

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT5517174

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
CONVEYING PARTY DATA	
Name	Execution Date
ZEN MOUNT CORPORATION	12/01/2017
RECEIVING PARTY DATA	
Name:	MATTHEW G. TARNAY AND MADELEINE A. TARNAY 2000 TRUST
Street Address:	2529 NEARCLIFF STREET
City:	TORRANCE
State/Country:	CALIFORNIA
Postal Code:	90505
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	14299980
CORRESPONDENCE DATA	
Fax Number:	(310)726-0893
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
Phone:	310-726-0892
Email:	bob@lauson.com
Correspondent Name:	ROBERT LAUSON, ESQ.
Address Line 1:	880 APOLLO STREET, SUITE 301
Address Line 4:	EL SEGUNDO, CALIFORNIA 90245
NAME OF SUBMITTER:	ROBERT LAUSON
SIGNATURE:	/ROBERT LAUSON/
DATE SIGNED:	05/10/2019
This document serves as an Oath/Declaration (37 CFR 1.63).	
Total Attachments: 10	
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ROYALTY, CONTRIBUTION AND SUBSCRIPTION AGREEMENT

This Royalty, Contribution and Subscription Agreement (the "**Agreement**"), dated as of December 1, 2017 (the "**Effective Date**"), is hereby made by and between The Matthew G. Tarnay and Madeleine A. Tarnay 2000 Trust, with an address of 2529 Nearcliff Street, Torrance, California (the "**Contributor**") and Zen Mount Corporation, a California corporation, with a principal address of 23701 Madison Street, Torrance, California 90505 (the "**Company**"), (singularly referred to below as a "**Party**" and jointly referred to below as the "**Parties**"), with respect to the following:

RECITALS:

WHEREAS, the Contributor currently owns a cumulative total of 346,503 shares of the Company common stock (the "**Company Stock**"), the equivalent of thirty-three percent (33%) of all of the issued and outstanding Company Stock;

WHEREAS, Company is in the business of the distribution and order fulfillment of digital gadget mounts such as for iPads, table, mobile telephones, GoPro or SLR cameras or any other gadget that is used for entertainment education or communication, which activity along with any other business activities commenced or conducted by the Company, (hereafter referenced herein as the "**Company Business**");

WHEREAS, the Company has requested, and the Contributor has agreed, to contribute certain consideration to the Company, consisting of payment of a cash sum of Twenty-Five Thousand Dollars and No/100 Dollars (\$25,000.00) (the "**Cash Contribution**"); and (ii) to forgive and discharge an outstanding debt balance due to the Contributor from the Company of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) (the "**Debt Balance**") (both of which are referenced together herein as the "**Additional Capital Contribution**") in exchange for (i) the issuance to the Contributor of an additional 112,460 shares of Company Stock (the "**Additional Stock**"), the result of which is that the Contributor will become the holder of record of a total of forty percent (40%) of all of the issued and outstanding Company Stock and (ii) a percentage of gross revenues received by the Company ("**Royalties**") up to a cap of \$950,000, as further set forth herein.

WHEREAS, in furtherance of the foregoing contemplated transaction, the Parties are hereby agreeing to the terms and conditions herein set forth below.

AGREEMENT

NOW, THEREFORE, to implement the foregoing and in consideration of the mutual representations, warranties, covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows.

1. **Definitions.** For purposes of this Agreement, the following terms shall have the following meanings:

1.1 "**Company**" shall mean Zen Mount Corporation, a California corporation.

1.2 "**Contributor**" shall mean The Matthew and Madeleine Tarnay Trust.

