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Form PTO-1595

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U.S. DEPARTMENT OF COMMERCE
U.S. 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):

Labeltape, Inc.

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

☐

Assignment

☐

Merger

☒

Security Agreement

☐

Change of Name

☐

Other _____

03/01/2002

Execution Date: _____

2. Name and address of receiving party(ies)

Name: Fifth Third Bank

Internal Address: _____

Street Address: 111 Lyon Street, N.W.

City: Grand Rapids State: IN Zip: 49503

Additional name(s) & address(es) attached? ☐ Yes ☒ No

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) 4,793,002

and 5,970,515

Additional numbers attached? ☐ Yes ☒ No

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

Name: Intellectual Property Practice Grp

Internal Address: WARNER NORCROSS & JUDD

Street Address: 111 LYON STREET NW - SUITE 900

City: GR RAPIDS State: MI Zip: 49503-2487

6. Total number of applications and patents involved: 2

7. Total fee (37 CFR 3.41).....\$ 80.00

☒

Enclosed

☐

Authorized to be charged to deposit account

8. Deposit account number: _____

DO NOT USE THIS SPACE

9. Signature.

Kimberly A. Niebling

Name of Person Signing

Signature

November 14, 2002

Date

Total number of pages including cover sheet, attachments, and documents: 10

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

11/22/2002 LMUELLER 00000110 4793002

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80.00 DP

PATENT
REEL: 013506 FRAME: 0357

SECURITY AGREEMENT

This Security Agreement is made as of March 1, 2002, by and between Labeltape, Inc., a Michigan corporation, of 4550 Airwest Drive, S.E., Grand Rapids, Michigan 49512 ("**Debtor**"), and Fifth Third Bank, a Michigan banking corporation, of 111 Lyon Street, N.W., Grand Rapids, Michigan 49503 ("**Secured Party**");

1. **Grant of Security Interest.** Debtor grants to Secured Party a continuing security interest in:

all equipment (including vehicles) and fixtures, wherever located, that Debtor now owns and in the future acquires, and all chattel paper evidencing any past, present or future leasing of the equipment or fixtures;

all inventory, wherever located, that Debtor now owns and in the future acquires; all bills of lading, warehouse receipts and other documents of title evidencing inventory; all rights of stoppage in transit of inventory; all chattel paper evidencing any past, present or future leasing of inventory; and all letter of credit rights under all existing and future letters of credit securing all or part of the purchase price of inventory that Debtor has sold or in the future sells;

all accounts, contract rights, chattel paper, instruments, investment property, letter of credit rights, and general intangibles wherever located, that Debtor now owns and in the future acquires, including, but not limited to, all patents, trademarks, service marks, trade names and goodwill; such patents and trademarks include, but are not limited to, United States Patent Number 5,970,515, registered October 26, 1999, and expiring September 23, 2018, and United States Patent Number 4,793,002, registered December 27, 1988, along with any and all extensions, renewal and reissuances of the same (collectively, the "Patents") and United States Trademark "Wink-Ease" registered November 4, 1986, United States Trademark "Solar Seals" registered April 6, 1999, United States Trademark "VIEWKeepers" registered October 19, 1999, United States Trademark "Eye Pro" registered September 11, 2001 (collectively, the "Trademarks");

all patent infringement claims with respect to the Patents, all inventions and improvements described in the Patents, all continuations, continuations-in-part, divisions, renewals, extensions, substitutions, improvements and reissuances of the Patents, and all other rights and goodwill relating to the Patents;

all deposit accounts, wherever located, that Debtor now owns and in the future acquires;

together with (1) all proceeds of the foregoing, including, without limitation, all cash, checks, drafts, accounts receivable, chattel paper, leases and instruments received by Debtor in connection with any sale, lease, license, exchange or other disposition of any of the foregoing, (2) all books, records (including computer software) and documents that at any time evidence or relate to any of the foregoing or any proceeds of the foregoing, and (3) all rights to income, profits, royalties, damages, licenses or other rights related to the Patents, including, the right to sue for past, present or future infringement. All of the foregoing properties and assets of Debtor are referred to collectively in this Agreement as the "**Collateral.**"

