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FORM PTO-1595 1-31-92 3600-6322 GE 03-25-1999 100994318 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.

1. Name of conveying party(ies): MRD
KAUFMAN PRODUCTS INC. 3-2299
Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

2. Name and address of receiving party(ies):
Name: ROGERS & SCOTT
Internal Address: _____
Street Address: 214 Randall Street
Ontario, Canada L6J 1P7
City: Oakville, State: _____ ZIP: _____
Additional name(s) & address(es) attached? ☐ Yes ☒ No

3. Nature of conveyance:
☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other _____
Execution Date: March 17, 1999

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) _____
See Schedule "A" attached to Security Agreement
Additional numbers attached? ☒ Yes ☐ No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Christopher R. Scott
Internal Address: _____
Street Address: ROGERS & SCOTT
214 Randall Street
Ontario, Canada L6J 1P7
City: Oakville, State: _____ ZIP: _____

6. Total number of applications and patents involved: 8

7. Total fee (37 CFR 3.41):..... \$ 360.00
☐ Enclosed
☒ Authorized to be charged to deposit account

8. Deposit account number:
18-1840
(Attach duplicate copy of this page if paying by deposit account)

03/24/1999 JSHABAZZ 00000045 181840 ROGERS&SCOTT DO NOT USE THIS SPACE
01 FC:581 40.00 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.
Christopher R. Scott March 18, 1999
Name of Person Signing Signature Date
Total number of pages comprising cover sheet: 10



SCHEDULE "A"

<u>U.S. Patent #</u>	<u>Issue Date</u>	<u>Title</u>
4324349	APR 13, 1982	Container for Dispensing Liquid
4645097	FEB 24, 1987	Sidewall Dispenser
4635828	JAN 13, 1987	Liquid Container Dispensing Cap Structure
5033653	JUL 23, 1991	Dispenser with Compression Chamber
5217147	JUN 08, 1993	Liquid Dispenser with Compression Chamber
5427279	JUN 27, 1995	Dispenser with Reservoir Actuation
5590817	JAN 07, 1997	Dispenser with Flow Control
5803315	SEP 08, 1998	Dispenser Having Removable Container

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SECURITY AGREEMENT

THIS AGREEMENT confirms an oral agreement made on or about the 24th day of October, 1997

B E T W E E N

Kaufman Products Inc. whose address is 470 Morden Road, Suite 103,
Oakville, Ontario, Canada L6K 3W4

(the "Debtor")
OF THE FIRST PART,

- and -

Rogers & Scott, Patent and Trade-mark Agents, whose address is 214
Randall Street, Oakville, Ontario, Canada L6J 1P7

(the "Creditor")
OF THE SECOND PART.

IN CONSIDERATION OF the Creditor's outstanding accounts for services rendered to the Debtor as the Debtor's Patent and Trade-mark Agents, which accounts are not disputed by the Debtor and as of the date of execution of this document amount to a total sum of \$55,613.20 (Canadian), the parties agreed as follows:

ARTICLE ONE INTERPRETATION

1.01 In this Agreement,

- (a) "Charge" means any mortgage, hypothec, charge, lien, encumbrance or other security interest;
- (b) "Collateral" means all of the assets subject to the Security Interest;
- (c) "Creditor's Accounts" means the accounts rendered by the Creditor to the Debtor in the performance of services as Patent and Trade-mark Agents of the Debtor and for the Debtor;
- (d) "Obligations" means the Debtor's obligation to pay the Creditor monies outstanding on the Creditor's Accounts and any of the

obligations of the Debtor under this Agreement;

- (e) "Patents" means the patents identified in Schedule "A", and all registrations and recordings of those patents in the United States of America, including any reissue, continuation or other extension in whole or part of any such patent;
- (f) "Security Interest" means the charge and security granted to the Creditor under Section 2.01.

1.02 The headings to each section are inserted for convenience of reference only and do not form part of the Agreement.

ARTICLE TWO GRANT OF SECURITY

2.01 As security for the performance of its Obligations, the Debtor grants and assigns to the Creditor as a first, fixed charge and security interest, all of its right, title and interest in and to each of the Patents and acknowledges that this Agreement will be registered by the Creditor at the United States Patent Office.

2.02 The fixed charges provided for in Section 2.01 shall attach to each item described in that subsection respectively immediately upon the execution of this Agreement.

