

MRD 10/27/99
FORM PTO-1595

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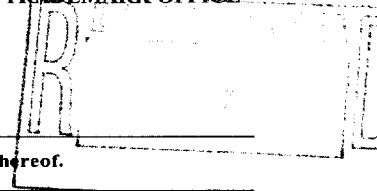
11-01-1999

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE



101187448
PATENTS ONLY

2 SHEET



To the Honorable Commissioner for Patents : Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
NetOptix Corporation
Optical Filter Corporation
Leisegang Medical, Inc.

2. Name and address of receiving party(ies):
Name: Deutsche Financial Services Corporation

Internal Address: Suite 700

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other (Release)

Street Address: 3225 Cumberland Boulevard

City: Atlanta State: Georgia Zip: 30339

Execution Date: September 30, 1999

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)
U.S. 09/105,152
U.S. 09/111,872

B. Patent No.(s)
5,049,176

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Wm. Brook Lafferty, Esq.
Internal Address: TROUTMAN SANDERS LLP

Street Address: 600 Peachtree Street, N.E.
Suite 5200

City: Atlanta
State: Georgia Zip: 30308

6. Total number of applications and patents involved: 3

7. Total fee (37 CFR 3.41) \$ 120.00

Enclosed
 Authorized to be charged to deposit account

8. Deposit Account No. 20-1507

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Wm. Brook Lafferty
Name of Person Signing

William B. Lafferty 27 Oct 99
Signature Date

Total number of pages comprising cover sheet: 14

OMB No. 0651-0011 (exp. 4/94)

10/29/1999 ~~HTHAI1~~ 00000269 09105152

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Mail documents to be recorded with required cover sheet information to:

Commissioner for Patents
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

CONDITIONAL ASSIGNMENT AND PATENT SECURITY AGREEMENT

THIS CONDITIONAL ASSIGNMENT AND PATENT SECURITY AGREEMENT (the "Agreement") is made as of the 30th day of September, 1999, by the Obligors (as defined below) party hereto in favor of the Agent, for the benefit of the Lenders (as such terms are defined below).

WHEREAS, NetOptix Corporation, a Delaware corporation ("NetOptix"), Optical Filter Corporation, a Delaware corporation ("OFC") and Leisegang Medical, Inc., a Florida corporation ("Leisegang"; NetOptix, OFC and Leisegang are hereafter referred to individually as an "Obligor" and collectively as the "Obligors"), certain affiliates of the Obligors, certain financial institutions (collectively, the "Lenders") and Deutsche Financial Services Corporation, as agent for the Lenders (in such capacity, the "Agent") have entered into a Loan and Security Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"; capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Loan Agreement), pursuant to which the Lenders have agreed to make certain loans and other financial accommodations available to the Obligors (the "Loans"); and

WHEREAS, the Obligors will derive substantial benefits, both directly and indirectly, from the Loans and other financial accommodations; and

WHEREAS, in order to induce the Agent and the Lenders to enter into the Loan Agreement and to make the Loans, the Obligors have agreed to assign to the Agent, for the benefit of the Lenders, certain patent rights as described herein.

NOW, THEREFORE, in consideration of the premises, the Obligors hereby agree with the Agent as follows:

1. Grant of Security Interest.

To secure the complete and timely payment and performance of all Obligations, each Obligor hereby grants, assigns and conveys to the Agent, for the benefit of the Lenders, a security interest in such Obligor's entire right, title and interest in and to the United States of America (the "U.S.") patents and patent applications listed in Schedule A attached hereto and by reference made a part hereof and in any further U.S. patents or patent applications which may issue or be filed during the duration hereof, together with any and all licenses now or hereafter relating thereto and all royalty payments or rights to royalty payments now or hereafter arising therefrom (collectively, the "Patents").

2. Representations and Warranties.

Each Obligor represents and warrants that with respect to any Patent owned by such Obligor:

(a) Except as set forth on **Schedule B**, the Patents are subsisting (that is, they have issued and have not subsequently lapsed or prematurely expired) and have not been adjudged invalid or unenforceable, in whole or in part, in the U.S. or in any of the respective states thereof;

(b) The Patents listed on **Schedule A** constitute all of the patents owned by any Obligor and all of the patent applications that are owned by any Obligor;

(c) Each of the subsisting Patents is valid and enforceable in the U.S. and the respective states thereof and all claims by others to rights in the Patents of which any Obligor is aware, including, without limitation, licenses, are noted on **Schedule B** attached hereto and by reference made a part hereof, except that this paragraph shall not be construed as a representation or warranty that any Obligor has heretofore marked the number of its Patents on all goods covered by the claims of such Patents;

(d) Except as noted on **Schedule B**, the Obligor listed as the owner of any Patent is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to such Patent, free and clear of any liens, charges, encumbrances, mortgages, hypothecations, pledges, liens, security interests or claims of any kind, including, without limitation, covenants by such Obligor not to sue third persons and licenses;

(e) Each Obligor has made all necessary applications, filings and recordations to protect and maintain its interest in the subsisting Patents, including, without limitation, all necessary filings and recordations in the U.S. Patent and Trademark Office; and

(f) Each Obligor has the unqualified right, power and authority to execute, deliver and perform this Agreement.

