

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT6688242

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	LIEN
CONVEYING PARTY DATA	
Name	Execution Date
PHOENIX PRODUCTS, LLC	02/26/2021
RECEIVING PARTY DATA	
Name:	KAI CONTROLS LLC
Street Address:	113 N COLLINGTON AVENUE
City:	BALTIMORE
State/Country:	MARYLAND
Postal Code:	21231
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	10609783
CORRESPONDENCE DATA	
Fax Number:	
<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>	
Email:	mchider@gfrlaw.com
Correspondent Name:	GORDON FEINBLATT LLC C/O ROYAL CRAIG
Address Line 1:	1001 FLEET STREET
Address Line 2:	SUITE 700
Address Line 4:	BALTIMORE, MARYLAND 21202
ATTORNEY DOCKET NUMBER:	54612.139586
NAME OF SUBMITTER:	ROYAL W. CRAIG
SIGNATURE:	/Royal W. Craig/
DATE SIGNED:	05/03/2021
Total Attachments: 3	
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PROMISSORY NOTE

\$450,000

February 26, 2021

1. **Promise to Pay.** Phoenix Products, LLC (“Borrower”) promises to pay to Kai Controls LLC (“Lender”), the principal amount of Four Hundred Fifty Thousand Dollars (\$450,000), plus interest as described herein, as a portion of the Purchase Price as set forth in that certain Asset Purchase Agreement between Borrower, Lender, and David Horst, dated as of the date hereof (the “Purchase Agreement”).

2. **Interest.** Interest shall accrue hereunder at the per annum rate equal to 0.14% (the “Interest Rate”). The unpaid principal balance and accrued interest shall bear interest upon an Event of Default or after the Maturity Date at 5%. This Promissory Note (this “Note”) bears interest computed on the basis of a year of 360 days and the actual number of days elapsed.

3. **Payments.** Borrower shall repay the outstanding principal balance of this Note and accrued and unpaid interest thereon by paying:

(a) Equal consecutive monthly principal payments equal to \$22,500 (plus accrued interest accruing at the Interest Rate) commencing on March 31, 2021 and continuing on the last day of every month thereafter through and including December 31, 2021 (for a total of 10 payments pursuant to this clause (a));

(b) Thereafter, equal monthly principal payments of \$37,500.00 (plus accrued interest accruing at the Interest Rate) commencing on January 31, 2022 and continuing on the last day of every month thereafter through and including June 30, 2022 (for a total of 6 payments pursuant to this clause (b));

(c) A final lump sum payment of all outstanding principal and accrued but unpaid interest, if any, on June 30, 2022 (the “Maturity Date”).

4. **Fees and Expenses.** Borrower shall pay all reasonable fees and expenses incurred by Lender, including the reasonable fees of counsel, in connection with the enforcement of Lender's rights under this Note.

5. **Prepayment.** This Note may be prepaid in full or in part at any time without penalty. In the event of partial payments, such amounts shall be applied to principal installments in the inverse order in which they are due and shall not defer any succeeding installments of principal or interest unless Lender agrees otherwise in writing.

6. **Security Interest.** The Borrower grants the Lender a security interest in all of Borrower's rights, title and interest in and to the Patents (as defined in the Purchase Agreement), to secure the payment of the obligations of the Borrower under this Note (the “Collateral”). The Borrower authorizes Lender to file a UCC-1 financing statement, in form and substance satisfactory to Borrower, describing the Collateral. At such time as all principal and interest due under this Note is paid in full to Lender, the foregoing security interest and Lender's rights in the Collateral, if any, shall automatically terminate in all respects, without further action by any party, and the Lender hereby authorizes the Borrower to file a UCC-3 termination statement with respect to any liens in favor of the Lender relating to the Collateral.

7. **Events of Default.**

(a) **Events of Default.** The occurrence of any one or more of the following shall constitute an event of default (“**Event of Default**”) under this Note: (i) any failure by Borrower to comply with any obligation, including any payment obligation, under this Note, in each case, if not cured by Borrower after thirty (30) days prior written notice by Lender of such failure; or (ii) the commencement by the Borrower of a voluntary case under the federal bankruptcy laws, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by him to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Borrower or of any substantial part of his property.

(b) **Remedies of Lender.** In the case of an Event of Default, this Note shall, at Lender's option, become immediately due and payable, and Lender shall have all rights afforded to it at equity and by law in case of default. Upon the occurrence of an Event of Default, the obligations of Lender set forth in Section 6.03 of the Purchase Agreement and Section 9 of that certain Consulting Agreement between Borrower and David Horst dated as of the date hereof shall terminate.

7. **Applicable Law.** This Note shall be construed and enforced in accordance with the laws of the State of Wisconsin.

8. **WAIVER OF JURY.** LENDER AND BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS NOTE OR THE LOAN EVIDENCED BY THIS NOTE OR ANY COLLATERAL FOR THIS NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF LENDER OR BORROWER, WHETHER ANY OF THE FOREGOING ARISES OR IS BASED IN CONTRACT OR IN TORT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER MAKING THE LOAN EVIDENCED BY THIS NOTE.

9. **Successor Interests.** The terms of this Note shall be binding upon Borrower, and upon Borrower's successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note effective as of the date first above written.

BORROWER:

Phoenix Products, LLC

By: 
Matt Geske, Chief Financial Officer

Signature Page to Promissory Note