- 1.3 "**Company Business**" shall have the meaning set forth in the Recitals to this Agreement.
- 1.4 "**Debt Balance**" shall have the meaning set forth in the Recitals to this Agreement and shall specifically refer to the forgiveness of the sum of \$25,000 payable by the Company to Product Resource Development, LLC for Professional Services Agreement #108, subsequently assigned by mutual agreement of the Parties thereto to Contributor.
- 1.5 "**Effective Date**" shall have the meaning set forth in the Preamble to this Agreement.
- 1.6 "**Affiliate**" shall mean any legal entity (such as a corporation, partnership, or limited liability company) that is controlled by the Company or any of its stockholders. For the purposes of this definition, the term "control" means (i) beneficial ownership of more than fifty percent (50%) of the voting securities of a corporation or other business organization with voting securities or (ii) more than a fifty percent (50%) interest in the net assets or profits of a partnership or other business organization without voting securities.
- 1.7 "**Sublicensees**" shall mean any non-Affiliate sublicensee of Company products, designs, and intellectual property.
- 1.8 "**Intellectual Property Rights**" or "**IP Rights**" shall mean any technology, whether or not patentable, written materials whether or not subject to copyright, trademarks, names or logos, whether or not registered, or any similar information developed by or for the benefit of the Company and/or used in the Company Business.
- 1.9 "**Products**" shall mean any and all products developed and distributed by the Company, its Affiliates, Sublicensees, subsidiaries, successor or assigns in the course of the Company Business.
- 1.10 "**Gross Revenues**" shall mean the actual invoiced sales of Products made by the Company, its Affiliates, subsidiaries, Sublicensees, employees, agents, successors and assigns, whether existing at the time of this Agreement or formed in the future, during any applicable reporting period as set forth hereinbelow, before any reductions for returns or other allowances or for the cost of goods sold, as well as any non-sales revenue received by the Company, including, without limitation, interest, investments or license fees.
- 1.11 "**Reporting Period**" shall begin on the first day of each calendar quarter and end on the last day of such calendar quarter.
- 1.12 "**Royalty**" or "**Royalties**" shall have the meaning set forth in the Recitals to this Agreement, and shall include the payment to Contributor of the percentage of Gross Revenues set forth herein.
- 1.13 "**Royalty Percentage**" shall mean the percentage of Gross Revenues that Contributor is entitled to under this agreement.
- 1.14 "**Royalty Cap**" shall equal the amount of Royalties paid by Company to Contributor up to the total amount of \$950,000, and entitle Contributor to receive this amount as outlined below.
- 1.15 "**Sublicense Income**" shall mean any payments that the Company or an Affiliate receives from a sublicensee in consideration of the sublicense of any rights granted the

Company and Affiliates, including without limitation license fees, royalties, milestone payments, license maintenance fees, and other similar payments.

1.16 "**Liens**" shall mean any security interest, pledge, mortgage, lien, charge, adverse claim of ownership or use, restriction on transfer (such as a right of first refusal or other similar rights), defect of title or other encumbrance of any kind or character.

2. **Consideration.** In consideration of the payment by Contributor of the Cash Contribution of \$25,000 payable within five (5) days execution of this Agreement and Contributor's forgiveness and discharge of the Debt Balance, Company agrees to the issuance of the Additional Stock, resulting in Contributor's ownership of forty percent (40%) of all of the outstanding and issued Company Stock and the payments of Royalties based on Gross Revenues until the Royalty Cap has been reached.

3. **Royalties.** Royalty payments made to the Contributor shall be based on the Gross Revenues for the Company at the end of each Reporting Period. The Royalty Percentage payable to Contributor by Company shall equal to not less than three-percent (3%) nor more than ten-percent (10%) of Gross Revenues, as further set forth herein.

3.1 The Royalty Percentage payable to Contributor shall be on the following schedule:

3.1.1 For the first four (4) Reporting Periods, three percent (3%) of Gross Revenues;

3.1.2 During the subsequent twelve (12) Reporting Periods, five percent (5%) of Gross Revenues;

3.1.3 After the preceding sixteen (16) Reporting Periods, seven percent (7%) of Gross Revenues until the Royalty Cap is reached; and

3.1.4 Notwithstanding the foregoing, Contributor retains the right to increase the Royalty Percentage up to ten percent (10%) of Gross Revenues following a thirty (30) day notice to Company.

3.2 **Royalty Cap.** On the date that the cumulative Royalty paid by the Company to the Contributor shall equal \$950,000.00, the Company's obligation to make any further Royalty payments hereunder shall thereupon cease. Contributor is entitled to receive any and all payments up to the Royalty Cap from Company.

3.3 **Payment Date.** The Royalty payments for each Reporting Period shall be due to the Contributor within ten (10) days of the end of each Reporting Period. Any payments by the Company that are not paid on or before the date such payments are due under this Agreement shall bear interest, at the lesser of (i) two percentage points above the Bank Prime Loan Rate of interest as reported by the Board of Governors of the Federal Reserve on the date payment is due; or (ii) the maximum legal rate. If any payment due hereunder falls more than thirty (30) days delinquent, a penalty of ten percent (10%) shall be added to and due with such payment.

3.4 **Method of Payment.** All Royalty payments under this Agreement shall be made payable to the Contributor and sent to the address identified above. All payments due under this Agreement shall be drawn on a United States bank and shall be payable in United States Dollars.

3.5 **Reports.** The Company shall deliver, along with the pertinent Royalty payment, reports containing information concerning the immediately preceding Reporting Period.