2. **Indebtedness Secured.** The foregoing security interest is given to secure payment and performance of

ALL OBLIGATIONS AND INDEBTEDNESS THAT DEBTOR NOW AND IN THE FUTURE OWES TO SECURED PARTY, including, but not limited to, all future advances and all obligations and indebtedness of Debtor to Secured Party under this Agreement and under all other security agreements, loan agreements, pledge agreements, assignments, mortgages, guaranties, notes, leases and other agreements, instruments and documents, that Debtor has signed or in the future signs, and all extensions and renewals of such indebtedness and obligations. The indebtedness and obligations that Debtor now owes to Secured Party include, **BUT ARE NOT NECESSARILY LIMITED TO**, the obligations and indebtedness evidenced by that Guaranty dated October 30, 2000, from Debtor for the benefit of Secured Party that provides for an absolute, unconditional and irrevocable guaranty of payment for all amounts owed by Converting Systems, Inc., its successors and assigns to Secured Party.

This security interest secures all indebtedness and obligations now and in the future owes to Secured Party, regardless of whether any such indebtedness or obligation is (1) not presently intended or contemplated by Debtor or Secured Party, (2) indirect, contingent or secondary, (3) unrelated to the Collateral or to any financing of the Collateral by Secured Party, (4) of a kind or class that is different from any indebtedness or obligation that Debtor now and in the future owes to Secured Party, (5) is now or in the future evidenced by a note or other document that does not refer to this security interest or this Agreement, or (6) not set forth above.

The indebtedness and obligations that are secured by this security interest are collectively called the "**Indebtedness.**"

3. **Warranties, Representations, and Agreements.** Debtor warrants and represents to Secured Party, and agrees, as follows:

(a) Debtor is the owner of the Collateral and is authorized to grant a security interest in it, and none of the Collateral is subject to any lien, security interest, encumbrance, assignment, license or claim in favor of any third party, and no financing statement is on file in any public office covering any of the Collateral nor is there any assignment (for collateral purposes or otherwise) of

the Patents on file in the United States Patent and Trademark Office, except in favor of Secured Party.

(b) This Agreement is the valid and binding obligation of Debtor, enforceable in accordance with its terms.

(c) All information that Debtor has furnished or in the future furnishes to Secured Party concerning Debtor or the Collateral, including, without limitation, all financial statements and all information concerning the condition, quality or value of the Collateral, is and will be correct and complete.

(d) Debtor's exact legal name is set forth in the first paragraph of this Agreement.

(e) Debtor is a corporation, and is organized and validly existing in good standing under the laws of the State of Michigan; Debtor has full power and authority to enter into and perform its obligations under this Agreement; the signing, delivery and performance of this Agreement have been duly authorized by all necessary action of Debtor's board of directors and will not violate Debtor's articles of incorporation or bylaws; and this Agreement is the valid and binding obligation of Debtor, enforceable in accordance with its terms.

(f) Debtor is duly qualified and authorized to transact business, and is in good standing as a foreign corporation, in each jurisdiction in which the failure to be so qualified or authorized could have a material adverse effect upon (1) the validity, performance or enforceability of this Agreement, (2) the ability of Debtor to perform Debtor's obligations under this Agreement or (3) the ability of Secured Party to take possession of, collect or otherwise realize upon any Collateral.

(g) The Patents are valid and enforceable, and have not been declared invalid.

(h) The Patents are not subject to any infringement actions (filed or threatened) alleging that either of the Patents will infringe any patent or other rights.

(i) Debtor's execution and delivery of this Agreement will not breach any agreement or restriction to which the Debtor is party, or by which its property is subject.

