

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

EPAS ID: PAT6459188

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
CONVEYING PARTY DATA	
Name	Execution Date
MODUS SYSTEMS, LLC	06/17/2020
RECEIVING PARTY DATA	
Name:	SLOAN VALVE COMPANY
Street Address:	10500 SEYMOUR AVENUE
City:	FRANKLIN PARK
State/Country:	ILLINOIS
Postal Code:	60131
PROPERTY NUMBERS Total: 2	
Property Type	Number
Patent Number:	9574374
Patent Number:	10081968
CORRESPONDENCE DATA	
Fax Number:	(312)609-5005
<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:	312-609-7798
Email:	ablekhman@vedderprice.com
Correspondent Name:	AIDA BLEKHMAN
Address Line 1:	VEDDER PRICE P.C.
Address Line 2:	222 NORTH LASALLE STREET, SUITE 2500
Address Line 4:	CHICAGO, ILLINOIS 60601
ATTORNEY DOCKET NUMBER:	47919.00.0015
NAME OF SUBMITTER:	AIDA BLEKHMAN
SIGNATURE:	/Aida Blekhman/
DATE SIGNED:	12/18/2020
Total Attachments: 12	
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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this “**IP Agreement**”) is made and effective as of the 17th day of June, 2020, by and between **Modus Systems, LLC**, a Delaware limited liability company (“**Grantor**”), and **Sloan Valve Company**, a Delaware corporation (“**Lender**”).

RECITAL

Lender has agreed to loan \$455,000.00 to Grantor (the “**Loan**”), pursuant to a secured promissory note dated the date hereof, between Grantor and Lender and to provide certain services (the “**Services**”) to Grantor pursuant to that certain Shared Services Agreement dated as of the date hereof (the “**Services Agreement**”). Lender is willing to make the Loan and provide the Services only upon the condition that Grantor shall grant to Lender a security interest in all its Intellectual Property (as hereinafter defined) to secure the obligations of Grantor under the Note (as hereinafter defined), under Statement of Work No. 2 under the Services Agreement (“**SOW 2**”), and under this IP Agreement.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due, and final satisfaction in full, of the Indebtedness (as hereinafter defined), Grantor hereby represents, warrants, covenants and agrees as follows:

1. Definitions. Any terms (whether capitalized or lower case) used in this IP Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein; provided, that to the extent that the Code is used to define any term used herein and if such term is defined differently in different Articles of the Code, the definition of such term contained in Chapter 9 of the Code shall govern. In addition to those terms defined elsewhere in this IP Agreement, the following terms shall have the following meanings:

(i) “**Business Day**” means any day (other than a Saturday, a Sunday, or a legal holiday) on which banks in the State of Delaware are not required by law to be closed for business.

(ii) “**Code**” means the Uniform Commercial Code as in effect in the State of Delaware; provided, that in the event that, by reason of mandatory provisions of law, the attachment, perfection, priority, or remedies with respect to the security interest granted by this IP Agreement, in whole or in part, is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of Delaware, the term “Code” shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for the purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies.

(iii) “**Copyrights**” means any and all rights in any works of authorship, including (A) copyrights and moral rights, (B) copyright registrations and recordings thereof and all applications in connection therewith including those listed on Schedule 1, (C) income, license fees, royalties, damages, and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into

in connection therewith and damages and payments for past, present, or future infringements thereof, (D) the right to sue for past, present, and future infringements thereof, and (E) all of Grantor's rights corresponding thereto throughout the world.

(iv) **"Intellectual Property"** means all of Grantor's right, title and interest in, to and under any and all Patents, Copyrights, Trademarks, trade secrets, know-how, inventions (whether or not patentable), algorithms, software programs (including source code and object code), processes, product designs, industrial designs, blueprints, drawings, data, customer lists, URLs and domain names, specifications, documentations, report, catalogs, literature, and any other forms of technology or proprietary information of any kind, including all rights therein and all applications for registrations or registrations thereof.

(v) **"Note"** means that certain promissory note made by Grantor dated as of the date hereof, in the amount of \$455,000.00, and payable to the order of Lender.

