

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM448012

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	AMENDMENT TO PATENT AND TRADEMARK SECURITY AGREEMENT RECORDED ON JULY 18, 2012 AT REEL/FRAME 4824/0547		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
CTI INDUSTRIES CORPORATION		10/17/2017	Corporation: ILLINOIS
RECEIVING PARTY DATA			
Name:	BMO PRIVATE EQUITY (U.S.), INC. as Secured Party		
Street Address:	111 West Monroe Street		
Internal Address:	20th Floor East		
City:	Chicago		
State/Country:	ILLINOIS		
Postal Code:	60603		
Entity Type:	Corporation: DELAWARE		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	4062373	PARTY LOONS	
CORRESPONDENCE DATA			
Fax Number:	3126095005		
<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 N. LaSalle Street, 25th Floor		
Address Line 4:	Chicago, ILLINOIS 60601		
ATTORNEY DOCKET NUMBER:	36359.00.0023		
NAME OF SUBMITTER:	Aida Blekhman		
SIGNATURE:	/Aida Blekhman/		
DATE SIGNED:	10/20/2017		
Total Attachments: 7			

CH \$40.00 4062373

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The liens granted to BMO Private Equity (U.S.), Inc. hereunder are subordinated to the liens of BMO Harris Bank N.A. (the "Senior Lender") pursuant to the terms of a Subordination and Intercreditor Agreement dated as of July 17, 2012 (as amended, restated or supplemented from time to time, the "Senior Subordination Agreement") between BMO Private Equity (U.S.), Inc. and the Senior Lender.

AMENDMENT NO. 1 TO PATENT AND TRADEMARK SECURITY AGREEMENT

THIS AMENDMENT NO. 1 TO PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of October 17, 2017, is made by CTI INDUSTRIES CORPORATION, an Illinois corporation (the "Grantor"), with its mailing address at 22160 North Pepper Road, Barrington, Illinois 60010, in favor of BMO PRIVATE EQUITY (U.S.), INC. ("Secured Party"), with its mailing address at 111 West Monroe St., 20th Floor East, Chicago, Illinois 60603, and its successors and assigns.

W I T N E S S E T H:

WHEREAS, pursuant to that certain Note and Warrant Purchase Agreement, dated as of July 17, 2012, by and between Grantor and Secured Party (including all annexes, exhibits and schedules thereto, and as amended, restated, supplemented, or otherwise modified from time to time, the "Purchase Agreement"), among other things, (a) Secured Party agreed, subject to all of the terms and conditions thereof, to purchase a senior secured subordinated promissory note in the aggregate original principal amount of \$5,000,000 and (b) in connection with the exercise of Secured Party's put right under the Warrant, the Grantor issued a warrant conversion note to Secured Party in the original principal amount of \$797,881.31;

WHEREAS, Grantor has executed and delivered to Secured Party that certain Security Agreement, dated as of July 17, 2012, (including all annexes, exhibits and schedules thereto, and as amended, restated, supplemented, or otherwise modified from time to time, the "Security Agreement");

WHEREAS, Grantor has executed and delivered to Secured Party that certain Patent and Trademark Security Agreement, dated as of July 17, 2012 (including all annexes, exhibits and schedules thereto, and as amended, restated, supplemented, or otherwise modified from time to time, the "Patent and Trademark Security Agreement"), and recorded with the United States Patent Office on July 18, 2012 at Reel/Frame 028584/0400 and recorded with the United States Trademark Office on July 18, 2012 at Reel/Frame 4824/0547;

WHEREAS, since the date of Grantor's execution of the Patent and Trademark Security Agreement, Grantor has acquired interests in additional patents and trademarks;

WHEREAS, the parties hereto desire to amend the Patent and Trademark Security Agreement to confirm the inclusion of such new Patent Collateral and Trademark Collateral (as defined below) and to include additional covenants as set forth below; and

WHEREAS, pursuant to the Security Agreement, Grantor is required to execute and deliver to Secured Party this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. DEFINED TERMS. All initially capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement or, if not defined therein, in the Purchase Agreement. This Agreement shall be subject to the rules of construction set forth in Section 5 of the Purchase Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*.