- 3.5.1 Each report delivered by the Company to the Contributor shall contain at least the following information for the immediately preceding Reporting Period:
- (1) the number of products sold, leased or distributed by the Company and its Affiliates to independent third parties price paid or rental income derived therefrom;
 - (2) the income statement and balance sheet for the applicable Reporting Period;
 - (3) the total royalty payable on Gross Revenues in U.S. dollars, together with any currency exchange rates used for conversion;
 - (4) the amount of Sublicense Income received by the Company from each Sublicensee and the amount due to the Company from such Sublicense Income, including an itemized breakdown of the sources of income comprising the Sublicense Income; and the number of sublicenses entered into for the IP Rights; or, if no amounts are due to the Company for any Reporting Period, the report shall so state;

3.6 **Financial Statements.** On or before the 90th day following the close of the Company's fiscal year, the Company shall provide the Contributor with the Company's financial statements for the preceding fiscal year including, at a minimum, a balance sheet and an income statement, certified by the Company's treasurer or chief financial officer or compiled by an independent auditor. The Contributor shall maintain such financial statements as confidential information of the Company.

3.7 **Records.** The Company shall maintain, and shall cause its Affiliates and sublicensees to maintain, complete and accurate records relating to the rights and obligations under this Agreement and any amounts payable to the Contributor in relation to this Agreement, which records shall contain sufficient information to permit the Contributor to confirm the accuracy of any reports delivered to the Contributor and compliance in other respects with this Agreement. The Company shall retain such records for at least five years following the end of the calendar year to which they pertain.

3.8 **Collateral for Royalty.** In order to secure the payment of all Royalty Payments that accrue hereunder up to the Royalty Cap, Company hereby assigns and grants to Contributor, pursuant to Division 9 of the California Commercial Code a security interest in and to all of Company's property, including, but not limited to, Intellectual Property Rights and rights to payments and performance and general intangibles, whether now existing or hereafter arising, and all products and proceeds of or relating to the foregoing.

3.9 **Audits.** The Contributor shall retain the right to initiate an audit of Company's reports in order to ensure compliance with the Company's obligations hereunder. These audits shall be done at the expense of the Company. Audits shall be commenced upon a written demand by Contributor and entitle Contributor to all relevant documentation to support Company's Royalty payments.

3.10 **Buyout.** A buyout of Contributor's remaining interest in the Royalty shall be payable within thirty (30) days of a triggering event. Contributor shall be entitled to receive the remaining balance owed on the Royalty. A buyout shall be triggered in the event of the following:

- 3.10.1 **Consent of the Parties.** In the event that Company and Contributor agree to

a buyout of Contributor's interest, their written consent shall trigger a buyout of Contributor's remaining Royalty interest.

3.10.2 **Sale of Company.** In the event that Company enters into a sale agreement which (a) substantially transfers the assets of the Company or (b) results in a majority ownership of Company share's being transferred, either such events shall trigger a buyout of Contributor's remaining Royalty interest.

3.11 **Bankruptcy.** Company agrees that in the event it files for bankruptcy it will subordinate the claims of any other creditor for the benefit of Contributor's remaining Royalty Cap. Company shall not enter into any agreement which subordinates Contributor's rights under this agreement unless Contributor provides written consent thereto.

4. **Subscription and Contribution.** On the terms and conditions set forth herein, Contributor hereby subscribes for, and the Company agrees to issue to the Contributor the Additional Stock in exchange for the Additional Contribution by the Contributor. The Contributor is concurrently herewith remitting to the Company the Cash Contribution the receipt of which is hereby acknowledged by the Company.

5. **Representations and Warranties of the Company.** The Company hereby represents and warrants to the Contributor as follows:

5.1 **Organizational Matters.** The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of California, having full power and authority to own its properties and to carry on its business as conducted.

5.2 **Capitalization.** Immediately after giving effect hereto, the capitalization of the Company shall be as set forth on **Schedule 1** attached hereto and made a part hereof. The Company is authorized to issue up to 5,000,000 shares of common stock, of which 1,034,947 shares are issued and outstanding. The Company is not authorized, nor has it issued any other class of stock nor any option to purchase stock nor any other security or debt instrument convertible into its common stock.

5.3 **Authority.** The Company has the requisite power and authority to enter into and deliver this Agreement, perform its obligations herein, and consummate the transactions contemplated hereby. The Company has duly executed and delivered this Agreement. This Agreement is a valid, legal and binding obligation of the Company enforceable against the Company in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and subject to general principles of equity (regardless of whether such enforcement is considered in a proceeding at law or in equity).

