

10-26-1999



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U.S. DEPARTMENT OF COMMERCE

Patent and Trademark Office

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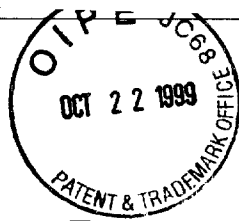
To the Honorable Commissioner, ...

Record the attached original documents or copy thereof.

1. Name of conveying party(ies):
CONTROLLED MOLDING, INC..

10-22-99

Additional names(s) of conveying party(ies)

☐ Yes ☒ No

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

Name: MERCER COUNTY STATE BANKAddress: PO Box 38City: Sandy lake State/Prov.: PACountry: USSA ZIP: 16145

Additional name(s) & address(es)

☐ Yes ☒ No

3. Nature of conveyance:

☐ Assignment☐ Merger☒ Security Agreement☐ Change of Name☐ OtherExecution Date: 23 September 1999

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

If this document is being filed together with a new application, the execution date of the application is: _____

Patent Application No.

Filing date

B. Patent No.(s)

4,541,541

5,566,850

5,383,582

D385,791

Additional numbers

☐ Yes ☒ No

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

Name: Howard N. Flaxman, Esq.Registration No. 34,595Address: AQUILINO, WELSH & FLAXMAN, P.C.2341 Jefferson Davis Highway, Suite 112City: Arlington State/Prov.: VACountry: USA ZIP: 22202

6. Total number of applications and patents involved:

4

7. Total fee (37 CFR 3.41):.....\$ 160.00☒ Enclosed - Any excess or insufficiency should be credited or debited to deposit account☐ Authorized to be charged to deposit account

8. Deposit account number:

01-2221

10/25/1999 MTHAI1 00000292 4541541

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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.

Howard N. Flaxman

Name of Person Signing

Signature

10/22/99

Date

Total number of pages including cover sheet, attachments, and

7

PATENT

REEL: 010321 FRAME: 0905

PATENT SECURITY AGREEMENT

Patent Security Agreement is made September 23, 1999, by and between **Controlled Molding, Inc.**, of 3043 Perry Highway, Hadley, Pennsylvania 16130, here referred to as Grantor and **Mercer County State Bank**, of P.O. Box 38, Sandy Lake, PA 16145, here referred to as Grantee.

RECITALS

A. Grantor desires to grant and Grantee desires to obtain a lien and security interest on the patent collateral (as hereinafter defined) as security for the \$1,100,000.00 Loan by and between Grantor and Grantee, as defined in the September 23, 1999 Note.

B. Grantee desires to have Grantee's lien and security interest in the patent collateral confirmed by a document identifying that security interest and in such form as may be recorded in the United States Patent and Trademark Office.

C. Grantors previously executed a Security Agreement (herein "Security Agreement") dated Sept. 9, 1998 to Grantee, and the parties intend to have this Patent Security Agreement act as a supplement to (and not a replacement of) that Security Agreement.

NOW, therefore, with the foregoing recitals deemed incorporated into and made a part of this patent security agreement by reference, and in consideration of the mutual promises and obligations set forth below, the parties, intending to be legally bound, agree as follows:

SECTION ONE

ASSIGNMENT

In consideration of One and 00/100 Dollar (\$1.00) and for other good, valuable, and sufficient consideration, the receipt of which is hereby acknowledged by Grantor, and to secure the above-described obligations, Grantor does hereby collaterally assign and grant to Grantee a lien and security interest in:

(1) All of Grantor's right, title and interest in and to (a) the United States Letters Patent and the inventions described and claimed therein set forth on Schedule B attached hereto and any future patents (hereinafter referred to collectively as the "patents"); (ii) the applications for Letters Patent and the inventions described and claimed therein set forth on Schedule A hereto and any United States Letters Patent that may be issued on any of those applications and any future patent applications (hereinafter referred to collectively as the "applications"); (iii) any reissue, extension, division, or continuation of the Patents or the Applications (such reissues, extensions, divisions, and continuations being herein referred to collectively as the "reissued patents"); (iv) all future royalties or other fees paid or payment or payments made or to be made to Grantor in respect to the patents; and (v) proceeds of any and all of the foregoing (the patents, applications, reissued patents, and royalties and proceeds being herein referred to collectively as the "patent rights"), and

(2) All rights, interests, claims, and demands that Grantor has or may have in existing and future profits and damages for past and future infringements of the patent rights (such rights, interest, claims, and demands being herein called the "claims") (the patent rights and claims collectively referred to as the "patent collateral").