4. **Agreements of Debtor.** Debtor agrees that:

(a) Debtor shall not cause or permit any lien, security interest or encumbrance to be placed on any Collateral, except in favor of Secured Party, and Debtor shall not sell, assign or transfer any Collateral or permit any Collateral to be transferred by operation of law, except that, as long as there shall not have occurred an event of default as defined in this Agreement, Debtor may sell inventory in the ordinary course of Debtor's business. A sale in the ordinary course of business does not include a transfer in partial or complete satisfaction of a debt.

(b) Debtor shall maintain all records concerning the Collateral at Debtor's address appearing on the first page of this Agreement and shall keep all tangible Collateral at the present location or locations of the Collateral.

(c) Debtor shall furnish Secured Party with all information regarding the Collateral that Secured Party shall from time to time request (including without limitation, the names and addresses of Debtor's account debtors and the amount owed by each) and shall allow Secured Party at any reasonable time to inspect the Collateral and Debtor's records regarding the Collateral.

(d) Debtor shall sign, file, record or obtain from third persons, all subordination agreements and other documents, and shall take all other actions, that Secured Party considers necessary or appropriate to perfect, to continue perfection of, or to maintain first priority of, Secured Party's security interest in the Collateral and Debtor shall place upon the Collateral and/or documents evidencing the Collateral any notice of Secured Party's security interest that Secured Party from time to time requires. Actions that Secured Party may require Debtor to take under the preceding sentence include, without limitation, (1) giving Secured Party possession of Collateral, (2) obtaining from any third party who has possession of Collateral an acknowledgment that the third party holds the Collateral for Secured Party and (3) obtaining agreements from banks, securities intermediaries, issuers of letters of credit and others, and taking all other actions requested by Secured Party, to give Secured Party control of any part of the Collateral consisting of investment property, deposit accounts, letter of credit rights or electronic chattel paper.

(e) Debtor shall immediately notify Secured Party in writing of any change in Debtor's name, identity or corporate structure, and of any change in the location of Debtor's place of business and of the location of each additional place of business established by Debtor. Debtor shall not make any change in its name or its organizational structure or in the jurisdiction under the laws of which Debtor is organized, without the prior written consent of Secured Party.

(f) Debtor shall indemnify Secured Party with respect to all losses, damages, liabilities and expenses (including attorney fees) incurred by Secured Party by reason of any failure of Debtor to comply with any of Debtor's obligations under this Agreement or by reason of any warranty or representation made by Debtor to Secured Party in this Agreement being false in any material respect.

(g) Secured Party may from time to time contact Debtor's account debtors for the purpose of verifying the existence, amount and collectibility of, and other information regarding, Debtor's accounts, chattel paper, instruments or general intangibles.

(h) Debtor shall maintain all tangible Collateral in good condition and repair and maintain fire and extended coverage insurance covering all tangible Collateral in the amounts and against the risks that are provided for in insurance customarily maintained by similar businesses or that Secured Party may reasonably request. Each insurance policy shall provide that its proceeds (1) shall be payable to Secured Party to the extent of Secured Party's interest in the Collateral, (2) shall contain a standard lender's loss payable endorsement, (3) shall provide that the policy shall not be canceled, and the coverage shall not be reduced, without at least 10 days' prior written notice by the insurer to Secured Party and (4) shall be in form and substance satisfactory to Secured Party. Debtor shall provide Secured Party with evidence of that insurance coverage. Upon Secured Party's request, Debtor shall deliver to Secured Party all policies providing for such insurance. Debtor agrees that Secured Party may act as agent for Debtor in obtaining, adjusting, and settling that insurance and endorsing any draft evidencing proceeds of it.

(i) Debtor shall pay, before they become delinquent, all taxes and assessments upon the Collateral or for its use or operation and pay and perform when due all indebtedness and obligations under all leases, land contracts or other agreements under which Debtor has possession of any real property upon which any of the Collateral shall at any time be located and under any mortgage or mortgages at any time covering that real property.

(j) Debtor shall pay all expenses and, upon Secured Party's request, take any action that Secured Party deems reasonably necessary, in its sole discretion, to establish, determine the priority of, perfect, continue perfection or enforce the Secured Party's interest in the Patents;

(k) Debtor shall prosecute, preserve, maintain, defend the validity of and renew the Patents for the full term allowed by law.

