

07-28-1999

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Conveyance Type

☐ Assignment

☐ License

☐ Merger

☒ Security Agreement

☐ Change of Name

☐ Other

U.S. Government
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☐ Departmental File

☐ Secret File

Conveying Party(ies)

☐ Mark if additional names of conveying parties attached

Name (line 1)

Celeste Industries Corporation, a Connecticut Corporation

Execution Date
Month Day Year
06 30 99

Name (line 2)

Second Party

Name (line 1)

Execution Date
Month Day Year

Name (line 2)

Receiving Party

☐ Mark if additional names of receiving parties attached

Name (line 1)

Heller Financial, Inc.

Name (line 2)

Address (line 1)

500 West Monroe Street

Address (line 2)

Address (line 3)

Chicago

Illinois

60661

City

State/Country

Zip Code

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

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REEL: 010113 FRAME: 0806

Correspondent Name and Address

Area Code and Telephone Number

Name

Federal Research Corp.

Address (line 1)

400 SEVENTH ST NW

Address (line 2)

Suite 101

Address (line 3)

Washington DC 20004

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

8

Application Number(s) or Patent Number(s)

☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

D 344,232	5,148,948	4,304,579

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor.

Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number
only if a U.S. Application Number
has not been assigned.

PCT

PCT

PCT

PCT

PCT

PCT

Number of Properties

Enter the total number of properties involved.

3

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

12000

Method of Payment:
Deposit Account

Enclosed ☐

Deposit Account ☐

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes ☐

No ☐

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. Charges to deposit account are authorized, as indicated herein.

Deneen Sanders

Name of Person Signing

Deneen Sanders

Signature

7-8-99

Date

PATENT MORTGAGE

THIS PATENT MORTGAGE (the "**Mortgage**") made as of this 30th day of June, 1999, by Celeste Industries Corporation, a Connecticut corporation ("**Mortgagor**") in favor of Heller Financial, Inc., Delaware corporation, as agent for itself and the other lenders from time to time party to the Credit Agreement referred to below ("**Mortgagee**"):

W I T N E S S E T H

WHEREAS, Mortgagor (as successor-by-merger to Celeste Acquisition Corp., a Delaware corporation), Mortgagee and the Lenders are parties to a certain Credit Agreement of even date herewith (as the same may be amended or otherwise modified from time to time, the "**Credit Agreement**") and other related loan documents of even date herewith (collectively, with the Credit Agreement, and as each may be amended or otherwise modified from time to time, the "**Financing Agreements**"), which Financing Agreements provide (i) for the Lenders to, from time to time, extend credit to or for the account of Mortgagor and (ii) for the grant by Mortgagor to Mortgagee of a security interest in certain of Mortgagor's assets, including, without limitation, its patents and patent applications;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Mortgagor agrees as follows:

1. Incorporation of Financing Agreements. The Financing Agreements and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Financing Agreements.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Obligations, Mortgagor hereby grants to Mortgagee, and hereby reaffirms its prior grant pursuant to the Financing Agreements of, a continuing security interest in Mortgagor's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, all patentable inventions and those patents and patent applications listed on Schedule A attached hereto and made a part hereof and all Patents (as such term is defined in the Security Agreement), and the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Patents").

3. Warranties and Representations. Mortgagor warrants and represents to Mortgagee that:

(i) no Patent has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Patent been cancelled, in whole or in part and each such Patent is presently subsisting;

(ii) each Patent is valid and enforceable;

(iii) Mortgagor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Patent, free and clear of any liens, charges and encumbrances, including without limitation licenses, shop rights and covenants by Mortgagor not to sue third persons;

(iv) Mortgagor has no notice of any suits or actions commenced or threatened with reference to any Patent; and

(v) Mortgagor has the unqualified right to execute and deliver this Mortgage and perform its terms.

4. Restrictions on Future Agreements. Mortgagor agrees that until Mortgagor's Obligations shall have been satisfied in full and the Financing Agreements shall have been terminated, Mortgagor shall not, without the prior written consent of Mortgagee, sell or assign its interest in, or grant any license under, any Patent or enter into any other agreement with respect to any Patent, and Mortgagor further agrees that it shall not take any action or permit any action to be taken by others subject to its control, including licensees, or fail to take any action which would affect the validity or enforcement of the rights transferred to Mortgagee under this Mortgage.

5. New Patents. Mortgagor represents and warrants that the Patents listed on Schedule A constitute all of the federally registered Patents and Patent applications now owned by Mortgagor. If, before Mortgagor's Obligations shall have been satisfied in full or before the Financing Agreements have been terminated, Mortgagor shall (i) become aware of any existing material Patent of which Mortgagor has not previously informed Mortgagee, (ii) obtain rights to any new material patentable invention or Patent, or (iii) become entitled to the benefit of any material Patent, which benefit is not in existence on the date hereof, the provisions of this Mortgage above shall automatically apply thereto and Mortgagor shall give to Mortgagee prompt written notice thereof. Mortgagor hereby authorizes Mortgagee to modify this Mortgage by amending Schedule A to include any such Patents.

