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08-10-2009



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To the Director of the U.S. Patent

103570162

documents or the new address(es) below.

1. Name of conveying party(ies)

Time Safe, Inc.

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

2. Name and address of receiving party(ies)

Name: Vince Snowden

Internal Address:

Street Address: 411 Hannah Jeanne Circle

City: New Smyrna Beach

State: FL

Country: USA Zip 32167

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

3. Nature of conveyance/Execution Date(s):

Execution Date(s) May 14, 2008

- Assignment  Merger
- Security Agreement  Change of Name
- Joint Research Agreement
- Government Interest Assignment
- Executive Order 9424, Confirmatory License
- Other

4. Application or patent number(s):

This document is being filed together with a new application.

A. Patent Application No.(s)

6,135,277

B. Patent No.(s)

Additional numbers attached?  Yes  No

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

Name: John F. Alden

Internal Address: 700 Lumber Exchange Building

Street Address: 10 South Fifth Street

City: Minneapolis

State: MN Zip 55402

Phone Number: 612 305 4340

Fax Number: 612 305 4353

Email Address: jfalden@msn.com

6. Total number of applications and patents involved: one

7. Total fee (37 CFR 1.21(h) & 3.41) \$40.00

- Authorized to be charged to deposit account
- Enclosed
- None required (government interest not affecting title)

8. Payment Information

Deposit Account Number: 08/18/2009 HJMM1 00000002 6135277

Authorized User Name: 01 103570162 40.00

9. Signature:

Signature

John F. Alden

Name of Person Signing

8/4/09  
Date

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

5

## **SECURITY AGREEMENT**

The undersigned, TIME SAFE, INC., a Minnesota Corporation, (hereinafter referred to as "Borrower"), for value received and any financial accommodation, given or which may be given, by VINCE SNOWDEN, 411 Hannah Jeanne Circle, New Smyrna Beach, FL, 32167, (hereinafter referred to a "Lender"), grants, transfers, agrees to grant, and agrees to transfer to Lender a security interest in and to the following described property

- a) All of Borrower's assets and inventory.
- b) All products of the collateral described in paragraph (a) above.
- c) All ledger sheets, files, records, documents and instruments (including, but not limited to, computer program tapes and related electronic data processing software) evidencing an interest in or relating to the above.
- d) All accounts, (as that term is defined in the Minnesota Uniform Commercial Code in effect on the date of this agreement) and, if not otherwise included in the definition of such term, any other obligations or indebtedness owed to Borrower from whatever source arising; all rights of Borrower to receive any payments in money or kind (including tax refunds and insurance proceeds); all guarantees of the foregoing and security therefor, all of the right, title and interest of Borrower in and with respect to the goods, services or other property that gave rise to or that secure any of the foregoing and insurance policies and proceeds relating thereto, and all rights of Borrower as an unpaid seller of goods and services, including, but not limited to the rights of stoppage in transit, replevin, reclamation and resale; and all of the foregoing, whether now owned or existing or hereafter created or acquired (collectively referred to as "Accounts" hereafter);
- e) All equipment (as that term is defined in the Minnesota Uniform Commercial Code in effect on the date of this agreement) and, if not otherwise included in the definition of such term, all machinery, motor vehicles, furniture and fixtures, now owned or hereafter acquired by Borrower and used or acquired for use in the business of Borrower wherever located, together with all accessions thereto and all substitutions and replacements thereof and parts therefor (collectively referred to as "Equipment" hereafter);
- f) All instruments, documents, and chattel paper (as those terms are defined in the Minnesota Uniform Commercial Code in effect on the date of this agreement), and all cash, property and proceeds of any of the foregoing, owned by Borrower or in which Borrower has an interest, which now or hereafter are at any time in the possession or control of the Bank or in transit by mail or carrier to or in the possession of any third party acting on behalf

of the Bank, without regard to whether the Bank received the same pledge, for safekeeping, as agent for collection or transmission or otherwise or whether the Bank had conditionally released the same; any deposit accounts of Borrower with the Bank against which the Bank may exercise its right of set-off, whether the foregoing are now owned or existing or hereafter created or acquired;

- g) All general intangibles (as that term is defined in the Minnesota Uniform Commercial Code in effect on the date of this agreement) and, if not otherwise included in the definition of such term, all goodwill, choses in action, rights under contract, whether now owned or existing or hereafter created or acquired; the entire right, title and interest in U.S. Patent No. 6,135,277, including any divisions or continuations thereof, particularly the right to sue for any infringements; and all other patents and trademarks and Intellectual Property, now existing and hereafter acquired or created, as well as everything associated with the Intellectual Property, i.e. contract rights, license rights, distribution rights, proceeds and income, right to sue for infringement, goodwill, foreign rights, etc.
- h) All cash or non-cash proceeds of any of the foregoing, including insurance proceeds and federal and state farm subsidy payments.

together with all after-acquired property of such description, replacements, substitutions, additions, accessions, and proceeds of all the foregoing, all of which property and the proceeds of all the foregoing is hereinafter collectively referred to as "Collateral".

