

## PATENT ASSIGNMENT

Electronic Version v1.1  
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
ITB Packaging, LLC	06/06/2013
RECEIVING PARTY DATA	
Name:	Fifth Third Bank
Street Address:	111 Lyon NW
City:	Grand Rapids
State/Country:	MICHIGAN
Postal Code:	49503
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	12121299
CORRESPONDENCE DATA	
Fax Number:	
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	616.653-5089
Email:	michael.hay@53.com
Correspondent Name:	Michael Hay
Address Line 1:	111 Lyon NW
Address Line 4:	Grand Rapids, MICHIGAN 49503
ATTORNEY DOCKET NUMBER:	20026.31026
NAME OF SUBMITTER:	Michael E. Moore
Signature:	/Michael E. Moore/
Date:	08/21/2013
This document serves as an Oath/Declaration (37 CFR 1.63).	

OP \$40.00 12121299

**Total Attachments: 5**

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## Security Agreement Rider - Patent

This Security Agreement Rider ("Rider") is made as of May 22, 2013, by ITS PACKAGING LLC, a Michigan limited liability company, of 147 East 6<sup>th</sup> Street, Holland, Michigan 49423 (the "Grantor") in favor of FIFTH THIRD BANK, an Ohio banking corporation, successor by merger with Fifth Third Bank, a Michigan banking corporation, of 111 Lyon NW, Grand Rapids, Michigan 49503 (the "Secured Party" or "Bank"). Grantor and Secured Party hereby agree as follows:

### WITNESSETH:

WHEREAS, Grantor is indebted to Secured Party in the aggregate principal amount of Eight Hundred Twenty Thousand Dollars (\$820,000.00) pursuant to a Term Note dated April 17, 2013, in the amount of Two Hundred Thousand Dollars (\$200,000.00) and a Revolving Note dated July 10, 2012, in the amount of Six Hundred Twenty Thousand Dollars (\$620,000.00) (collectively, the "Notes"), and all agreements, instruments and documents executed or delivered in connection with any of the foregoing or otherwise related thereto (collectively, together with any amendments, modifications, or restatements thereof, the "Loan Documents").

This Rider is incorporated into and made part of that certain Security Agreement ("**Security Agreement**") between the Grantor and the Secured Party dated July 11, 2011, as part of and included in the Loan Documents. All capitalized terms not otherwise defined in this Rider shall have the same meanings ascribed to such terms in the other Loan Documents.

As collateral security for the Obligations (as defined in the Security Agreement) under the Loan Documents, the Grantor has agreed to grant a security interest in and to assign to the Bank the Patent Collateral (as hereinafter defined). The Bank desires to have its lien and security interest in such Patent Collateral confirmed by a document identifying such security interest and in such form as may be recorded in the United States Patent and Trademark Office.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. **Grant of Security Interest.** In consideration of and pursuant to the terms of the Security Agreement and for other good, valuable and sufficient consideration, the receipt and sufficiency of which is hereby acknowledged, and to secure the Obligations, the Grantor does hereby assign and grant to the Bank a lien and security interest in (a) all of the Grantor's right, title and interest in and to (i) the Patent(s) and the inventions described and claimed therein set forth on Exhibit A hereto and any future patents of Grantor (hereinafter referred to collectively as the "**Patents**"); (ii) the applications for Patent(s) and the inventions described and claimed therein set forth on Exhibit A hereto and any Patent which may be issued upon any applications and any future patent applications of Grantor (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 the Grantor in respect of 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 (b) all rights, interests, claims and demands that the Grantor has or may have in existing and future profits and damages for past and future infringements of the Patent Rights (such rights, interests, claims and demands being herein called the "**Claims**") (the Patent Rights and Claims collectively referred to as the "**Patent Collateral**").

