

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM402103

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Phelps Industries, LLC		09/30/2016	Limited Liability Company: MASSACHUSETTS
RECEIVING PARTY DATA			
Name:	First Midwest Bank		
Street Address:	24509 West Lockport Street		
City:	Plainfield		
State/Country:	ILLINOIS		
Postal Code:	60544		
Entity Type:	Corporation: ILLINOIS		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	2557198	CHEWDLES	
Registration Number:	1743436	GLAD WAGS	
CORRESPONDENCE DATA			
Fax Number:	6142243246		
<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:	6144621093		
Email:	ipdocketcolumbus@icemiller.com		
Correspondent Name:	Ice Miller LLP		
Address Line 1:	2300 Cabot Drive, Suite 455		
Address Line 4:	Lisle, ILLINOIS 60532		
NAME OF SUBMITTER:	Barbara Bacon		
SIGNATURE:	/Barbara Bacon/		
DATE SIGNED:	10/14/2016		
Total Attachments: 14			
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PATENT, COPYRIGHT, LICENSE AND TRADEMARK SECURITY AGREEMENT

THIS PATENT, COPYRIGHT, LICENSE AND TRADEMARK SECURITY AGREEMENT ("Agreement") is made as of September 30, 2016 by **Phelps Industries, LLC**, an Massachusetts limited liability company ("Company") to First Midwest Bank, an Illinois banking corporation (the "Secured Party"), for itself and the other investors part to the Credit Agreement (as hereinafter defined).

WITNESSETH:

WHEREAS, Company, Pet Treat Holdings, Inc., a Delaware corporation and Secured Party have entered into that certain Credit Agreement dated as of the date hereof (as the same may be amended, modified or supplemented from time to time, the "Credit Agreement"); and

WHEREAS, it is a condition to the effectiveness of the Credit Agreement that Company enter into this Agreement;

NOW, THEREFORE, in consideration of the premises, to induce Secured Party to enter into the Credit Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Incorporation of Credit Agreement.** The Credit Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. Terms used herein which are not defined herein but are defined in the Credit Agreement shall have the meanings ascribed to them therein.

2. **Grant of Security Interest, Etc.** To secure the complete and timely satisfaction of all of Company's Obligations, Company hereby grants to Secured Party a security interest in and to all of Company's right, title and interest in, to and under all of the following, whether now existing or hereafter arising (collectively, the "IP Collateral");

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents and patent applications listed on Schedule A attached hereto and made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a) through (d), inclusive, in which Company now or hereafter has any right, title or interest are sometimes hereinafter individually and/or collectively referred to as the "Patents");

(ii) all copyrights, copyright registrations and copyright applications including, without limitation, the copyrights and applications listed on Schedule B attached hereto and made a part hereof, and (a) renewals thereof, (b) all income, royalties, damages and

payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing copyrights, copyright registrations and copyright applications, together with the items described in clauses (a) through (d), inclusive, in which Company now or hereafter has any right, title or interest are sometimes hereinafter individually and/or collectively referred to as the "Copyrights");

(iii) all Company's rights and obligations pursuant to its license agreements with any other Person or Persons with respect to any Patents and Copyrights, whether Company is a licensor or licensee under any such license agreements, including, without limitation, the licenses listed on Schedule C attached hereto and made a part hereof, and, subject to the terms of such licenses, the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter owned by Company and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to collectively as the "Patent and Copyright Licenses");

(iv) all service marks, trademarks, trademark or service mark registrations, trademark or service mark applications, domain names and trade names including, without limitation, the trademarks and service marks listed on Schedule D attached hereto and made a part hereof, and (a) renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all the foregoing service marks, trademarks, registrations, applications and trade names, together with the items described in clauses (a) through (d), inclusive, with respect thereto in which Company now or hereafter has any right, title or interest are sometimes hereinafter and/or collectively referred to as the "Marks") Any United States intent-to-use trademark applications shall be included in the Marks once an Amendment to Allege Use or a Statement of Use is filed in the U.S. Patent & Trademark Office;

