

03-23-2000

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101296457

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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
Execution Date
Month Day Year

Name (line 1)

Name (line 2)

Second Party

Execution Date
Month Day Year

Name (line 1)

Name (line 2)

Receiving Party

☐ Mark if additional names of receiving parties attached

Name (line 1) ☐ If document to be recorded
Name (line 2) is an assignment and the
Address (line 1) receiving party is not
Address (line 2) domiciled in the United
Address (line 3) States, an appointment
City State/Country Zip Code 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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12/01/1999 VERBOWN 00000043 08778933

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PATENT
REEL: 010618 FRAME: 0279

Correspondent Name and Address

Area Code and Telephone Number (503) 796-2469

Name Pasternack, Alan L.

Address (line 1) Schwabe Williamson & Wyatt, P.C.

Address (line 2) 1211 S.W. Fifth Ave.

Address (line 3) Suite 1800

Address (line 4) Portland, OR 97201

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)

08778933

09130625

Patent Number(s)

5691023

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

PCT US9903725

PCT

PCT

only if a U.S. Application Number has not been assigned.

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

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:

#

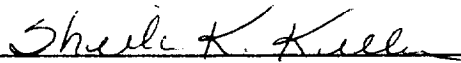
Authorization to charge additional fees:

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.

Sheila Keller

Name of Person Signing



Signature

November 10, 1999

Date

GUARANTEE AND SECURITY AGREEMENT

DATE: November 16, 1999

PARTIES: Sheila Keller ("Guarantor")
20131 S. Southend Road
Oregon City, OR 97267

AND: Stan Amy ("Secured Party")
4109 NE 19th Ave., Suite B
Portland OR 97211
(503) 281-2898

RECITALS:

WHEREAS, Secured Party has agreed to loan to Creative Concepts Unlimited, LLC ("Debtor") \$130,000 (the "Loan") pursuant to the terms of a Loan Agreement (the "Loan Agreement") and Promissory Note (the "Note") between Secured Party and Debtor; and

WHEREAS, as an inducement to and in consideration of Secured Party making the Loan, Guarantor has agreed to personally guarantee Debtor's obligation to repay the Loan by granting Secured Party a security interest in certain property pursuant to the terms and conditions of this Guarantee and Security Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements appearing in this Agreement, the parties hereby agree as follows:

SECTION 1. GUARANTEE

1.1 Guarantor hereby guarantees to Secured Party and its assigns, unconditionally, and at all times the prompt payment of any and all indebtedness of every kind and nature which shall be due to Secured Party and its assigns under the Note; provided that Guarantor's obligation under this Guarantee shall not exceed the value of the Collateral, as defined below.

1.2 Guarantor hereby consents to any and all extensions in the time for the payment of the Note, or any part of it, or of any instrument evidencing the same, or held as security therefor, and also to any and all renewals of any such instruments, and all modifications to the terms of the Loan (whether or not such modifications enhance, diminish or otherwise bear in any way, whether or not material, upon Guarantor's risks hereunder), and does hereby waive presentment, protest, demand and notice of non-payment of any instrument with respect to the transactions guaranteed by Guarantor.

1.3 Upon any default, as set forth in Section 2 of the Note, Guarantor agrees to convey to Secured Party upon demand, all of its rights to and in the Collateral without any obligation on the part of Secured Party to endeavor to collect such indebtedness from or proceed against the Debtor or to liquidate any collateral or foreclose any security interest granted by

Debtor to Secured Party. Secured Party agrees that its sole right to recover under this Guarantee shall be possession and ownership of the Collateral and that Secured Party shall have no recourse to seek cash payment from Guarantor of amounts due under the Note.

1.4 This Guarantee covers all costs and expenses including attorney's fees, that Seller or its assignees may pay or incur in the collection or attempted collection for any indebtedness due Secured Party by virtue of the Note, whether or not suit or action is instituted. In the event any suit or action is instituted against Guarantor on account of, in connection with or based upon this Guarantee, Guarantor agrees to pay, in addition to the costs and disbursements allowed by law, such sum as a court or arbitrator may adjudge as reasonable attorney's fees in such suit or action and such further sum as may be affixed by an appellate court on any appeal.