SECTION TWO

GRANTOR'S WARRANTY

Grantor warrants and represents to Grantee that:

(1) Grantor is the true and lawful exclusive owner of the patent rights set forth on Schedule A, including all rights and interests herein granted;

(2) The patent collateral is valid and enforceable;

(3) Grantor has full power and authority to execute and deliver this agreement;

(4) Grantor has no notice of any suits or actions commenced or threatened against Grantor, or notice of claims asserted or threatened against Grantor, with reference to the patent rights and the interests granted herein; and

(5) The patent rights and all interests granted herein are so granted free from all liens, charges, claims, options, licenses, pledges, and encumbrances of every kind and character.

SECTION THREE

GRANTOR'S FURTHER COVENANTS

Grantor further covenants that, until all of the above-described obligations have been satisfied in full, grantor will:

(1) Not enter into any agreement(s) including, without limitation, license agreements, which are inconsistent with Grantor's undertakings and covenants under this patent security agreement or which restrict or impair Grantee's rights hereunder; and

(3) Maintain the patent collateral in full force and effect.

SECTION FOUR

USE OF PATENT RIGHTS; LICENSES

So long as this patent security agreement is in effect and so long as Grantor has not received notice from Grantee that an event of default has occurred under the September 23, 1999 Note and that Grantee has elected to exercise its rights hereunder, Grantor shall continue to have the exclusive right to use the patent rights and grant licenses with respect thereto as described in this patent security agreement. Grantee shall have no right to use the patent rights or issue any exclusive or nonexclusive license with respect thereto, or assign, pledge, or otherwise transfer any interest in the patent rights to any other person.

SECTION FIVE
RESTRICTIONS ON SALE OR FURTHER ENCUMBRANCE

Grantor agrees not to sell, assign, or further encumber Grantor's rights and interests in the patent collateral without prior written consent of Grantee.

SECTION SIX
GRANTEE'S RIGHTS ON DEFAULT

If an event of default shall occur under the September 23, 1999 Note, Grantee, as the holder of a security interest under the Uniform Commercial Code as now or hereafter in effect in any applicable jurisdiction, may take such action as is permitted by law or equity, in Grantee's sole discretion, to foreclose on or otherwise realize on the patent collateral covered hereby. Further, Grantee shall have such powers and collection rights and remedies as are set forth in the Security Agreement. For those purposes, Grantor hereby authorizes and empowers grantee to make, constitute, and appoint any officer or agent of Grantee as Grantee may select in Grantee's sole discretion, as Grantor's true and lawful attorney-in-fact with the power to endorse Grantor's name on and/or file of record, all assignments, applications, documents papers, and instruments, whether signed by Grantor or by Grantee on Grantor's behalf, necessary for Grantee or its transferee, successors, or assigns, to obtain title to and the right to use the patent collateral or to grant or issue any exclusive or nonexclusive license under the patent collateral to any other person or to assign, pledge, convey, or otherwise transfer title in or dispose of all or any part of the patent collateral to any other person. Grantor hereby ratifies all that that attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this patent security agreement.

SECTION SEVEN
FILING OF DOCUMENTS WITH PATENT AND TRADEMARK OFFICE

Grantor shall at Grantor's own expense, to the extent Grantor deems it necessary, diligently file and prosecute all patent applications relating to the inventions described and claimed in the patent collateral in the United States Patent and Trademark Office, and shall pay or cause to be paid in their customary fashion all fees and disbursements in connection therewith, and shall not abandon any such application before the exhaustion of all administrative and judicial remedies or disclaim or dedicate any patent without the prior written consent of Grantee. Grantor shall not abandon any patent collateral without the prior written consent of Grantee, which consent shall not to be unreasonably withheld.

SECTION EIGHT
FEES, COSTS AND EXPENSES

Any and all fees, costs, and expenses, including reasonable attorney fees and expenses incurred by Grantee in connection with the preparation, modification, enforcement, or termination of this patent security agreement and all other documents relating hereto and to the consummation of this transaction, the filing and recording of any documents (including all taxes in connection therewith) in public offices, any taxes, counsel fees, maintenance fees,

encumbrances, or costs otherwise incurred in defending or prosecuting any actions or proceedings arising out of or related to the patent collateral, shall be paid by Grantor on demand by grantee and, until paid, shall be added to the above-described obligations.