6. Royalties; Terms. The term of the mortgage granted herein shall extend until the earlier of (i) the expiration of each of the Patents, and (ii) the payment in full of Mortgagor's Obligations and the termination of the Financing Agreements. Mortgagor agrees that upon the occurrence of an Event of Default, the use by Mortgagee of all Patents shall be worldwide, except as limited by their terms, and without any liability for royalties or other related charges from Mortgagee to Mortgagor.

7. Release of Mortgage. This Mortgage is made for collateral purposes only. Upon payment in full of Mortgagor's Obligations and termination of the Financing Agreements, Mortgagee shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Financing Agreements

8. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Mortgagor. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Mortgagee in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Patents or in defending or prosecuting any actions or proceedings arising out of or related to the Patents shall be borne by and paid by Mortgagor and shall be charged against the Obligations.

9. Duties of Mortgagor. Mortgagor shall have the duty (i) to the extent commercially reasonable, to file and prosecute diligently any patent applications pending as of the date hereof or hereafter until Mortgagor's Obligations shall have been paid in full and the Financing Agreements have been terminated, (ii) to make application on unpatented but patentable inventions, as commercially reasonable, (iii) to preserve and maintain all rights in the Patents, as commercially reasonable and (iv) to ensure that the Patents are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with Mortgagor's obligations under this Section 9 shall be borne by Mortgagor.

10. Mortgagee's Right to Sue. After an Event of Default, Mortgagee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and, if Mortgagee shall commence any such suit, Mortgagor shall, at the request of Mortgagee, do any and all lawful acts and execute any and all proper documents required by Mortgagee in aid of such enforcement and Mortgagor shall promptly, upon demand, reimburse and indemnify Mortgagee for all costs and expenses incurred by Mortgagee in the exercise of its rights under this Section 10.

11. Waivers. No course of dealing between Mortgagor and Mortgagee, nor any failure to exercise, nor any delay in exercising, on the part of Mortgagee, any right, power or privilege hereunder or under the Financing Agreements shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

12. Severability. The provisions of this Mortgage are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Mortgage in any jurisdiction.

13. Modification. This Mortgage cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

14. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Mortgagee's rights and remedies with respect to the Patents, whether established hereby or by the Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Mortgagor hereby authorizes Mortgagee upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Mortgagee as Mortgagee may select, in its sole discretion, as Mortgagor's true and lawful attorney-in-fact, with power to (i) endorse Mortgagor's name on all applications, documents, papers and instruments necessary or desirable for Mortgagee in the use of the Patents or (ii) take any other actions with respect to the Patents as Mortgagee deems to be in the best interest of Mortgagee, or (iii) grant or issue any exclusive or non-exclusive license under the Patents to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents to anyone. Mortgagor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until Mortgagor's Obligations shall have been paid in full and the Financing Agreements have been terminated. Mortgagor acknowledges and agrees that this Mortgage is not intended to limit or restrict in any way the rights and remedies of Mortgagee under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Mortgagee shall have, in addition to all other rights and remedies given it by the terms of this Mortgage and the Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Illinois.

15. Binding Effect; Benefits. This Mortgage shall be binding upon Mortgagor and its respective successors and assigns, and shall inure to the benefit of Mortgagee, its successors, nominees and assigns.

16. Governing Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois and applicable federal law.

17. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

18. Further Assurances. Mortgagor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Mortgagee shall reasonably request from time to time in order to carry out the purpose of this Mortgage and agreements set forth herein.

19. Survival of Representations. All representations and warranties of Mortgagor contained in this Mortgage shall survive the execution and delivery of this Mortgage and shall be remade on the date of each borrowing under the Financing Agreements.

IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage as of the date first written above.

CELESTE INDUSTRIES CORPORATION

By Mark A. Edemush
Its SECRETARY

Agreed and Accepted
As of the Date First Written Above

HELLER FINANCIAL, INC., as agent

By Robert W. Kelly
Its VP

SCHEDULE A

PATENTS

<u>Patent Description</u>	<u>U.S. Patent No.</u>	<u>Date</u>
Combined Bottle and Dispenser	Des. 344,232	2/15/94
Liquid Soap Dispenser with Mounting Base	5,148,948	9/22/92
Extended Area Bag Filter	4,304,579	12/8/81

PATENT APPLICATIONS

<u>Patent Application Description</u>	<u>U.S. Patent Application No.</u>	<u>Date Applied</u>
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None