(l) Debtor shall make timely payment of all required fees and file any documents or declarations necessary to maintain the Patents.

(m) Debtor shall protect the Patents from infringement by appropriate actions, including commencement of legal action for injunctive relief and damages, and also defend the Patents from claims of infringement, or patent invalidity, by practicing the Patent inventions.

(n) Debtor shall provide Secured Party with information concerning any new patents, patent applications, patent issuances, office actions by the United States Patent and Trademark Office and of any actions taken to preserve and protect the Patents, as well as written reports upon request of Secured Party informing Secured Party of the status of the Patents, in such detail as Secured Party shall request, in its sole discretion.

5. **Secured Party's Right to Perform.** If Debtor fails to perform any obligation of Debtor under this Agreement, then Secured Party may, without giving notice to or obtaining the consent of Debtor, perform that obligation on behalf of Debtor, including, but not limited to, all steps that Secured Party deems appropriate or necessary, in its sole discretion, to preserve its interest in the Patents. Debtor shall reimburse Secured Party on demand for any expense that Secured Party incurs in performing the obligation and shall pay to Secured Party interest on each expense, from the date the expense was incurred by Secured Party, at an annual rate equal to the lesser of (1) five percent above the rate of interest announced from time to time by Secured Party as its "prime" interest rate, or (2) the highest rate to which Debtor could lawfully agree in writing. Secured Party is not required to perform an obligation that Debtor has failed to perform. If Secured Party does so, that shall not be a waiver of Secured Party's right to declare the Indebtedness immediately due and payable by reason of Debtor's failure to perform.

6. **Events of Default and Acceleration.** Any part or all of the Indebtedness shall, at the option of Secured Party, become immediately due and payable without notice or demand upon the occurrence of any of the following events of default:

(a) If default occurs in the payment or performance of any of the Indebtedness, when and as it shall be due and payable.

(b) If default occurs in the performance of any obligation of Debtor to Secured Party under this Agreement or under any promissory note or other instrument at any time evidencing any Indebtedness or under any other security agreement, loan agreement, mortgage, assignment, guaranty or other agreement that now or in the future secures or relates to any indebtedness or obligation now or in the future owing by Debtor to Secured Party or that secures or relates to any guaranty of any such indebtedness or obligation ("**Security Documents**").

(c) If any warranty, representation, or statement that has been or in the future is made to Secured Party by Debtor or by any guarantor of all or part

of the Indebtedness ("Guarantor") in this Agreement or in any Security Document, credit application, financial statement or otherwise, shall have been false in any material respect when made or furnished.

(d) If Debtor become insolvent or make an assignment for the benefit of creditors.

(e) If any guaranty that now or in the future secures payment or performance of all or any part of the Indebtedness shall be terminated, revoked or limited for any reason, without the written consent or agreement of Secured Party.

(f) If any attachment, garnishment, levy, execution or other legal process shall at any time be issued against or placed upon any of the Collateral.

(g) If at any time Secured Party believes that the prospect of payment or performance of any Indebtedness is impaired.

If a voluntary or involuntary case in bankruptcy, receivership or insolvency shall at any time be begun by or against Debtor, then the entire Indebtedness shall automatically become immediately due and payable, without notice or demand. All or part of the Indebtedness also may become, or may be declared to be, immediately due and payable under the terms of any note at any time evidencing any of the Indebtedness or of any loan agreement, Security Document or other agreement that has been or in the future is entered into between Debtor and Secured Party.