SECTION 2. CREATION OF SECURITY INTEREST

Guarantor hereby grants to Secured Party a security interest in the property described in Section 3 on the terms and conditions set forth in this Agreement.

SECTION 3. PROPERTY

The property subject to the security interest ("Collateral") is as follows:

3.1 **Certain Patents, Patent Applications and Licenses.** All of the patents, patented designs, patent applications and licenses more fully described on Exhibit A, attached hereto and made a part hereof.

3.2 **After-Acquired Property.** All improvements, additions and replacements to the property described in Section 3.1 that at any time hereafter may be acquired by Guarantor.

3.3 **Proceeds.** All proceeds of the sale or other disposition or any income derived from the commercialization, licensing or otherwise of any of the Collateral described or referred to in Sections 3.1 and 3.2, except income derived from the commercialization, licensing, or sublicensing of the Collateral that is used by Guarantor in the ordinary course of Guarantor's business. Sale or disposition of the Collateral is prohibited except as provided in Section 4.6. Sale or disposition of the Collateral is prohibited except as provided in Section 5.4.

SECTION 4. SECURED OBLIGATION

This Agreement is given to guarantee and secure performance and payment to Secured Party by Debtor pursuant to the Note and the Loan Agreement and performance by Debtor of all covenants and conditions therein contained.

SECTION 5. WARRANTIES AND COVENANTS OF GUARANTOR

Guarantor warrants and covenants as follows:

5.1 **Authority.** The execution, delivery, and performance of this Agreement are within Guarantor's power, and are not in contravention of law or the terms of any indenture, agreement, or undertaking to which Guarantor is a party or by which it is bound.

5.2 Ownership of Collateral. Except as disclosed on Exhibit B hereto, and other than any interest in the Collateral previously conveyed by Sheila Keller to Debtor, Guarantor is the sole owner of all right, title, and interest in and to the Collateral, free and clear of any security interest, license, or other restriction and will defend the Collateral against the claims and demands of all other persons at any time claiming the same or any interest therein. The Collateral does not interfere with, infringe upon, misappropriate, or violate any rights of third parties in any respect, and Guarantor has not received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that Guarantor must license from a third party or refrain from using any part of the Collateral). No action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or, to the Guarantor's knowledge, threatened that challenges the legality, validity, enforceability, use, or ownership of the Collateral. Guarantor has never agreed to indemnify any person for or against any interference, infringement, misappropriation, or other conflict with respect to the Collateral. To the knowledge of Guarantor, no third party has interfered with, infringed upon, misappropriated, or violated any of Guarantor's rights in or with respect to the Collateral.

5.3 Perfection of Security Interest. Guarantor agrees to execute and file financing statements, and do whatever may be necessary under the applicable Uniform Commercial Code in the state where the Collateral is located, to perfect and continue the Secured Party's interest in the Collateral, all at Guarantor's expense.

5.4 Sale Prohibited. Guarantor will not sell or otherwise transfer or dispose of any interest in the Collateral, other than by grant of a non-exclusive license or sublicense in the ordinary course of its business, without the written consent of Secured Party, which consent Secured Party may grant or withhold in its sole discretion.

5.5 Adverse Liens and Use. Except when it has received the prior written consent of Secured Party otherwise, which consent Secured Party may grant or withhold in its sole discretion, Guarantor shall keep the Collateral free from any adverse liens, security interests, or encumbrances, and in good order and repair, and shall not commit or permit waste or destruction of the Collateral or any portion of it. Guarantor will not use or permit anyone to use the Collateral in violation of any statute, ordinance, or state or federal regulation, and Secured Party may examine and inspect the Collateral at any time, wherever located.

