Borrower or Bank to dispose of the Collateral, or the rights and remedies of Bank in relation thereto, including but not limited to, the levy of any legal process against the Collateral and the adoption of any marketing order, arrangement or procedure affecting the Collateral, whether governmental or otherwise.
- If any Collateral is or becomes the subject of any negotiable document of title, including any warehouse receipt or bill of lading, Borrower will deliver such document to Bank.
- Borrower will notify Bank in writing prior to any change in Borrower's place of business, or, if Borrower has or acquires more than one place of business, prior to any change in Borrower's chief executive office or the offices where Borrower's books and records are kept.
- Borrower will immediately notify Bank in writing of any proposed or actual change of Borrower's name, identity or organizational structure and of any default or breach of any term, provision, warranty or representation under this Security Agreement.

4. **ADDITIONAL OPTIONAL REQUIREMENTS.** Borrower agrees that Bank may at any time and at its option, whether or not Borrower is in default:

- Require Borrower to segregate all collections and proceeds of the Collateral so that they are capable of identification and deliver daily such collections and proceeds to Bank in kind.
- Require Borrower to deliver periodically to Bank records and schedules which show the status and condition of the Collateral, where it is located and such contracts or other matters which affect the Collateral.
- Verify the Collateral and inspect the books and records of Borrower and make copies thereof or extracts therefrom.
- Require Borrower to deliver to Bank any proceeds of Collateral in the form of instruments or chattel paper.
- Require Borrower to obtain Bank's prior written consent to any sale, contract of sale or other disposition of any Collateral.
- Notify any account debtors, any buyers of the Collateral or any other persons of Bank's interest in the Collateral and the proceeds thereof.
- Demand and collect any proceeds of the Collateral. In connection therewith Borrower irrevocably authorizes Bank to endorse or sign Borrower's name on all insurance checks or drafts, collections, receipts or other documents, take possession of and open the mail addressed to Borrower and remove therefrom any payments for and proceeds of the Collateral.
- Enter upon the property where any Collateral is located at reasonable times to examine the Collateral, such property and any buildings or improvements thereon, and use any equipment and facilities of Borrower if Bank deems such use necessary or advisable in order to protect, preserve, maintain, process or develop any of the Collateral.
- Require Borrower to promptly market any livestock, crops or other farm products covered by this Agreement, if, in Bank's opinion, the withholding of same from sale may jeopardize Borrower's ability to obtain a price sufficient to satisfy the Indebtedness or any portion thereof.

- J. Prohibit Borrower from selling any livestock other than in a cash sale transaction.
- K. Prohibit Borrower from attaching any Collateral to any land in a manner which might cause such Collateral to become a part thereof, and require Borrower to obtain the written consent of any owner, encumbrancer or other person having an interest in the property where any Collateral is located to Bank's removal of the Collateral therefrom, without liability on the part of Bank to such owner, encumbrancer or other person.
5. **DEFAULTS.** The occurrence of any one or more of the following shall be a default hereunder:
- A. Borrower shall fail to pay any Indebtedness to Bank when due.
 - B. Borrower shall breach any term, provision, warranty or representation under this Security Agreement, any other security agreement or contract between Borrower and Bank or other obligation of Borrower to Bank, existing now or in the future.
 - C. The appointment of any receiver or trustee of all or a portion of the assets of Borrower or of any guarantor of any Indebtedness.
 - D. Borrower or any guarantor of any Indebtedness shall suffer a materially adverse change in financial condition, become insolvent or unable to pay debts as they mature, make a general assignment for the benefit of creditors, die, voluntarily file for relief under any bankruptcy or similar law or terminate its business.
 - E. Any involuntary petition in bankruptcy shall be filed against Borrower or any guarantor of any Indebtedness.
 - F. Any involuntary lien of any kind or character shall attach to, or any levies of attachment, executions, tax assessments or similar processes shall be issued against, any assets or property of Borrower or any guarantor of any Indebtedness.
 - G. Any financial statements, profit and loss statements or other information or showings furnished by Borrower or any guarantor of any Indebtedness to Bank prove false or incorrect in any material respect.
 - H. Any guarantor of the Indebtedness shall revoke its guaranty.
6. **BANK'S REMEDIES AFTER DEFAULT.** In the event of any default Bank may do any one or more of the following:
- A. Declare any Indebtedness secured hereby immediately due and payable, without notice or demand.
 - B. Exercise the rights and remedies of a secured party under the California Commercial Code or any other law. If the proceeds from the disposition of the Collateral are less than the Indebtedness, Borrower shall pay the deficiency to Bank upon Bank's demand.
 - C. Require Borrower to assemble the Collateral and any records pertaining thereto and make them available to Bank at a place designated by Bank.
 - D. Enter the premises of Borrower and take possession of the Collateral and any records pertaining thereto.
 - E. Grant extensions and compromise or settle claims for less than face value relative to any Collateral proceeds, all without prior notice to Borrower.
 - F. Use, in connection with any assembly or disposition of the Collateral, any trade mark, trade name, trade style, copyright, brand, patent right or technical process used or utilized by Borrower.
 - G. Take such measures as Bank may deem necessary or advisable to preserve, maintain, protect, produce, develop, grow, care for, harvest, process, market or insure the Collateral or any portion thereof, and Borrower thereby irrevocable constitutes and appoints Bank as Borrower's attorney-in-fact for all acts and things in connection therewith.
7. **MISCELLANEOUS.**
- A. Any waiver, express or implied, of any provision hereunder and any delay or failure by Bank to enforce any provision shall not preclude Bank from enforcing any such provision thereafter.
 - B. Borrower shall, at the request of Bank, execute such other agreements, documents or instruments in connection with this Agreement as Bank may reasonably deem necessary.
 - C. All notes, security agreements, subordination agreements and other documents executed by Borrower or furnished to Bank in connection with this Agreement must be in form and substance satisfactory to Bank.
 - D. This Agreement shall be governed by and construed according to the laws of the State of California.
 - E. All rights and remedies herein provided are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude the further exercise thereof or the exercise of any other right or remedy.
 - F. All terms not defined herein are used as set forth in the California Commercial Code.
 - G. In the event of any action by Bank to enforce this Security Agreement or to protect the security interest of Bank in the Collateral, Borrower agrees to pay all costs and expenses thereof upon Bank's demand, together with reasonable attorney's fees.
 - H. Borrower hereby waives diligence, presentment, protest and demand and notice of every kind and, to the extent permitted by law, the right to plead any statute of limitations as a defense to any demand hereunder. Borrower further waives any right to require Bank to proceed against any person for payment of the Indebtedness or against any other security Bank may have for the Indebtedness as a condition to realizing upon any Collateral hereunder.

Executed on JUNE 26, 19 92, at SALINAS, CA

LOCK-R-LOCK, INC.

Borrower

By: J. A. Taylor
J. A. TAYLOR, PRESIDENT/SECRETARY

Title: _____

By: _____

Title: _____