ARTICLE THREE COVENANTS AND WARRANTIES

3.01 The Debtor covenants and agrees with the Creditor that as long as this Agreement is outstanding, it shall:

- 1. (a) perform each of its Obligations as defined by this Agreement;
- (b) do all things and execute all documents (including all assignments, affidavits, and other instruments in a form suitable for filing with the patent office in the United States of America, as may be requested by the Creditor from time to time and at any time, in order to perfect or record the Creditor's interest in any part of the Collateral;
- (c) do all things and execute all documents that may be necessary or

expedient or that the Creditor may reasonably require in order to maintain the registration or recording of the Patents;

- (d) not create any Charge upon the Collateral or any part of the Collateral ranking or purporting to rank in priority to or equally with the Security Interest, unless the Creditor consents to the creation of that other Charge in writing;
- (e) not assign, sell or otherwise dispose of any of the Collateral, except with the prior written consent of the Creditor;
- (f) on default under this Agreement, deliver up quiet possession of the Collateral, free from encumbrances, to the Creditor.

3.02 The Debtor shall notify the Creditor promptly of the details of any claims or litigation affecting the Debtor or the Collateral.

3.03 The Debtor expressly warrants that:

- (a) the Debtor is a duly incorporate, organized and subsisting corporation, and has all requisite powers, capacities, licences and permissions under its governing legislation and the other laws applicable to it, and under its articles of incorporation, by-laws, and governing resolutions to enter into, exercise its rights, and perform and comply with its Obligations, and all actions, conditions and things have been done, taken or fulfilled with respect thereto, that are required by law, contract, or otherwise;
- (b) the Debtor has sole, full and clear title to the Patents in the United States of America;
- (c) the Debtor has the right and capacity to create the Security Interest upon the Collateral, and all requisite steps necessary to create the Security Interest have been taken.

ARTICLE FOUR DEFAULT

4.01 Subject to subsection 4.02, the Security Interest shall become enforceable upon the occurrence of any of the following events or acts of default:

- (a) where the Debtor defaults in the observance or performance of anything required to be done under this Agreement;

- (b) where any formal or informal proceeding for the dissolution of, liquidation of, or winding up of, the affairs of the Debtor is instituted by or against the Debtor, or where a resolution is passed or any other act undertaken for the winding up of the Debtor;
- (c) where proceedings are taken to enforce any other encumbrance on the whole or any part of the Collateral;
- (d) where the Debtor ceases or threatens to cease to carry on its business, or where the Debtor makes or agrees to make a bulk sale of its assets;
- (e) where the Debtor creates, suffers or permits to be created or levied upon the whole or any part of the Collateral, a lien, execution, sequestration, extent or other process of any court, or any distress or analogous process, or a floating charge on any of the Collateral is about to become fixed;
- (f) where the Debtor permits any sum, which has been admitted as due by it or is not disputed to be due by it and which forms or is capable of being made a Charge upon any of the Collateral in priority to the Security Interest, to remain unpaid after proceedings have been taken to enforce the collection of that sum as a prior Charge;
- (g) where the Debtor sells, assigns, pledges or otherwise disposes of or deals with the whole or any part of the Collateral other than as permitted under this Agreement;
- (h) where a receiver, manager or trustee is appointed in respect of the whole or any part of the Collateral, whether by a court of competent jurisdiction or under an agreement;
- (i) where on reasonable grounds the Creditor believes that any of the acts or events described in this Section is about to occur or is likely to occur;
- (j) where the Debtor defaults in payment of any indebtedness or liability to a Bank or other lending institution, whether secured or not;
- (k) where the Debtor defaults in compliance with any provisions of a contract or other document under which it claims title to or in an interest in any of the Collateral;

- (l) where the Debtor acts to bring about an amalgamation, consolidation, or merger with or into another company without the prior written consent of the Creditor;
- (m) where the Debtor is adjudged bankrupt or becomes insolvent, or a petition in bankruptcy is filed against the Debtor, or where the Debtor makes an assignment for the general benefit of creditors or applies for relief under the Companies Creditors Arrangement Act, or where proceedings of any type are instituted in any jurisdiction in respect of the alleged insolvency or bankruptcy of the Debtor.

4.02 Where there is a default by the Debtor under this Agreement, the Creditor may waive that default by written notice to that effect, whether given before or after the default, and where the Creditor so waives the default, the position of the parties and the status of the Collateral, shall be as if the default had not occurred.

4.03 A waiver to a default shall not extend to, or be taken in any manner whatsoever to affect the rights of the Creditor with respect to, any subsequent default, whether similar or not.