(v) all Company's rights and obligations pursuant to its license agreements with any other Person or Persons with respect to any Marks, whether Company is a licensor or licensee under any such license agreements, including, without limitation, the licenses listed on Schedule E attached hereto and made a part hereof, and, subject to the terms of such licenses, the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter owned by Company and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to as "Trademark Licenses"; Patent and Copyright Licenses and Trademark Licenses are hereinafter referred to collectively as "Licenses"); and

(vi) the goodwill of Company's business connected with and symbolized by the Marks;

provided, however, that there shall be excluded from the foregoing grant of security interest any of the existing Licenses to which Company is a licensee (and any Patents, Marks and Copyrights currently licensed by others to Company pursuant to such Licenses) in each case to the extent (but only to the extent) that the applicable License lawfully prohibits such grant; provided

further, however, that, upon Secured Party's request, Company will use its good faith reasonable efforts to obtain any consent needed to subject any such property to this grant of security interest.

3. Restrictions on Future Agreements. Company agrees and covenants that until the Obligations shall have been satisfied in full and the Credit Agreement shall have been terminated in accordance with its terms, Company will not, without Secured Party's prior written consent, take any action or enter into any agreement, including, without limitation entering into any license agreement, which is inconsistent with Company's obligations under this Agreement, and Company further agrees and covenants that without Secured Party's prior written consent it will not take any action, or permit any action to be taken by others subject to its control, including its licensees, or fail to take any action which would affect the validity or enforcement or nature of the IP Collateral granted unless and to the extent that Company has concluded in the exercise of reasonable commercial judgment that any such rights are no longer of material importance to the business of Company. Company agrees and covenants not to sell or assign its interest in, or grant any license under, the Patents, Marks, Copyrights or Licenses, without receiving the prior written consent of Secured Party thereto.

4. Certain Covenants, Representations and Warranties of Company. Company covenants, represents and warrants (to its actual knowledge without inquiry of any kind with respect to any Patents, Marks and Copyrights which are licensed by third parties to Company) that: (i) the Patents, Marks, Copyrights and Licenses are subsisting, have not been adjudged invalid or unenforceable in whole or in part, and, to Company's actual knowledge, are not currently being challenged in any way; (ii) none of the Patents, Marks, Copyrights and Licenses have lapsed or expired or have been abandoned, whether due to any failure to pay any maintenance or other fees or make any filing or otherwise; (iii) each of the Patents, Marks, Copyrights and Licenses is valid and enforceable under applicable law and Company is unaware of any invalidating prior art (including public uses and sales) relative to the Patents, and has no actual knowledge of any impairments to the Patents, Marks, Copyrights or Licenses which would have a material adverse effect on the validity and/or enforceability of the Patents, Marks, Copyrights or Licenses; (iv) to Company's knowledge, no claim has been made that the use of any of the Patents, Marks, Copyrights or Licenses constitutes an infringement; (v) Company owns the entire right, title and interest in and to each of the Patents, Marks and Copyrights (other than those being licensed to Company pursuant to the Licenses) free and clear of any Liens and encumbrances of every kind and nature, and the Licenses are valid and subsisting licenses with respect to the Patents, Marks, Copyrights described therein, free and clear of any Liens and encumbrances of every kind and nature arising by, through or under Company, in each case except for rights granted by Company pursuant to the applicable licenses listed on Schedules C and E; (vi) the Patents, Marks and Copyrights and Licenses listed on Schedules A, B, C, D and E constitute all such items in which Company has any right, title or interest; (vii) Company has the unqualified right to enter into this Agreement and perform its terms; (viii) Company will continue to use commercially reasonable efforts to use proper statutory notice in connection with its use of the Patents, Marks and Copyrights (except as to any thereof which is no longer material to Company's business); and (ix) Company will use standards of quality in its manufacture of products sold under the Marks consistent with those currently employed by it.

5. New Patents, Marks, Copyrights and Licenses. If, before the Obligations shall have been satisfied in full and the Credit Agreement shall have been terminated, Company shall

(i) obtain rights to any new patentable inventions, trademarks, service marks, trademark or service mark registrations, copyrights, copyright registrations, trade names or licenses, or (ii) become entitled to the benefit of any patent, trademark or service mark application, trademark, service mark, trademark or service mark registration, copyrights, copyright registrations, license or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of Section 2 above shall automatically apply thereto and Company shall give to the Secured Party prompt written notice thereof. Company hereby authorizes the Secured Party to modify this Agreement by noting any future acquired Patents, Marks, Copyrights on Schedule A, B or D and any Licenses and licensed Patents, Marks or Copyrights on Schedules C or E, as applicable; provided, however, that the failure of the Secured Party to make any such notation shall not limit or affect the obligations of Company or rights of the Secured Party.