5.4 **Interests Duly Authorized.** All of the Additional Stock to be issued to the Contributor pursuant to this Agreement, when issued and delivered in accordance with the terms of this Agreement, will be duly authorized, validly issued, fully paid and non-assessable and shall be free and clear of all Liens.

5.5 **Governmental Authorization.** The execution, delivery and performance by the Company of this Agreement, and the consummation by the Company of the transactions contemplated hereby will not require any consent, approval, action, order, authorization, or permit of, or registration or filing with, any governmental authority, other than such as may be required under any

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applicable state securities laws.

5.6 **Non-Contravention.** The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby do not and will not (a) contravene or conflict with the Certificate of Formation or Operating Agreement, (b) assuming the truthfulness of the representations of the other parties hereto, contravene or conflict with or constitute a violation of any provision of any law binding upon or applicable to the Company or by which any of its properties is bound or affected, (c) constitute a default under (or an event that with notice or lapse of time or both could reasonably be expected to become a default), or give rise (with or without notice or lapse of time or both) to a right of termination, amendment, cancellation or acceleration under, any agreement, contract, note, bond, mortgage, indenture, lease, franchise, permit or other similar authorization or joint venture, limited liability or partnership agreement or other instrument binding upon the Company.

5.7 **Third-Party Consents.** No consent of, notice to or filing with any Person is required to be obtained or given by the Company regarding the transactions contemplated by this Agreement.

5.8 **Litigation.** There is no (a) outstanding judgment, order, decree, award, stipulation or injunction of any local, state, federal or foreign court, government or governmental department, commission, instrumentality, board, agency or authority ("**Governmental Entity**") against the Company or its properties, assets or business, (b) action, suit, arbitration, hearing, inquiry, proceeding, complaint, charge or investigation, whether civil, criminal or administrative ("**Action**"), by or before any Governmental Entity or arbitrator or any appeal from any of the foregoing pending or, to the Company's knowledge, threatened, against the Contributor's Operating Company or its properties, assets or Business, or (c) fact or circumstance that is likely to lead to the instigation of any Action by or against the Company or its Business.

5.9 **Permits, Licenses, Etc.** The Company possesses, and is in compliance with, all franchises, licenses, permits, certificates, authorizations, rights and other approvals of governmental entities necessary to conduct its business as currently conducted and as proposed to be conducted (the "**Permits**").

5.10 **Compliance with Law.** The Company is currently not in violation of, or conducting its business or operations in violation of, or using or occupying its properties or assets in violation of any material legal requirement, (ii) has not violated, conducted its business or operations in violation of or used or occupied its properties or assets in violation of any material legal requirement, or (iii) has not received any written notice of any alleged violation of, or any citation for noncompliance with, any legal requirement.

6. **Representations and Warranties of the Contributor.** The Contributor hereby represents and warrants to the Company as follows:

6.1 **Authority.** The Contributor has the requisite power and authority to deliver this Agreement, to perform its respective obligations herein, and consummate the transactions contemplated hereby. This Agreement is a valid, legal and binding obligation of the Contributor, enforceable against it in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors rights generally and subject to general principles of equity (regardless of whether such

enforcement is considered in a proceeding at law or in equity). The execution and delivery of this Agreement by the Contributor and the performance of his obligations hereunder and thereunder have been, to the extent necessary, duly and properly authorized and no other action or approval of any individual, corporation, partnership, joint venture, trust or unincorporated organization or association or other form of business enterprise or a governmental entity (is necessary for the execution, delivery or performance of this Agreement by the Contributor.

6.2 **No Conflicts; Consents.** The execution, delivery and performance of this Agreement and the consummation by the Founding Contributor of the transactions contemplated hereby and thereby will not (a) conflict with or constitute a violation of any provision of any law binding upon or applicable to the Founding Contributor or by which any of the Contributor's properties is bound or affected, (b) constitute a default under (or an event that with notice or lapse of time or both could reasonably be expected to become a default) or give rise (with or without notice or lapse of time or both) to a right of termination, amendment, cancellation or acceleration under any agreement, contract, note, bond, mortgage, indenture, lease, franchise, permit or other similar authorization or joint venture, limited liability or partnership agreement or trust agreement or other instrument binding upon the Founding Contributor or the respective Operating Company, (c) result in the violation of any Legal Requirement, or (d) result in the creation or imposition of any encumbrances upon any of the Contributed Assets.

7. **Survival.** The representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and the Contributed Assets. All the representations and warranties of the Parties contained in this Agreement shall survive the Additional Contribution and the issuance of the Additional Stock.