SECTION 6. GUARANTOR'S RIGHT TO POSSESSION; SECURED PARTY'S RIGHT TO PAY CERTAIN OBLIGATIONS

6.1 Until such time as the Collateral is transferred to Secured Party pursuant to Section 1.3 hereof, Guarantor may have possession of the Collateral and use it in any lawful manner not inconsistent with this Agreement and not inconsistent with any policy of insurance thereon.

6.2 At any time when Secured Party reasonably feels insecure with respect to Debtor's performance of its obligations under the Note, Secured Party, at its option, may pay or discharge any patent maintenance fees, liens, security interests or other encumbrances at any time levied or placed on the Collateral, and upon foreclosure by Secured Party of the Collateral, all such payments shall become a separate obligation owed by Guarantor to Secured Party, payable

on demand, with interest at the rate described in Section 9.5. Such right shall be in addition to any other rights or any remedies to which Secured Party may be entitled on account of Debtor's default.

SECTION 7. DEFAULT

Guarantor shall be in default under this Agreement in the event of any attempt by Guarantor to transfer any of Guarantor's rights in the Collateral, including, but not limited to, any purported sale or other disposition of Guarantor's rights in the Collateral appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Guarantor, or entry of judgment that in the opinion of Secured Party would reasonably jeopardize the security interest given by this Agreement, or commencement of a foreclosure suit by any creditor of Guarantor against the Collateral (other than in the event of a good faith dispute by Guarantor as to the validity or reasonableness of the claim which is the basis of the foreclosure suit), (other than licensing by Guarantor in the "ordinary course of Guarantor's business") shall constitute a default under this Agreement.

SECTION 8. RIGHTS OF SECURED PARTY

8.1 Upon default by Guarantor under this Agreement or by Debtor under the Note, Secured Party may notify any licensees or other persons authorized to use or commercialize the Collateral that the Collateral has been assigned to Secured Party and that any amounts payable to Guarantor in connection therewith shall be paid to Secured Party. Upon request of Secured Party, Guarantor will also notify such parties that any amounts owed in connection with the Collateral are payable to Secured Party. Any proceeds of the Collateral thereafter received by Guarantor shall be turned over to Secured Party daily in the exact form in which they are received.

8.2 In exercising its rights under Section, Secured Party shall have full power to deal with Collateral or proceeds thereof in its own name or that of Guarantor.

SECTION 9. GENERAL

9.1 Secured Party shall not be deemed to have waived any rights under this Agreement or any other writing signed by Guarantor unless such waiver is in writing and signed by Secured Party. No delay or omission on the part of Secured Party shall operate as a waiver of such right or any other right. A waiver by any party of a breach of a provision of this Agreement shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision.

9.2 All Secured Party's rights and remedies, whether evidenced here or by any other writing, shall be cumulative and may be exercised singularly or concurrently.

9.3 Any demand on or notice to Guarantor that Secured Party may give shall be effective when deposited as registered or certified mail directed to Guarantor's address stated in this Agreement. Either party may change the address for notices by written notice to the other party.

9.4 This Agreement and all rights and liabilities under it and in and to any and all obligations secured herein and in and to all Collateral shall inure to the benefit of the Secured Party and its successors and assigns, and shall be binding on Guarantor and its successors and assigns. Whenever there is no outstanding obligation on the part of Debtor and no commitment on the part of Secured Party under any agreement that might give rise to an obligation, Guarantor may terminate this Agreement on written notice to Secured Party. Before termination, this shall be a continuing agreement in every respect.

9.5 Guarantor shall pay to Secured Party on demand, together with interest at the rate specified in and calculated in accordance with the Note, any and all expenses, including legal expenses and reasonable attorney fees whether or not litigation is commenced and also such fees and expenses on appeal or review and/or at and in preparation for any bankruptcy proceedings (including such costs and fees as involve issues peculiar to bankruptcy law), reasonably incurred and extended by Secured Party in discharging encumbrances as provided by Section 6.2 and liquidating the Collateral and in collecting or attempting to collect proceeds thereof and in protecting and enforcing the covenants and other rights of Secured Party under this Agreement.