2. **Representations and Warranties.** Grantor warrants and represents to Bank that: (a) the Grantor is the true and lawful exclusive owner of the Patent Rights set forth on Exhibit A, including all rights and interests herein granted; (b) the Patent Collateral is valid and enforceable; (c) the Grantor has full power and authority to execute and deliver this Rider; (d) the Grantor has no notice of any suits or actions commenced or threatened against it, or notice of claims asserted or threatened against it, with reference to the Patent Rights and the interests granted herein; and (e) 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.

3. **Covenants.** Grantor further covenants to Bank that: (a) until all of the Obligations have been satisfied in full, the Grantor will not enter into any agreement, including without limitation, license agreements, which are inconsistent with the Grantor's obligations under this Rider; and (b) if the Grantor acquires rights to any new Patent Collateral, the provisions of this Rider shall automatically apply thereto and the Grantor shall give the Bank prompt written notice thereof along with an amended Exhibit A; provided, however, that notwithstanding anything to the contrary contained in this Agreement, the Grantor shall have the right to enter into agreements in the ordinary course of business with respect to the Patent Collateral.

4. **Maintenance of Patent Collateral.** Grantor further covenants that until all of the Obligations have been satisfied in full, it will (i) not enter into any agreements, including without limitation, license agreements, which are inconsistent with the Grantor's undertakings and covenants under this Rider or which restrict or impair Bank's rights hereunder and (ii) maintain the Patent Collateral in full force and effect.

5. **Negative Pledge.** Grantor shall not sell, assign or further encumber its rights and interest in the Patent Collateral without prior written consent of Bank.

6. **Events of Default.** Any of the following events shall be an "Event of Default" hereunder:

(a) An event of default occurs under any agreement, instrument or document evidencing, guarantying, securing or otherwise executed or delivered in connection with any of the Obligations, as "Event of Default" shall be defined therein.

(b) Any representation or warranty of Grantor set forth in this Agreement or in any agreement, instrument, document, certificate or financial statement evidencing, guarantying, securing or otherwise related to, this Agreement or any other Obligation shall be materially inaccurate or misleading.

(c) Grantor shall fail to maintain in force the insurance required in this Agreement or in any agreement, instrument, document, certificate or financial statement evidencing, guarantying, securing or otherwise related to, this Agreement or any other Obligation, or Grantor shall otherwise default in the observance or performance of any covenant or agreement set forth in any of the foregoing for a period of 30 days.

7. **Remedies.**

(a) Anything herein contained to the contrary notwithstanding, if and while the Grantor shall be in default hereunder or an Event of Default exists under the Loan Documents, the Grantor hereby covenants and agrees that the Bank, as the holder of a security interest under the Uniform Commercial Code, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Patent Collateral covered hereby.

(b) For such purposes, and in the event of the Grantor's default hereunder or an Event of Default under the Loan Documents and while such default or Event of Default exists, the Grantor hereby authorizes and empowers Bank to make, constitute and appoint any officer or agent of Bank as Bank may select, in its exclusive discretion, as the Grantor's true and lawful attorney-in-fact, with the power to endorse the Grantor's name on all applications, documents, papers and instruments necessary for Bank to use the Patent Collateral or to grant or issue any exclusive or non-exclusive license under the Patent Collateral to anyone else, or necessary for Bank to assign, pledge, convey or otherwise transfer title in or dispose of the Patent Collateral itself or to anyone else. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Rider and the Loan Documents, and until all the Obligations are satisfied in full.

(c) Grantor expressly acknowledges that this Rider shall be recorded with the Patent and Trademark Office in Washington, D.C. Contemporaneously herewith, Grantor shall also execute and deliver to Bank such documents as Bank shall reasonably require to permanently assign all rights in the Patent Collateral to Bank, which documents shall be held by Bank, in escrow, until the occurrence of an Event of Default hereunder or under the Loan Documents. After such occurrence, Bank may, at its sole option, record such escrowed documents with the Patent and Trademark Office.

**8. Prosecution of Patent Applications.**

(a) Grantor shall, at its own expense, diligently maintain all patents and 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 prior to the exhaustion of all administrative and judicial remedies or disclaim or dedicate any Patent without the prior written consent of Bank. Grantor shall not abandon any Patent Collateral without the prior written consent of Bank.

