

11-18-1999



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U.S. Department of Commerce  
Patent and Trademark Office  
**PATENT**

**RECORDATION FORM COVER SHEET  
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**Submission Type**

☒ New

☐ Resubmission (Non-Recordation)  
Document ID#

☐ Correction of PTO Error  
Reel #  Frame #

☐ Corrective Document  
Reel #  Frame #

**Conveyance Type**

☐ Assignment ☒ Security Agreement

☐ License ☐ Change of Name

☐ Merger ☐ Other

**U.S. Government**  
(For Use ONLY by U.S. Government Agencies)

☐ Departmental File ☐ Secret File

**Conveying Party(ies)**

☐ Mark if additional names of conveying parties attached

Name (line 1)

Execution Date  
Month Day Year

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)

☐ 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.)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

**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)

11/18/1999 DCDATES 00000040 5476895

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160.00 DP

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Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

**PATENT**  
**REEL: 010377 FRAME: 0175**

**Correspondent Name and Address**

**Area Code and Telephone Number** 973-228-6727

**Name** Walter J. Fessler

**Address (line 1)** Lum, Danzis, Drasco, Positan & Kleinberg, LLC

**Address (line 2)** 103 Eisenhower Parkway

**Address (line 3)** Roseland, NJ 07068

**Address (line 4)**

**Pages**

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

#

**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)**


5476895	5504126	
5304592		
5465544		

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.

#

4

**Fee Amount**

**Fee Amount for Properties Listed (37 CFR 3.41):** \$ 160.00

**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.*

Walter J. Fessler  
**Name of Person Signing**

  
**Signature**

11/3/99  
**Date**

RECORDATION FORM COVER SHEET  
CONTINUATION  
PATENTS ONLY

U.S. Department of Commerce  
Patent and Trademark Office  
**PATENT**

**Conveying Party(ies)**

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Enter additional Conveying Parties

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Execution Date  
Month Day Year

Name (line 2)

Execution Date  
Month Day Year

Name (line 1)

Name (line 2)

Execution Date  
Month Day Year

Name (line 1)

Name (line 2)

**Receiving Party(ies)**

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Enter additional Receiving Party(ies)

Name (line 1)

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Address (line 1)

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Address (line 3)

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**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)**

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**Patent Number(s)**

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SECURITY AGREEMENT RELATING TO LETTERS PATENT

3rd THIS SECURITY AGREEMENT RELATING TO LETTERS PATENT, dated this day of November, 1999 made by Safas Corporation, a New Jersey corporation with offices located at 2 Ackerman Avenue, Clifton, New Jersey 07011 ("Grantor") in favor of Summit Bank, a New Jersey banking corporation with offices located at 750 Walnut Street, Cranford, New Jersey 07016 ("Bank").

WHEREAS, Grantor and Bank entered into a certain Loan and Security Agreement dated even date herewith (said Loan and Security Agreement and all future extensions, modifications and renewals thereof being hereinafter collectively referred to as the "Loan Agreement"); and

WHEREAS, pursuant to the Loan Agreement, Bank has agreed to make loans and/or extend other financial accommodations to Grantor upon the terms and conditions set for therein; and

WHEREAS, Grantor's obligations of payment and performance under the Loan Agreement are hereinafter called the "Obligations"; and

WHEREAS, Grantor owns each of the Patents (as hereinafter defined) listed on Schedule A attached hereto; and

WHEREAS, pursuant to the terms of the Loan Agreement and in order to secure the payment of the Obligations, Grantor has granted to the Bank a security interest in, among other things, all right, title and interest of the Grantor in, to and under the Patents, including, without limitation, (i) the goodwill of the business symbolized by the Patent and the applications therefor and the registrations thereof, and (ii) all products and proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement or dilution thereof or injury to the associated goodwill, in all of the foregoing cases, for the life of each of the Patents; and

WHEREAS, it is a condition precedent to the obligation of the Bank to extend and/or to continue to extend financial accommodations to Grantor under the Loan Agreement, including, without limitation, for the purpose of perfecting the security interests granted therein that the Grantor shall have executed and delivered this Agreement to the Bank for its benefit; and

WHEREAS, for convenience of reference and recordation, but with no intention to supersede the terms of the Loan Agreement and the Obligations but instead to supplement same, the parties hereto have entered into this Agreement.

NOW, THEREFORE, in consideration of the premises and to induce the Bank to enter into and/or continue the Loan Agreement and the Obligations, and to induce the Bank to extend financial

PATENT

REEL: 010377 FRAME: 0178

accommodations to Grantor under the Loan Agreement, Grantor hereby agrees in favor of the Bank, as follows:

1. Unless otherwise defined herein, terms used but not defined herein, shall have the same meaning herein that they have in the Loan Agreement.

"Patents" mean Grantor's United States Patents listed on Schedule A attached hereto, the United States Patent Registrations and applications therefor and renewals thereof, and the goodwill associated therewith now owned or hereafter acquired.

2. As collateral security for the prompt and complete payment and performance when due of the Obligations, and pursuant to the Loan Agreement, the Grantor hereby grants to the Bank for its benefit a security interest in all of Grantor's right, title and interest in and to the following collateral (whether now owned or hereafter acquired), namely:

(a) the Patents and the goodwill associated therewith;  
and

(b) all proceeds and products of the Patents, including, but not limited to, any claim by Grantor against third parties for (i) past, present or future infringement or dilution of any Patent (including, without limitation, any Patent or Patent registration including without limitation any Patent Registration or any Patent license, or (ii) rights of recovery for injury to the goodwill associated with any Patent, Patent registration or Patent license together with, in all of the foregoing cases,, the proceeds of the foregoing and the goodwill associated therewith.