9.6 Secured Party may, at any time and at its option without further authorization from Guarantor, file copies of this Agreement as a financing statement.

9.7 Should any one or more provisions of this Agreement be determined to be illegal or unenforceable, all other provisions nevertheless shall be effective.

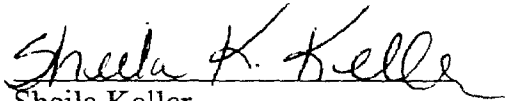
SECTION 10. APPLICABLE LAW

This Security Agreement has been executed and delivered to Secured Party in the state of Oregon and all transactions here contemplated are to be consummated in the state of Oregon. Guarantor agrees that the law of the state of Oregon shall apply for the purpose of construing this instrument, determining its validity, and, to the fullest extent permitted by applicable law of any state in which any of the Collateral is located, the rights and remedies of Secured Party in the event of default under this Agreement.

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IN WITNESS WHEREOF, the parties have executed this instrument as of the date set forth
above.

GUARANTOR


Sheila Keller

SECURED PARTY


Stan Amy

Exhibit A

<u>Description</u>	<u>Patent Number</u>	<u>Notes</u>
Decorative Packaging Ribbon (includes stretch and flair ribbon)	Patent 5,691,023	--Assigned by Sheila Keller to CCU; divisional continuations filed to split out stretch and flair
Pop-up Stickers	Serial # 09/372,421	Licensed to CCU by Sheila Keller
Decorative Packaging Ribbon --divisional	Serial # 08/778,933	Continuation re: stretch and flair ribbon
Decorative Packaging Ribbon --Continuation of Serial No. 08/778,933 (filed 11/3/99)	Serial Number not yet available	Continuation re: flair ribbon without adhesive and allowable claims re stretch ribbon
Ribbon Dispenser	Serial # 09/130,625	Referred to as Gift Wrap Dispenser; licensed ^{assigned} to CCU by Sheila Keller
Decorative Packaging ribbon --and method and device for dispensing the same	PCT/US99/03725	Related to 09/130,625 re: protection outside of US under Patent Cooperation Treaty

Patent No. 5,691,023 has been assigned by Sheila Keller to Creative Concepts Unlimited. At the direction of the Patent and Trademark Office new applications were submitted with respect to the Decorative Packaging Ribbon. Divisional (Serial # 08/778,933) and the Decorative Packaging Ribbon (Serial # not yet available).



Disclosure Schedule

This Disclosure Schedule has been prepared and delivered in connection with the Security Agreement ("Security Agreement") between Creative Concepts Unlimited, LLC and Stan Amy, and the Subordinated Security Agreement ("Subordinated Security Agreement") between Creative Concepts Unlimited, LLC and Sheila Keller. Certain agreements and other matters are listed in this Disclosure Schedule for informational purposes notwithstanding the fact that, because they do not rise above applicable materiality thresholds or otherwise, they are not required to be listed herein by the terms of the Security Agreement or the Subordinated Security Agreement. In no event shall the listing of such agreements or other matters in this Disclosure Schedule be deemed or interpreted to broaden or otherwise amplify the representations and warranties of the Creative Concepts unlimited, LLC the Security Agreement or the Subordinated Security Agreement. Any agreement or other matter referred to in any Section of this Disclosure Schedule shall be deemed to be referred to in all other Sections of this Disclosure Schedule, to the extent applicable, whether or not there is an express cross-reference. Except as otherwise defined herein, capitalized terms used herein have the meanings assigned in the Agreement.

EXHIBIT B

Eric Nelson has asserted a lien against all or portions of the Collateral with respect to a disputed debt. Debtor believes that a financing statement may have been filed with the Oregon Secretary of State reflecting Mr. Nelson's claim. A meeting to attempt to resolve this dispute is scheduled for Friday, November 26, 1999 among representatives of Debtor, Debtor's legal counsel, Eric Nelson and his legal counsel.