SECTION NINE

SUIT TO ENFORCE PATENT COLLATERAL

Grantor shall have the right, with the prior written consent of Grantee, which consent shall not be unreasonably withheld, to bring suit in Grantor's own name to enforce the patent collateral, in which case Grantee may, at Grantee's option, be joined as a nominal party to the suit if grantee shall be satisfied that joinder is necessary and that Grantee is not thereby incurring any risk of liability by that joinder. Grantor shall promptly, on demand, reimburse and indemnify, defend, and hold Grantee harmless from all damages, costs, and expenses, including reasonable attorney fees, incurred by Grantee pursuant to this Section Nine and all other actions and conduct of Grantor with respect to the patent rights during the term of this patent security agreement.

SECTION TEN

MODIFICATION; WAIVER

No modification or waiver of any provisions set forth in this patent security agreement shall be effective unless the same shall be in writing and signed by the party against whom enforcement is being sought.

SECTION ELEVEN

EXPENSES INCURRED IN PROTECTING PATENT COLLATERAL

If Grantor fails to comply with any of Grantor's understandings and covenants hereunder, Grantee may, at Grantee's sole option, do so in Grantees name, but at Grantor's expense. Grantor agrees to reimburse Grantee in full for all expenses, including reasonable attorney fees, incurred by Grantee in protecting, defending, enforcing, and maintaining the patent collateral.

SECTION TWELVE

TERMINATION OF GRANTEE'S INTERESTS IN PATENT COLLATERAL

On full and unconditional satisfaction of all Grantor's obligations to Grantee, Grantee shall execute and deliver to Grantor all documents reasonably necessary to terminate Grantee's interests in the patent collateral.

SECTION THIRTEEN

RECORDATION OF AGREEMENT

Grantor hereby acknowledges and agrees that this patent security agreement shall be recorded in the United States Patent and Trademark Office.

SECTION FOURTEEN

PARTIES BOUND

This agreement shall be binding on Grantor, Grantor's successors, and assigns, and shall inure to the benefit of Grantee, its successors, and assigns.

SECTION FIFTEEN

GOVERNING LAW

This agreement shall be governed by and construed in accordance with the laws of Pennsylvania. In witness whereof, the parties have executed this agreement at Meadville, Pennsylvania, on the day and year first above written.

Attest:

CONTROLLED MOLDING, INC.

Raymond P. Moyer
Secretary

Gordon Sindlinger Pres.
Gordon Sindlinger, President

Witness:

MERCER COUNTY STATE BANK

[Signature]

David F. Hook

(Business
or Entity
Acknowledgment)

COMMONWEALTH OF PA, COUNTY OF Mercer } ss.
On this, the 23rd day of Sept., before me
the undersigned officer, personally appeared Gordon Sindlinger
President of Controlled Molding, Inc.
and that he/she as such President
being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the
name of the Corporation by himself as President.
In witness whereof, I hereunto set my hand and official seal.
My commission expires:

(Seal)

NOTARIAL SEAL
JOSEPH E. ALTOMARE, Notary Public
Titusville, Crawford Co., Pennsylvania
My Commission Expires September 7, 2003

[Signature]
Title of Officer

It is hereby certified that the address of the Lender within named is: 3279 S MAIN ST., SANDY LAKE, PA 16145

[Signature]

PATENTS:

<u>Description</u>	<u>Country where filed</u>	<u>Patent number</u>	<u>Issue Date</u>
Tamper Resistant Closure for Dispensers	USA	4,541,541	9/17/85
Tamper Resistant Closure for Dispensers	Canada	1237384	5/31/88
Rotor Type Dispenser	USA	5,566,850	10/22/96
Sift Resistant Closure	USA	5,383,582	1/24/95
Single Flap Push In Closure with Over Catch	USA	Des. 385,791	11/4/97

PATENTS PENDING:

Avon Sift Resistant Rotor Cap with Knockout	USA	TBD
Avon Sift Resistant Rotor Cap with Knockout	World	TBD

TRADEMARKS:

DISPENZ-R

FLIPPER

NO-FALL

SIFT-REST-R

TAMPER-SHIELD

TEC-LOC