2. GRANT AND REAFFIRMATION OF SECURITY INTEREST IN PATENT AND TRADEMARK COLLATERAL. Grantor hereby reaffirms the terms of the Security Agreement (including, without limitation, Section 1 thereof) and the Patent and Trademark Security Agreement and hereby further unconditionally grants, assigns, mortgages, and pledges to Secured Party a continuing lien on and security interest in all of Grantor's right, title, and interest in, to, and under the following Collateral, whether now owned or hereafter acquired or arising:

(i) all of Grantor's patents, patent applications, and intellectual property licenses to which Grantor is a party, including, without limitation, those referred to on Schedule I attached hereto;

(ii) all divisionals, continuations, continuations-in-part, reissues, reexaminations, or extensions of the foregoing;

(iii) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of any patent or any patent exclusively licensed under any intellectual property license, including, without limitation, the right to receive damages, or right to receive license fees, royalties, and other compensation under any intellectual property license relating or pertaining to any patent, patent application or otherwise (items (i), (ii), and (iii) herein collectively referred to as the "Patent Collateral");

(iv) all of Grantor's trademarks, trademark applications, and intellectual property licenses to which Grantor is a party, including, without limitation, those referred to on Schedule I attached hereto;

(v) all goodwill of the business connected with the use of, and symbolized by, each trademark and each intellectual property license; and

(vi) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of any trademark or any trademark exclusively licensed under any intellectual property license, including, without limitation, the right to receive damages, or right to receive license fees, royalties, and other compensation under any intellectual property license relating or pertaining to any trademark or otherwise (items (iv), (v), and (vi) herein collectively referred to as the "Trademark Collateral").

3. SECURITY FOR SECURED OBLIGATIONS. This Agreement and the security interest created hereby secures the payment and performance of the Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the Obligations and would be owed by Grantor to Secured Party, whether or not they are unenforceable or not allowable due to the existence of an insolvency proceeding involving Grantor.

4. SECURITY AGREEMENT. The security interest granted pursuant to this Agreement is granted in conjunction with the security interests granted to Secured Party, pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Secured Party with respect to the security interest in the Patent Collateral or Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein and are hereby reaffirmed by Grantor. To the extent there is any inconsistency between this Agreement and the Security Agreement, the Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. If Grantor shall obtain rights to, or becomes entitled to the benefit of, any new patent, patent application, issued patent or any other Patent Collateral, or new trademark, trademark application or any other Trademark Collateral, the provisions of this Agreement shall automatically apply thereto. Grantor shall give prompt notice in writing to Secured Party with respect to any new patent or trademark, or with respect to any such rights thereto. Without limiting Grantor's obligations under this Section, Grantor hereby authorizes Secured Party unilaterally to modify this Agreement at any time and from time to time by amending Schedule I to include any other or additional Patent Collateral or Trademark Collateral of Grantor, in each case, without any notice to, or the consent of, Grantor. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule I shall in any way affect, invalidate, or detract from Secured Party's continuing security interest in all Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Agreement is a Collateral Document and an Operative Document. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

7. GOVERNING LAW. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of Illinois without regard to conflicts of laws principles.

8. MISCELLANEOUS. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision of, or obligation under, this Agreement shall be invalid, illegal, or unenforceable in any

jurisdiction, the validity, legality, and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. Whenever in this Agreement reference is made to Secured Party or Grantor, such reference includes, and shall be deemed to include, as applicable, a reference to their respective successors and assigns. The provisions of this Agreement shall be binding upon Grantor and its successors and assigns, and shall inure to the benefit of Secured Party, and its respective successors and assigns. This Agreement is primarily for the purposes of recording in the United States Patent and Trademark Office.

[Signature Pages to Follow]

IN WITNESS WHEREOF, Grantor has caused this Agreement to be duly executed by its duly authorized officer as of the date first written above.

GRANTOR:

CTI INDUSTRIES CORPORATION

By: 
Name: Stephen M. Mervick
Title: President

ACCEPTED AND ACKNOWLEDGED BY:

BMO PRIVATE EQUITY (U.S.), INC.

By: _____

Name: Jason Swanson

Title: Managing Director

Schedule I

Patents

PATENT	PATENT OR APPLICATION NUMBER	REGISTRATION DATE	OWNER INFORMATION
Dual Heat Strip And Removable Tray For A Vacuum Sealing Machine	Application 14284235	N/A	CTI Industries Corp.
Simulated Flower With Inflated Blossom	D304021	10/17/1989	CTI Industries Corporation

Trademarks

MARK	SERIAL NUMBER	REGIS. NUMBER	REGIS. DATE	OWNER INFORMATION
Party Loons	85161353	4062373	11/29/2011	CTI Industries, Corporation