(vi) **"Patents"** means patents and patent applications, including (A) the patents and patent application listed on Schedule 2, (b) all continuations, divisionals, continuations-in-part, re-examinations, reissues, and renewals thereof and improvements thereon, (C) all income, royalties, damages and payments now or hereafter due and payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past, present, or future infringements thereof, (D) the right to sue for past, present, and future infringements thereof, and (E) all of Grantor's rights corresponding thereto throughout the world.

(vii) **"Trademarks"** means any and all trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including (A) the trade names, registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule 3, (B) all renewals thereof, (C) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (D) the right to sue for past, present and future infringements and dilutions thereof, (E) the goodwill of each Grantor's business symbolized by the foregoing or connected therewith, and (F) all of each Grantor's rights corresponding thereto throughout the world; provided, that no security interest shall be granted in United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law.

(viii) **"URL"** means "uniform resource locator," an internet web address.

2. **Grant of Security Interest.** As collateral security for the prompt and complete payment and performance of all of Grantor's present or future indebtedness, obligations and liabilities to Lender under the Note, this IP Agreement, and Grantor's obligations to pay the Fixed Fee (as defined in SOW 2) for the first year of the term of SOW 2 (collectively, the **"Indebtedness"**), Grantor hereby grants to Lender a security interest in all of Grantor's right, title

and interest in, to and under its Intellectual Property, including, all proceeds and products of the Intellectual Property, and including all payments under insurance or any indemnity or warranty payable in respect of any of the Intellectual Property.

3. Authorization and Request. Grantor and Lender each authorizes and requests that the Commissioner of Patents and Trademarks record this IP Agreement, and any amendments thereto, or copies thereof.

4. Covenants and Warranties. Grantor represents, warrants, covenants and agrees as follows:

(a) Grantor is now the sole owner of its Intellectual Property;

(b) Grantor shall take such further actions as Lender may reasonably request from time to time to perfect or continue the perfection of Lender's interest in Grantor's Intellectual Property;

(c) This IP Agreement, the Services Agreement, the Note, and all other documents delivered by Grantor in connection with the Loan have been duly authorized, executed and delivered by Grantor and (to the extent applicable to each document) are valid, binding and enforceable obligations of Grantor;

(d) Assuming appropriate and timely filings are made with the Secretary of State of the State of Delaware and the United States Patent and Trademark Office, this IP Agreement creates, and in the case of after acquired Intellectual Property this IP Agreement will create, at the time Grantor first has rights in such after acquired Intellectual Property, in favor of Lender a valid and perfected first priority security interest and collateral assignment in the Intellectual Property in the United States, securing the payment and performance of the Indebtedness;

(e) To its knowledge, except for, and upon, the filing of Uniform Commercial Code financing statements, or other notice filings or notations in appropriate filing offices, if necessary to perfect the security interests created hereunder, no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the grant by Grantor of the security interest granted hereby, or for the execution, delivery or performance of this IP Agreement and the Note by Grantor or (ii) for the perfection in the United States of Lender's security interest in the Intellectual Property or the exercise by Lender of its rights and remedies thereunder; and

(f) Promptly (but in any event within five Business Days) upon request by Lender, Grantor will provide to Lender financial statements and other financial information as Lender may request from time to time. In the absence of any specific request by Lender, on the tenth Business Day of each month Grantor will provide to Lender (A) an aged report of Grantor's accounts payable as of the close of the immediately preceding month and (B) a report of all expenditures made and debts incurred by Grantor during the immediately preceding month, each certified as correct and complete by Grantor's chief executive officer.

5. Lender's Rights. Lender shall have the right, but not the obligation, to take, at Grantor's sole expense, any actions that Grantor is required under this IP Agreement to take but which Grantor fails to take, after fifteen (15) days' written notice to Grantor setting forth with reasonable particularity the action to be taken. Grantor shall reimburse and indemnify Lender for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this section 5.

6. Further Assurances; Attorney in Fact.

(a) On a continuing basis, Grantor will, upon request by Lender, subject to any prior licenses, encumbrances and restrictions and prospective licenses, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademarks Office, and take all such action as may reasonably be deemed necessary or advisable by Lender, to perfect Lender's security interest in all Intellectual Property and otherwise to carry out the intent and purposes of this IP Agreement, or for assuring and confirming to Lender the grant or perfection of a security interest in all Intellectual Property.