6. Royalties; Terms. Company hereby agrees that the security interest of the Secured Party in all Patents, Marks, Copyrights and Licenses as described above shall be worldwide (or in the case of the Patents, Marks and Copyrights licensed to Company such smaller geographic location if any is specified for Company's use in the applicable License) and, without any liability for royalties or other related charges from a third party to Company. The term of the security interest granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, Marks, Copyrights and Licenses assigned hereunder, or (ii) satisfaction in full of the Obligations and termination of the Credit Agreement.

7. Inspection. The Secured Party shall have the right, at any time and from time to time, during normal business hours, to inspect at such reasonable times (and, if no Default or Unmatured Default has occurred and is continuing, upon two Business Days' notice (which need not be in writing)) Company's premises and to examine Company's books, records and operations, including, without limitation, Company's quality control processes; provided that the Secured Party shall use reasonable efforts not to unreasonably interfere with Company's business to the extent that no Default or Unmatured Default has occurred and is continuing. From and after the occurrence and during the continuance of a Default and notice by the Secured Party to Company of any Investor's intention to enforce its rights and claims against any of the Patents, Marks, Copyrights and Licenses, Company agrees that the Secured Party, or a conservator appointed by the Secured Party, shall have the right to establish such additional product quality controls as the Secured Party or said conservator, in its sole judgment, may reasonably deem necessary to assure maintenance of the quality of products sold by Company under the Marks consistent with the quality of products now manufactured by Company.

8. Termination of Company's Interest. This Agreement is made for collateral purposes only. Upon satisfaction in full of the Obligations and termination of the Credit Agreement or pursuant to any of the other Loan Documents, the security interest granted hereunder shall automatically be extinguished. The Secured Party shall, at the request of Company and at Company's reasonable expense, execute and deliver to Company, all termination statements and other instruments as may be necessary or proper to evidence the termination of the Secured Party's security interest granted to the Secured Party pursuant to this Agreement or pursuant to any of the other Loan Documents. Any such termination statements and instruments shall be without recourse upon or warranty the Secured Party.

9. **Duties of Company.** Except to the extent the same is not material to Company's business, Company shall have the duty (i) to prosecute diligently any patent application of the Patents, any application respecting the Marks, and any copyright application of the Copyrights pending as of the date hereof or hereafter, (ii) to make application on unpatented but patentable inventions and on registerable but unregistered trademarks, service marks and copyrights, and (iii) to preserve, maintain and enforce against infringement all rights in patent applications and patents constituting the Patents, in trademark or service mark applications, trademarks, service marks, and trademark or service mark registrations constituting the Marks, and in copyright applications, copyrights and copyright registrations constituting the Copyrights. Any expenses incurred in connection with the foregoing (including, but not limited to, maintenance or renewal fees) shall be borne by Company. Except to the extent the same is not material to Company's business, Company shall not abandon any pending patent application, trademark application, copyright application, service mark application, patent, trademark, service mark or copyright without the written consent of the Secured Party.

10. **Secured Party's Right to Sue.** From and after the occurrence and during the continuance of a Default, the Secured Party shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, the Marks, the Copyrights and the Licenses, and any licenses thereunder, and, if the Secured Party shall commence any such suit, Company shall, at the request of the Secured Party, do any and all lawful acts and execute any and all proper documents reasonably required by the Secured Party in aid of such enforcement, and Company shall promptly, within five days of demand, reimburse and indemnify the Secured Party for all reasonable costs and expenses incurred by the Secured Party in the exercise of its rights under this Section 10.

11. **Waivers.** No course of dealing between Company and the Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of the Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

12. **Severability.** The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

13. **Modification.** This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by each of the parties hereto.