ARTICLE FIVE REMEDIES

5.01 Where a default occurs, the Creditor may do any one or combination of the following:

- (a) sell or otherwise dispose of the whole or any part of the Collateral;
- (b) without limiting clause (a), grant a general, special or other licence on an exclusive or non-exclusive basis to any person on such terms and on such conditions as the Creditor may consider appropriate;
- (c) take any step necessary to preserve, maintain, or insure the whole or any part of the Collateral or to realize upon any part of it, put it in vendible condition, and any amount paid as a result of taking any such steps shall be a cost of the Debtor secured by this Agreement;
- (d) collect and receive all royalties, rents, incomes and profits arising from the Collateral of any kind whatsoever payable to the Debtor, and in connection therewith the Creditor may give to any person any notice of the existence of the Security Interest and the default of the Debtor that it may consider to be necessary or expedient for

that purpose;

- (e) by instrument in writing appoint any person whether an officer or an employee of the Creditor or not to be a receiver of any debt or right of payment comprising any part of the Collateral, and remove any receiver so appointed and appoint another in his place, and subject to the provisions of the instrument appointing a receiver, any receiver so appointed shall have power to take possession of the Collateral and to sell or concur in selling all or any part of the Collateral on behalf of the Debtor.

5.02 Where the Debtor is in default and the Creditor does not waive that default, all rights of the Debtor to continue its use of the Patents shall terminate (except as may be necessary to give effect to the rights of the Creditor under this Agreement, in which case those rights shall be deemed to be held in trust by the Debtor for the Creditor, and the Debtor shall comply with all directions given by the Creditor with respect thereto,) and the Debtor shall immediately discontinue its use of the Patents.

5.03 Except where otherwise expressly provided in this Agreement, where under any rule of law or equity the Debtor is entitled to a period of reasonable notice before any remedy may be taken under this Agreement, that period of notice shall not in any circumstances exceed three (3) banking days, but this Section shall not be construed as requiring a minimum of three (3) banking days notice where a lesser period of notice would otherwise be permissible by law and equity by reason of the circumstances of the Debtor, the condition of the Collateral, or otherwise.

5.04 The fees and expenses of any receiver appointed under this Agreement shall form a Charge upon the Collateral together with all other property of the Debtor that may come into the custody or control of the receiver, ranking in priority to the Security Interest.

5.05 Any receiver appointed under this Agreement shall so far as concerns responsibility for his acts, be deemed the agent of the Debtor and the Creditor shall not be in any way responsible for any misconduct for or negligence on the part of any such receiver.

5.06 The Creditor may require any receiver to give security for the performance of his duties, but the Creditor shall not be bound to require such security.

5.07 Except as may be otherwise directed by the Creditor, all monies from time to time received by a receiver shall be held in trust for and paid over

to the Creditor.

5.08 Except as expressly agreed between the Creditor and the Debtor, the rights and powers conferred by this Agreement are in supplement to, and not in substitution for, any rights or powers the Creditor may from time to time have by law or under any other agreement.

5.09 The costs incurred in appointing a receiver and the fees and expenses of the receiver shall be payable by the Debtor as incurred.

5.10 Where the Creditor realizes upon any of the Collateral, and in particular upon any of the Patents, the Debtor shall provide without charge its know-how and expertise relating to the use and application of the Collateral, and in particular shall instruct the Creditor, and any purchaser of the Collateral designated by the Creditor, concerning any related trade secrets of the Debtor.

ARTICLE SIX AMENDMENT TO BE IN WRITING

6.01 This Agreement shall not be deemed to be or construed as having been amended after the date of execution of this Agreement as a result of any oral communication between the parties or as a result of any practice of the parties, but all amendments to this Agreement shall be in writing and shall be signed by both parties, provided that any such agreement may be executed in counterpart form.

ARTICLE SEVEN TERMINATION OF AGREEMENT BY CREDITOR

7.01 The Creditor covenants and agrees with the Debtor that upon the Debtor meeting the obligations, this Agreement will be deemed terminated and the Creditor will take all steps necessary to remove the registration of the Agreement at the United States Patent Office.

ARTICLE EIGHT GOVERNING LAW

8.01 This Agreement is subject to and shall be construed in accordance with the laws of Ontario.

8.02 Each of the parties consents to the non-exclusive jurisdiction of the

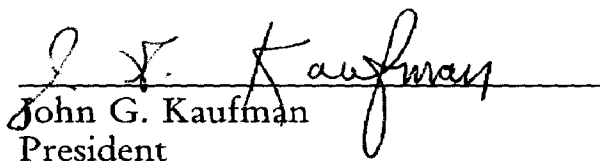
courts of Ontario with respect to all disputes arising under this Agreement.

**ARTICLE NINE
TIME OF THE ESSENCE**

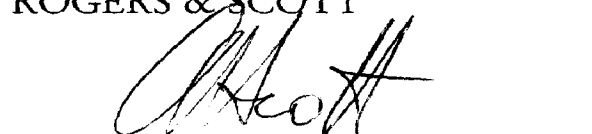
9.01 Time shall be of the essence in the performance of all obligations by all parties to this Agreement.

Executed at Oakville, Ontario, Canada this 17th day of March, 1999.

KAUFMAN PRODUCTS INC.


John G. Kaufman
President

ROGERS & SCOTT


Christopher R. Scott
Managing Partner

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