3. Grantor hereby represents and warrants as follows:

(a) Unless otherwise indicated herein, each Patent is registered in the U.S. Patent and Trademark Office and is valid, subsisting, unexpired and enforceable and has not been abandoned. No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or question the validity of the Patents and/or registrations thereof and, there is no claim made or, to Grantor's knowledge, threatened by any third party that the use by the Grantor of any Patent infringes on the intellectual property of any third party or that the Patents and/or patent applications therefor are invalid or unenforceable.

(b) No action or proceeding is pending or, to the Grantor's knowledge, threatened seeking to oppose, limit, cancel or question the validity of the Patents or applications therefor.

(c) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, except as otherwise set forth herein, free and clear

of any lien, security interest, charge, encumbrance or other claim, except for the lien and security interest created by the Loan Agreement, the Obligations and this Security Agreement Relating to Letters Patent. No effective security agreement, financing statement or other instrument similar in effect covering all or any part of the Patents is on file in any recording office, except such as may have been filed in favor of the Bank relating to the Loan Agreement.

(d) This Security Agreement Relating to Letters Patent will create for the benefit of the Bank a valid and perfected first priority security interest in the Patents upon filing of financing statements with (i) under the Code, the Secretary of State in the state of Grantor's chief executive office and principal place of business (which is represented to be located in New Jersey for the Grantor) and (ii) as it relates to the Patents, the United States Patent and Trademark Office.

4. The Grantor hereby grants to the Bank and its employees and agents the right, upon such prior notice as set forth in the Loan Agreement, to visit the Grantor's plants and facilities which manufacture, inspect or store products sold under the Patents, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours.

5. The Grantor agrees that from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Bank may reasonably request, in order to perfect and protect any security granted or purported to be granted hereby or to enable the Bank to exercise and enforce its rights and remedies hereunder with respect to any Collateral.

6. Upon the occurrence of an Event of Default (as defined in the Loan Agreement), the Bank may exercise for its benefit, in addition to all other rights and remedies granted to it in this Security Agreement Relating to Letters Patent, the Loan Agreement and the Obligations, and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code. Upon written demand of the Bank, Grantor shall deliver to the Bank peaceful ownership of the Collateral and shall execute such documents as are necessary or appropriate for the Bank to realize its remedies under this Security Agreement Relating to Letters Patent, provided that the failure of the Grantor to comply with such demand will not impair or affect the validity of this Security Agreement Relating to Letters Patent. To the extent notice of sale, or other disposition of the Patents shall be required by law, at least ten (10) days notice shall be provided to the Grantor of the time and place of any public sale and such notice shall constitute reasonable notification.

7. Grantor hereby appoints Bank as Grantor's true and lawful attorney-in-fact with authority from time to time in the case of actions described herein or otherwise after the occurrence of and during the continuance of an Event of Default (as defined in the Loan Agreement), in the place and stead of Grantor and in the name of Grantor, to take any and all appropriate action and execute any instrument that the Bank may deem necessary or advisable to accomplish the purpose of the Loan Agreement and this Security Agreement Relating to Letters Patent.

8. As stated above, it is the intention of the Grantor and the Bank that this Security Agreement Relating to Letters Patent has been executed in order to supplement the Loan Agreement in order to secure the payment of the Obligations and with no intention to supersede the terms of same. In the event that a conflict should occur between the terms of this Security Agreement Relating to Letters Patent and the Loan Agreement, such inconsistency shall be resolved in a manner which protects the Bank's rights rather than restricts such rights.

9. (a) No consent by the Bank to any departure by the Grantor from any provision of this Security Agreement Relating to Letters Patent shall in any event be effective against the Bank unless the same shall be in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) Except as otherwise set forth in Paragraph 9(a) above, no amendment or waiver of any provision of this Security Agreement Relating to Letters Patent shall in any event be effective unless the same shall be in writing and signed by the Bank or the Grantor, as the case may be, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

10. All notices and other communications to any party provided for herein shall be in writing and mailed, couriered or otherwise delivered to such party in the manner specified in the Loan Agreement and addressed to it at the address of such party specified in the Loan Agreement.

11. If (a) an Event of Default (as defined in the Loan Agreement) shall have occurred and, by reason of waiver, cure, modification, amendment or otherwise, no longer be continuing, (b) no other Event of Default (as defined in the Loan Agreement) shall have occurred and be continuing, and (c) the Obligations have been fully satisfied, the Bank shall promptly execute a release relinquishment and discharge of this Security Agreement Relating to Letters Patent.

12. This Security Agreement Relating to Letters Patent shall be governed by, and construed and enforced in accordance with the

laws of the State of New Jersey, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the security interest granted hereunder, or remedied hereunder, in respect of any of the Patents are governed by the laws of the United States of America.

IN WITNESS WHEREOF, the Grantor and Summit Bank have each caused this Security Agreement Relating to Letters Patent to be executed by their respective duly authorized officers on the date and year first above written.

ATTEST:

*Letaine Grakary*

SAFAS CORPORATION

By: *A. Grakary*  
PRESIDENT

ATTEST:

*John C. ...*  
VICE PRESIDENT

SUMMIT BANK

By: *Mark ...*  
Vice President



**SCHEDULE A**

Patents

U.S. Patent No. 5,304,592

U.S. Patent No. 5,465,544

U.S. Patent No. 5,476,895

U.S. Patent No. 5,504,126