14. **Further Assurances.** Company shall execute and deliver to the Secured Party, at any time or times hereafter at the reasonable request of the Secured Party, all papers (including, without limitation, any as may be reasonably deemed necessary or desirable by the Secured Party for filing or recording with any Patent and Trademark Office, and any successor thereto) and take all such actions (including, without limitation, paying the cost of filing or recording any of the foregoing in all public offices reasonably deemed necessary or desirable by the Secured

Party), as the Secured Party may reasonably request, to evidence the Secured Party interest in the Patents, Marks, Copyrights and Licenses and the goodwill associated therewith and enforce Secured Party's rights under this Agreement.

15. Cumulative Remedies; Power of Attorney; Effect on Loan Documents. All of the Secured Party's rights and remedies with respect to the Patents, Marks, Copyrights and Licenses, whether established hereby, by any of the Loan Documents or otherwise, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Company hereby constitutes and appoints the Secured Party's true and lawful attorney-in-fact, with full power of substitution in the premises, with power at any time after the occurrence and during the continuance of a Default, to (i) endorse Company's name on all applications, documents, papers and instruments determined by the Secured Party as necessary or desirable for the Secured Party in the use of the Patents, Marks, Copyrights and Licenses, (ii) grant or issue any exclusive or non-exclusive license under the Patents, Marks or Copyrights to any Person, or (iii) assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Marks, Copyrights or Licenses to any Person. Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Obligations shall have been satisfied in full and the Credit Agreement shall have been terminated. Company acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Secured Party under the Credit Agreement or any of the other Loan Documents but rather is intended to facilitate the exercise of such rights and remedies. The Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by applicable law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Marks, Copyrights or Licenses may be enforced. Company hereby releases the Secured Party from any and all claims, causes of action and demands at any time arising out of or with respect to any actions taken or omitted to be taken by the Secured Party under the powers of attorney granted herein.

16. Binding Effect; Benefits. This Agreement shall be binding upon Company and its successors and assigns and shall inure to the benefit of the Secured Party and its successors, assigns and nominees. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

17. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, AND ANY DISPUTE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED IN ACCORDANCE WITH, THE INTERNAL LAWS, AND NOT THE CONFLICTS OF LAW PROVISIONS, OF THE STATE OF ILLINOIS.

18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The delivery of an executed counterpart of a signature page or acceptance to this Agreement by telecopier or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

SIGNATURE PAGE TO FOLLOW

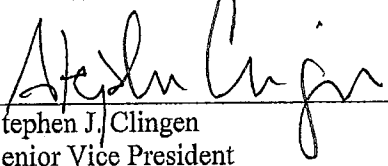
IN WITNESS WHEREOF, the parties hereto have entered into this Patent, Copyright, License and Trademark Security Agreement as of the date first above written.

PHELPS INDUSTRIES, LLC

By: _____
Jeffrey M. Gorden
Chief Financial Officer

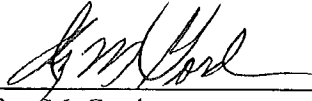
The undersigned accepts and agrees to the foregoing Patent, Copyright, License and Trademark Security Agreement as of the date first written above in Plainfield, Illinois.

FIRST MIDWEST BANK

By:  _____
Stephen J. Clingen
Senior Vice President

IN WITNESS WHEREOF, the parties hereto have entered into this Patent, Copyright, License and Trademark Security Agreement as of the date first above written.

PHELPS INDUSTRIES, LLC

By: 
Jeffrey M. Gorden
Chief Financial Officer

The undersigned accepts and agrees to the foregoing Patent, Copyright, License and Trademark Security Agreement as of the date first written above in Plainfield, Illinois.

FIRST MIDWEST BANK

By: _____
Stephen J. Clingen
Senior Vice President

SCHEDULE A
PATENTS AND PATENT APPLICATIONS

None.

SCHEDULE B
COPYRIGHTS

None.

SCHEDULE C
PATENT AND COPYRIGHT LICENSES

None.

SCHEDULE D

TRADEMARKS AND SERVICE MARKS

Registered Trademarks

<u>Mark</u>	<u>Registration No.</u>	<u>Registration or Filing Date</u>	<u>Expiration Date</u>	<u>Owner</u>
Chewdles	2557198	4/2/2002	4/2/22	Phelps Industries, LLC
Gladwags	1743436	12/29/1992	12/29/22	Phelps Industries, LLC

SCHEDULE E
TRADEMARK LICENSES

None.