(b) Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, Lender or otherwise, from time to time in Lender's discretion, upon Grantor's failure or inability to do so, to take any action and to execute any instrument which Lender may deem necessary or advisable to accomplish the purposes of this IP Agreement, including:

(i) To modify, in its sole discretion, any schedule to this IP Agreement without first obtaining Grantor's approval of or signature to such modification by amending any schedule hereto, as appropriate, to include reference to any right, title or interest in any Intellectual Property acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Intellectual Property in which Grantor no longer has or claims any right, title or interest; and

(ii) To file, in its sole discretion, one or more financing or continuation statements and amendments thereto, or other notice filings or notations in appropriate filing offices, relative to any of the Intellectual Property, without notice to Grantor, with all appropriate jurisdictions, as Lender deems appropriate, in order to further perfect or protect Lender's interest in the Intellectual Property.

7. Events of Default. The occurrence of any of the following shall constitute an Event of Default under this IP Agreement:

(a) Any default or event of default (or any similar occurrence, howsoever denominated) in the payment of any liability or obligation of Grantor in an outstanding amount (including principal, interest, accrued but unpaid interest, fees, and other charges) greater than

\$5,000.00, or in other performance giving the holder of such liability or obligation the right to accelerate the same, in each case other than any liability or obligation that is disputed by Grantor in good faith pursuant to appropriate proceedings diligently conducted, which is not cured to the reasonable satisfaction of Lender within five Business Days after Lender gives written notice to Grantor setting out with reasonable particularity such default or event of default; or

(b) Any breach by Grantor of any warranty or agreement made by Grantor in this IP Agreement, the Services Agreement or the Note which is not cured to the reasonable satisfaction of Lender within ten Business Days after Lender gives written notice to Borrower setting out such breach with reasonable particularity.

8. Remedies. Upon the occurrence and continuance of an Event of Default, Lender shall have the right to exercise all the remedies of a secured party under the Code, including without limitation the right to require Grantor to gather the Intellectual Property and to make it available to Lender at a place designated by Lender. Lender shall have a nonexclusive, royalty free license to use the Intellectual Property (or any of it) to the extent reasonably necessary to permit Lender to exercise its rights and remedies upon the occurrence of an Event of Default. Upon the occurrence and continuance of an Event of Default, Grantor will pay any expenses (including reasonable attorney's fees) incurred by Lender in connection with the exercise of any of Lender's rights hereunder, including without limitation any expense incurred in disposing of the Intellectual Property. All of Lender's rights and remedies with respect to the Intellectual Property shall be cumulative.

9. Indemnity. Grantor agrees to defend, indemnify and hold harmless Lender and its partners, officers, employees, agents, and attorneys against all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this IP Agreement, except for losses arising from or out of Lender's gross negligence or willful misconduct. In no event will either party hereto be liable to the other for punitive damages arising out of, in connection with, or as a result of, this IP Agreement, the Services Agreement, the Note or any agreement, or instrument or transaction contemplated hereby or thereby or entered into in connection herewith or therewith, except to the extent paid to any third party in connection with a claim by such third party.

10. Termination. At such time as Grantor shall completely and finally satisfy all of the Indebtedness, Lender shall execute and deliver to Grantor all releases, terminations, and other instruments as may be necessary or proper to release the security interest hereunder and to record such release with the Secretary of State of the State of Delaware, the United States Patent and Trademark Office and (if applicable) the United States Copyright Office.

11. Course of Dealing. No course of dealing, nor any failure to exercise, nor any delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

12. Amendments. Other than as provided in section 6(b), this IP Agreement may be amended only by a written instrument signed by both parties hereto.

13. Counterparts. This IP Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

14. Paramountcy. Nothing herein contained shall be construed as limiting any rights of the Lender or obligations of the Grantor under the Note or any other agreements or documents presently or in the future existing between the Lender and the Grantor.

15. Governing Law and Dispute Resolution. This IP Agreement is governed by the laws of the State of Delaware other than those relating to conflicts of laws. Any dispute arising hereunder shall be resolved pursuant to Section 16 of the Purchase Order Support Agreement dated as of the date hereof by and between Modus and Sloan.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, GRANTOR AND LENDER EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS IP AGREEMENT, THE NOTE OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

16. Confidentiality. In handling any confidential information, Lender shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (i) to Lender's subsidiaries or affiliates in connection with their present or prospective business relations with Grantor; (ii) to prospective transferees or purchasers of any interest in the Loans; (iii) as required by law, regulation, subpoena, or other order, (iv) as required in connection with Lender's examination or audit; and (v) as Lender considers appropriate in exercising remedies under this IP Agreement. Confidential information does not include information that either: (a) is in the public domain or in Lender's possession when disclosed to Lender, or becomes part of the public domain after disclosure to Lender (other than by disclosure by Lender or its employees, agents, representatives, or affiliates); or (b) is disclosed to Lender by a third party, if Lender reasonably does not know that the third party is prohibited from disclosing the information.