8. **Governing Law and Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. The Parties agree that all claims or disputes hereunder or questions arising out of this Agreement shall be determined only in the federal or state courts located in Los Angeles County, California, to the exclusion of all other courts, and the Parties agree to submit to the jurisdiction of the tribunals of the County of Los Angeles, State of California, including any American Arbitration Association location in the County of Los Angeles, State of California, for the resolution of disputes arising from or relating to this Agreement.

9. **Attorney's Fees.** If any legal action, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing Party will be entitled to reasonable attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that Party may be entitled.

10. **Assignment.** Subject to any provisions in the Operating Agreement to the contrary, the Contributor and the Company shall not have the right nor the power to assign or delegate any provision of this Agreement except with the prior written consent of the other party (which will not be unreasonably withheld).

11. **Counterparts.** This Agreement may be executed in separate counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document. This Agreement may be executed by electronic or facsimile signature by any party hereto and such signature shall be deemed binding for all purposes hereof, without delivery of an original signature being thereafter required.

12. **Entire Agreement.** This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and this Agreement may be amended only in a writing executed by the party to be bound thereby.

13. **Further Assurances.** Subject to the terms and conditions provided herein, each party hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable, whether under applicable laws and regulations or otherwise, in order to consummate and make effective the transactions contemplated by this Agreement.

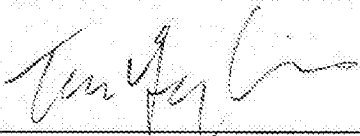
14. **Recitals, Schedules, Exhibits and Annexes.** The recitals, schedules, exhibits and annexes to this Agreement are incorporated herein and made a part hereof as if fully set forth at length herein.

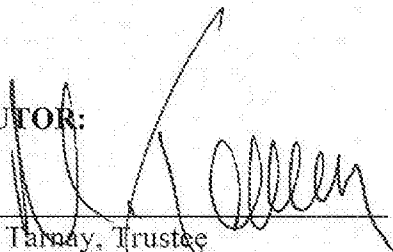
15. **Notices.** All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given or made when (a) delivered personally to the recipient, (b) the first business day following delivery by electronic mail, or (c) one Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid). Such notices, demands and other communications shall be sent to the address for such recipient set forth in the introductory paragraph hereto, or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

16. **Binding Arbitration.** Any disputes between the Parties, including without limitation, disputes arising out of or relating to this Agreement, or any alleged breach of this Agreement, shall be resolved exclusively by arbitration in accordance with the rules and procedures of the American Arbitration Association and the provisions set forth hereinbelow. The results of any arbitration pursuant to this Agreement will be final and binding. **THIS MEANS THAT THE PARTIES AND EACH OF THEM ARE WAIVING THE RIGHT TO HAVE A COURT OR JURY TRIAL AND THAT A NEUTRAL ARBITRATOR, RATHER THAN A COURT OR JURY, WILL RESOLVE ANY DISPUTES HEREUNDER.**

IN WITNESS WHEREOF, the parties have hereby executed this Royalty, Contribution and Subscription Agreement effective as of the date set forth above.

COMPANY: ZEN MOUNT CORPORATION

By: 
James Tseryeng, President

CONTRIBUTOR:

Matthew Tarnay, Trustee
The Matthew G. Tarnay and Madeleine A. Tarnay 2000 Trust

SCHEDULE 1
COMPANY CAPITALIZATION

Zen Mount Cap Table

Cap Sheet Before

Total Shares Issued: 1,147,407
 James%: 60.00% 688,444
 Matt %: 40.00% 458,963

Company Stock Ledger

Stock#	James	Matt	Date Issued	Transaction Type
#1	644,000		6/10/2014	Founder's share
#2		56,000	6/10/2014	Sale of Stock
#3		15,556	11/26/2014	Sale of Stock
#4		42,091	7/10/2015	for work done
#5		32,045	9/15/2015	for work done
#6		6,220	10/30/2015	for work done
#7		12,753	2/18/2016	for work done
#8		26,283	4/19/2016	for work done
#9		55,556	9/16/2016	Sale of Stock
#10		33,333	9/24/2016	for work done
#11		33,333	1/27/2017	for work done
#12		33,333	5/24/2017	for work done
#13	44444		6/12/2017	Sale of Stock
#14 TBD		112,460		
#15 TBD				
#16 TBD				

Revised Outstanding

688,444 458,963 1,147,407

60% 40%

Prior Outstanding

688,444 346,503 1,034,947