The Lender and Borrower further agree as follows:

- 1. Obligations Secured. This Agreement secures the following obligations by the Borrower in favor of the Lender:
  - A. The payment of that Secured 10% Promissory Note executed by Borrower to Lender and dated the 14<sup>th</sup> day of May, 2008, in the original principal amount of \$450,000.00, with interest thereon as provided in said note, and with any unpaid balance of principal and interest being due and payable on or before the 14<sup>th</sup> day of May, 2011, or as otherwise provided in said note; and
  - B. Any renewal, extension or replacement of the indebtedness referred to in paragraph A above; and
  - C. Any and all future advancements made by Lender to Borrower, whether in connection with the indebtedness referred to in paragraph A above, or in connection with other credit accommodations already existing between Borrower and Lender, or in connection with those arising in the future.

2. **Filing.** Borrower authorizes the Lender to prepare and file financing statements signed only by Lender covering the Collateral described above, and promises to pay to the Lender the fees incurred in filing the financing statements which shall become a part of the obligation secured by this Agreement. This authorization extends to financing statements prepared and signed only by the Lender and filed prior to the effective date of this Security Agreement. Any such pre-filing is hereby ratified and approved by the Borrower.

3. **Possession and Control of the Collateral and Risk of Loss.** Borrower will not sell or offer to sell, or otherwise transfer the Collateral or any interest thereof, without the prior written consent of Lender. Otherwise, Borrower shall have the right to possession and control of the Collateral until an event of default, at which time the Lender shall become entitled to possession and control. Borrower assumes the risk of loss until the Collateral is collected or disposed of and the proceeds thereof are applied to the obligation by the Lender.

4. **Promises and Warranties of Borrower.** Borrower promises and warrants the following:

- a) That the Borrower is a corporation organized under the laws of the State of Minnesota whose residence and office of its chief place of business is 1425 Coon Rapids Blvd., Coon Rapids, MN 55433. Borrower promises to give written notice to the Lender of any change of address.
- b) That the Borrower has a clear and unencumbered title to and is in possession of the Collateral and that the only outstanding liens on the Collateral will be those created by this Security Agreement; and
- c) Borrower warrants and acknowledges that it has duly executed this instrument, and that it has received delivery of a copy of this Agreement. Borrower agrees that it will not assert against any assigns of the Lender any claim or defense with it may have against the seller of the Collateral.

5. **Remedies.** The Lender shall have all the rights and remedies permitted under the Uniform Commercial Code of Minnesota authorized under this Security Agreement or the Agreement and other laws, and without limitation of other rights and remedies, the following:

- a) Reasonable attorneys fees, legal expenses incurred by the Lender in pursuing its rights and remedies under the law, this Agreement and the obligation. Borrower promises to pay such fees and expenses, the proceeds of disposition must be applied to such fees and expenses in the order provided by law, and such fees and expenses must be tendered for redemption.
- b) Upon request, the Borrower shall cooperate with the Lender by exercising its best efforts to assemble and make the Collateral available to the Lender at a place to be designated by the Lender.

- c) The Lender may, but in no way is obligated to take steps to preserve rights in the Collateral against any third party.
- d) Borrower promises to pay any deficiency remaining after disposal of the Collateral, and suit therefore may be brought either upon this promise, or, if outstanding, any separate obligation, promissory note or instrument.
- e) The right to take immediate possession and remove all items of Collateral without notice to Borrower or any other party, and for that purpose, the Lender is authorized to enter upon the premises where the Collateral is kept.
- f) The right to see the Collateral at a public or private sale and/or to elect to retain any of the Collateral in satisfaction of the Borrower's obligation with respect thereto.

6. Waiver and Anti-Waiver Provisions. The Borrower waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, and credit extended, notice of default and notice of repossession of Collateral. With respect to the liabilities and obligations and also with respect to the Collateral, the Borrower assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange, or release of Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payments thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Bank may deem advisable.

This Agreement shall be binding upon the Borrower, its successors and assigns and the rights and privileges of the Lender hereunder shall inure to the benefit of his heirs successors and assigns.

This Agreement has been executed and delivered on this 14<sup>th</sup> day of May, 2008.

TIME SAFE, INC.

By:  5/14/08  
Timothy Armstrong, President

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