17. Expenses. Except as otherwise expressly provided in this IP Agreement or in the Note, each of Grantor and Lender shall bear its own expenses in connection with the preparation of the Note and this IP Agreement.

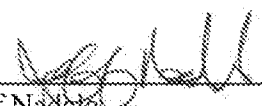
18. Notices. All notices under this Agreement must be in writing and will be considered to be effective as to a party on the date delivered by a nationally recognized courier service such as FedEx or UPS or by electronic mail (with a copy sent by one of the foregoing means) to that party at the address or email address for that party set forth below, regardless of the means of delivery. A party may change its address or email address for communications under this Agreement by giving the other party notice of the change in the manner specified in this Section 18.

19. No Representation of Grantor. Grantor acknowledges and agrees that: (i) Vedder Price PC (“**Vedder**”) has acted solely and exclusively as legal counsel to Lender in connection with this IP Agreement, the Services Agreement and the Note, and the transactions described therein (including the Loan); and (ii) Vedder has not acted as legal counsel to Grantor in any capacity nor given any legal advice to Grantor pertaining to the Loan, the Note, the Services Agreement or this IP Agreement. Grantor further acknowledges and agrees that there is no attorney-client relationship between Vedder and Grantor.

[Signature Page Follows]

IN WITNESS WHEREOF, this IP Agreement, and all documents executed in connection herewith, or relating thereto, have been negotiated, prepared and deemed to be executed by Grantor in the United States of America. In addition, this IP Agreement is being executed on the day and year first written above.

MODUS SYSTEMS, LLC

By: 
Name: Jeff Nagalo
Title: Director

Address: 21900 Burbank Blvd #116
Woodland Hills, CA 91367

Email: ~~eff@modus.com~~ *jeff@busines.com*

SLOAN VALVE COMPANY

By: _____
Name: James C. Allen
Title: President and CEO

Address: 10500 Seymour Avenue
Franklin Park, Illinois 60131

IN WITNESS WHEREOF, this IP Agreement, and all documents executed in connection herewith, or relating thereto, have been negotiated, prepared and deemed to be executed by Grantor in the United States of America. In addition, this IP Agreement is being executed on the day and year first written above.

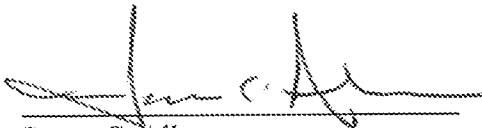
MODUS SYSTEMS, LLC

By: _____
Name: Jeff Nadalo
Title: Director

Address: 21900 Burbank Blvd #116
Woodland Hills, CA 91367

Email: eff c ee co

SLOAN VALVE COMPANY

By: 
Name: James C. Allen
Title: President and CEO

Address: 10500 Seymour Avenue
Franklin Park, Illinois 60131

SCHEDULE 1

COPYRIGHTS

NONE

SCHEDULE 2

PATENTS

Asset Type	Name/Title	Application/Serial Number	Registration/Issued Number	Status
Issued Patent	RESTROOM STALL OCCUPANCY INDICATOR SYSTEM	US App 14/628,177	us 9,574,374	Granted
Issued Patent	RESTROOM STALL OCCUPANCY INDICATOR SYSTEM	US App 15/403,802	us 10,081,968	Granted

SCHEDULE 3

TRADEMARKS

Asset Type	Name/Title	Application/Serial Number	Registration/Issued Number	Status
Registered TM	TOOSHLIGHTS (standard character mark)	86067775	4696802	Registered
Registered TM	TOOSHLIGHTS (design)	86069772	4672688	Registered
Applied TM	KNOW WHERE TO GO	87550263	TBD	Applied for
Registered TM	TOOSHLIGHTS and Design	87550362	5752021	Registered
Registered TM	O and Design	87550297	5944636	Registered