(b) Any and all fees, costs and expenses, including reasonable attorneys' fees and expenses incurred by Bank in connection with the preparation, modification, enforcement or termination of this Rider and all other documents relating hereto and the consummation of this transaction, the filing and recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of 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 Bank.

(c) Grantor shall have the right to bring suit in the name of Grantor to enforce the Patent Collateral, in which case Bank may, at Bank's option, be joined as a nominal party to such suit if Bank shall be satisfied that such joinder is necessary and that Bank is not thereby incurring any risk of liability by such joinder. Grantor shall promptly, upon demand, reimburse and indemnify, defend and hold harmless Bank for all damages, costs and expenses, including reasonable attorneys' fees, incurred by Bank pursuant to this paragraph and all other actions and conduct of Grantor with respect to the Patent Rights during the term of this Rider.

9. **Subject to Security Agreement.** This Rider shall be subject to the terms, provisions, and conditions set forth in the Security Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

10. **Inconsistent with Security Agreement.** All rights and remedies herein granted to Bank shall be in addition to any rights and remedies granted to Bank under the Loan Documents. In the event of an inconsistency between this Rider and the Security Agreement, the language of the Security Agreement shall control. The terms and conditions of the Security Agreement are hereby incorporated herein by reference.

11. **Termination of Agreement.** Upon payment and performance of all Obligations under the Loan Documents, Bank shall execute and deliver to Grantor all documents necessary to terminate Bank's security interest in the Patent Collateral.

12. **Fees and Expenses.** Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Bank in connection with the preparation of this Rider and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Patent Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Patent Collateral, in each case in accordance with the terms of this Rider, shall be borne and paid by Grantor on demand by Bank and until so paid shall be added to the principal amount of the Obligations to Bank and shall bear interest at the contract rate therefor.

13. **Additional Remedies.** Upon the occurrence of an Event of Default under the Loan Documents, the may, without any obligation to do so, complete any obligation of Grantor hereunder, in Grantor's name or in Bank's name, but at Grantor's expense, and Grantor hereby agrees to reimburse Bank in full for all reasonable expenses, including reasonable attorney's fees, incurred by Bank in protecting, defending and maintaining the Patent Collateral.

14. **Governing Law.** All rights and liabilities hereunder shall be governed by and limited by and construed in accordance with the laws of the State of Michigan, except that the federal laws of the United States of America shall govern to the extent applicable.

15. **Counterparts.** This Rider may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument.

Delivery of an executed counterpart of a signature page to this Rider by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

FIFTH THIRD BANK:

By: Michael Hay  
Michael Hay  
Its: Vice President

ITB PACKAGING LLC:

By: Gene McClain  
Gene McClain  
Its: President/Member

STATE OF MICHIGAN )  
COUNTY OF Ottawa ) ss:

On this 6 day of June, 2013, before me, a Notary Public, personally appeared Gene McClain, who acknowledged himself to be the President/Member of ITB Packaging, LLC, a Michigan limited liability company, and that he, in such capacity, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said ITB Packaging LLC.

Sandy Updegraff  
Notary Public  
Sandy Updegraff  
(Print Name)  
Ottawa County, Michigan  
My commission expires: 3-18-17



EXHIBIT A TO RIDER TO SECURITY AGREEMENT - PATENTS

<u>Country</u>	<u>Serial #</u>	<u>Effective Filing Date</u>
Canada	2667342	05-15-2008
China P.R.	200860021288.3	05-15-2008
European Patent Convention	08755550.4	05-15-2008
India	7326/CHENP/2009	05-15-2008
Japan	2010-508577	05-15-2008
Mexico	MXa2009/012220	05-15-2008
Patent Cooperation Treaty	PCT/US2008/06720	05-15-2008
South Korea	10-2009-7026012	05-15-2008
United States	12/121299	05-15-2008