3. Conditional Grant of Security Interest in Additional Patents.

If, before the Obligations shall have been satisfied in full and the Commitments shall have been terminated, any Obligor shall have or obtain ownership of any U.S. patent or patent application, the provisions of Paragraph 1 shall automatically apply thereto. This Paragraph 3 shall not apply to Patents which are owned by others and licensed to any Obligor. Each Obligor shall perform all acts and execute all documents reasonably requested (including any amendments hereto) by the Agent at any time and from time to time to evidence, perfect, maintain, record, and enforce the Agent's security interest in the Patents, including, without limitations, any patents falling under this Paragraph.

4. Modification of Agreement.

If the Obligors fail to perform their obligations under Paragraph 3 hereof, each Obligor authorizes the Agent to modify this Agreement by amending **Schedule A** and simultaneously amending **Schedule B**, if necessary, to include any additional patent or patent application which are Patents pursuant to Paragraphs 1 and 3 hereof, together with any then-existing limitations or licenses or claims to rights therein that have been made known to the Agent, and to have this Agreement, as amended, or any other document evidencing the security interest granted therein, recorded in the U.S. Patent and Trademark Office at the expense of the Obligors. The representations and warranties of each Obligor shall be deemed to be remade and restated by each Obligor as of the date of the amendment of **Schedule A** with respect to all Patents listed on the amended **Schedule A** at that time.

5. Covenants of the Obligors.

(a) Each Obligor covenants as follows: (i) it will not do any act or omit to do any act that may cause or contribute to the abandonment of any Patent, or permit the premature expiration of any Patent; (ii) such Obligor shall give the Agent written notice, and a complete copy, of any license or sublicense of the Patents; and (iii) all uses of the Patent by it or its permitted sublicensees will include such notices of registration as are required or authorized from time to time under applicable law.

(b) With respect to each Patent, each Obligor agrees to take all reasonable steps, including, without limitation, in the U.S. Patent and Trademark Office or in any court, to: (i) maintain each such Patent, and (ii) pursue any patent application now or hereafter included in the Patents under this Agreement, including, without limitation, filing of responses to correspondence issued by the U.S. Patent and Trademark Office and payment of all maintenance fees or taxes as they become due during the life of the Patent, provided that, if such Obligor determines that any Patent is not material to its business, such Obligor may, if no Event of Default exists, abandon or not pursue any Patent with prior written notice to the Agent. Each Obligor agrees to take corresponding steps with respect to each new or acquired Patent or patent application covered by Paragraph 3 hereof.

(c) With respect to each Patent, each Obligor agrees that it shall notify the Agent promptly after it becomes aware of any alleged infringement of any of the Patents by a third party. Each Obligor further agrees to pursue all reasonable and appropriate causes of action against all infringers of the Patents, and the Obligors shall be jointly and severally liable for all costs associated with such causes of action, including, but not limited to, attorneys' fees. Notwithstanding the foregoing, if any Obligor determines that any such Patent is not material to such Obligor's business, such Obligor may, if no Event of Default exists, elect not to pursue any such infringement action with prior written notice to the Agent.

(d) Upon the Agent's request from time to time, the Obligors shall provide to the Agent an up-to-date list of all license agreements relating to or affecting the Patents, together

with the names and addresses of each licensee and, if requested by the Agent, a copy of each license agreement.

(e) Until all of the Obligations shall have been satisfied in full and the Commitments shall have been terminated, no Obligor will enter into any agreement which is inconsistent with such Obligor's obligations under this Agreement without the Agent's prior written consent; and

(f) Each Obligor shall perform all acts and execute all documents reasonably requested by the Agent at any time and from time to time to evidence, perfect, maintain, record and enforce the Agent's security interest in the Patents, including, without limitation, any patents falling under Paragraph 3.

6. Remedies Upon Default; Power of Attorney.

(a) In addition to the grant of the security interest contained in Paragraphs 1 and 3 hereof, if any Event of Default shall have occurred and be continuing, upon the election of the Agent, all right, title and interest in and to the Patents shall be automatically granted, assigned, conveyed and delivered to the Agent or its designee. Each Obligor hereby irrevocably constitutes and appoints the Agent and any officer, agent or employee thereof, with full power of substitution, as its true and lawful attorney-in-fact upon the occurrence and continuance of any Event of Default with full irrevocable power and authority in the place and stead of such Obligor and in the name of such Obligor or the Agent's own name or the name of the Agent's designee: (i) to complete, date, execute and file, or cause to be filed, the Assignment attached hereto as Exhibit A and by reference made a part hereof (the "Assignment") in the U.S. Patent and Trademark Office and in all other applicable offices, and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purpose of the Assignment, including, without limitation, the right (but not the obligation) to prosecute applications in the name of such Obligor or the Agent, and to take any other actions deemed necessary by the Agent to maintain such registration in effect; (ii) to collect all proceeds from the Patents (including, without limitation, license royalties and proceeds of infringement suits); (iii) to convey, in any transaction authorized by the Loan Documents, any goods covered by the Patents to any purchaser thereof; and (iv) to make payment or to discharge taxes or liens levied or placed upon or threatened against any goods covered by the Patents, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Agent in its sole discretion, and such payments made by the Agent to become the obligations of the Obligors to the Agent, due and payable immediately without demand. Such power, being coupled with an interest, is irrevocable.