7. **Secured Party's Rights and Remedies.** Secured Party shall have all rights and remedies of a secured party under applicable laws. Without limiting these rights and remedies:

(a) Upon the occurrence of an event of default, as defined in *Paragraph 6* above, (1) without notice or demand to Debtor, Secured Party shall be entitled to notify Debtor's account debtors and obligors to make all payments directly to Secured Party, and Secured Party shall have the right to take all actions that Secured Party considers necessary or desirable to collect upon the Collateral, including, without limitation, prosecuting actions against, or settling or compromising disputes and claims with, Debtor's account debtors and obligors, (2) without notice or demand to Debtor, Secured Party may receive, open, dispose of and notify the postal authorities to change the address of, mail directed to Debtor, and (3) upon demand by Secured Party, Debtor shall immediately deliver to Secured Party, at the place that Secured Party shall designate, all proceeds of the Collateral and all books, records, agreements, leases, documents and instruments evidencing or relating to the Collateral.

(b) If all or any part of the Indebtedness is not paid at maturity, then Debtor, upon demand by Secured Party, shall deliver the Collateral and proceeds of Collateral to Secured Party at the place that Secured Party shall designate, and Secured Party may dispose of the Collateral in any commercially reasonable manner. Any notification required to be given by Secured Party to Debtor regarding any sale or other disposition of Collateral shall be considered reasonable if mailed at least five days before the sale or other disposition. In connection with any disposition of Collateral, Secured Party may comply with the requirements of any applicable state or federal law or regulation, and such compliance shall not cause the disposition to not be commercially reasonable.

(c) If all or any part of the Indebtedness is not paid at maturity, then Secured Party shall have the right (but no obligation) to continue or complete the manufacturing, or processing of, or other operations in connection with, any part of the Collateral, and, for that purpose, to enter and remain upon or in any land or buildings that are possessed by Debtor or that Debtor has the right to possess. Debtor shall reimburse Secured Party on demand for any expense that Secured Party incurs in connection with those activities and shall pay to Secured Party interest on each expense, from the date the expense was incurred by Secured Party, at the rate specified in *Paragraph 5* of this Agreement.

(d) The proceeds of any collection or disposition of Collateral shall be applied first to expenses that Secured Party incurs in retaking, holding, preparing for disposition, processing and disposing of the Collateral and to Secured Party's attorney fees and expenses, as provided in *Paragraph 8* of this Agreement, and then to the Indebtedness, and Debtor shall be liable for any deficiency remaining. Secured Party has no obligation to prepare or process any Collateral for sale or other disposition. If Secured Party sells any of the Collateral on credit, then Debtor will be credited only with payments that are actually made by the purchaser, received by Secured Party and applied to the unpaid balance of the purchase price of the Collateral. If the purchaser fails to pay for the Collateral, then Secured Party may again dispose of the Collateral and apply the proceeds in accordance with this paragraph.

All rights and remedies of Secured Party shall be cumulative and may be exercised from time to time.

8. **Expenses.** Debtor shall reimburse Secured Party on demand for all attorney fees, legal expenses and other expenses that Secured Party incurs in protecting and enforcing its rights under this Agreement. This includes fees and expenses incurred in trying to take possession of Collateral from Debtor, a trustee or receiver in bankruptcy or any other person. Secured Party may apply any proceeds of collection or disposition of Collateral to Secured Party's reasonable attorney fees, legal expenses and other expenses.

9. **Amendments and Waivers.** No provision of this Agreement may be modified or waived except by a written agreement signed by Secured Party. Secured Party shall continue to have all of its rights under this Agreement even if it does not fully and promptly exercise them on all occasions.


10. **Notices.** Any notice to Debtor or to Secured Party shall be considered to be given if and when mailed, with postage prepaid, to the respective address of Debtor or Secured Party appearing on the first page of this Agreement, or if and when delivered personally.

11. **Other.** In this Agreement, "**maturity**" of any of the Indebtedness means the time when that Indebtedness has become due and payable, for whatever reason (including, for example, acceleration due to default or bankruptcy). This Agreement shall be governed by, and interpreted according to, Michigan law.

12. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective successors and assigns.

Debtor and Secured Party have signed this Security Agreement as of the date stated on the first page.

LABELTAPE, INC.

By 
Jon Durren, Secretary/Treasurer

DEBTOR

FIFTH THIRD BANK

By 
Todd E. Dood, Vice President

SECURED PARTY