(b) The Agent shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents may be enforceable, and, without limiting the generality of the foregoing, the Agent may, if any Event of Default shall have occurred and be continuing, immediately, without demand or performance and without other notice (except as set forth below) or demand whatsoever to any Obligor, all of

which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, the Patents, and after deducting from the proceeds of sale or other disposition of the Patents all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds in accordance with the terms of the Loan Agreement. Notice of any sale or other disposition of the Patents shall be given to the Obligors at least 10 days before the time of any intended public or private sale or other disposition of the Patents is to be made, which each Obligor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, the Agent or any Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Patents sold, free from any right of redemption on the part of the Obligor, which right is hereby waived and released. Each Obligor hereby agrees to execute any documents reasonably requested by the Agent in connection with any disposition hereunder.

(c) Upon the occurrence of the conditional assignment provided for herein, no Obligor will have any right, title, or interest in or to any of the Patents, and each Obligor shall cease and desist in the use of the Patents, and shall, upon written demand of the Agent, or pursuant to the terms of the Loan Documents, deliver to the Agent all goods covered by the Patents.

7. Termination of Agreement.

At such time as the Obligors shall completely satisfy all of the Obligations and the Commitments shall have been terminated, the Agent shall, at the Obligors' expense, execute and deliver to the Obligors all deeds, assignments and other instruments as may be necessary or proper to re-vest in the Obligors title to the Patents, subject to any disposition thereof which may have been made by the Agent pursuant hereto.

8. Limitation of Liability and Indemnification.

Each Obligor hereby releases the Agent and the Lenders from, and agrees to hold the Agent and the Lenders free and harmless from and against, any claims arising out of any action taken or omitted to be taken with respect to the Patents (except to the extent of the Agent's or the Lenders' gross negligence or willful misconduct), and each Obligor agrees to indemnify the Agent and the Lender from and against any and all claims, demands, suits, losses, damages or other expenses (including reasonable attorneys' fees) arising from or in any way related to the Patents, except to the extent arising from the Agent's or the Lenders' gross negligence or willful misconduct.

9. Waiver and Amendment.

(a) No course of dealing between any Obligor and the Agent or the Lenders, nor any failure to exercise, nor any delay in exercising, on the part of the Agent or the Lenders, any right, power or privilege hereunder or thereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) This Agreement is subject to modification only by a writing signed by the parties hereto.

10. Cumulative Rights.

All of the Agent's and the Lenders' rights and remedies with respect to the Patents, whether established hereby or under the Loan Documents, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

11. 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.

12. Survival.

The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

13. Counterparts.

This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

14. Choice of Law.

The validity, construction and enforcement of this Agreement, and the determination of the rights and duties of the parties shall be governed by the laws of the State of Georgia regardless of any choice of law or other provision that would result in the application of the laws of any other jurisdiction.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

OBLIGORS:

NETOPTIX CORPORATION

By: Charles E. Ball
Charles E. Ball
Authorized Signatory

OPTICAL FILTER CORPORATION

By: Charles E. Ball
Charles E. Ball
Authorized Signatory

LEISEGANG MEDICAL, INC.

By: Charles E. Ball
Charles E. Ball
Authorized Signatory

AGENT:

**DEUTSCHE FINANCIAL SERVICES
CORPORATION**


By: 
Name: _____
Title: _____

EXHIBIT A

ASSIGNMENT OF PATENTS

THIS ASSIGNMENT dated the ____ day of _____, _____, from _____, a _____ (the "Assignor"), to DEUTSCHE FINANCIAL SERVICES CORPORATION, as Agent (the Assignee"), recites and provides:

WHEREAS, the Assignor is owner of all right, title and interest in and to certain patents and patent applications identified in Schedule A appended hereto (the "Patents"); and

WHEREAS, the Assignee desires to obtain for the Lenders party to the September 30, 1999 Loan and Security Agreement among the Assignor, certain affiliates of the Assignor, the Assignee and the lenders from time to time party thereto (the "Lenders"), all of the Assignor's right, title and interest in all such Patents.

NOW, THEREFORE, in exchange for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Assignor does hereby sell, assign and transfer to the Assignee, its successors and assigns, the entire right, title and interest of the Assignor in and to the Patents and any and all licenses now or hereafter relating thereto and all royalty payments or rights to royalty payments now or hereafter arising therefrom.

The Assignor further agrees to execute such further instruments and documents and perform such further acts as the Assignee may deem necessary to secure to the Assignee the rights herein conveyed.

The Assignor warrants and represents that it is the sole owner of the interest conveyed hereunder and that such interest is not the subject of any prior transfer, assignment, lien, mortgage or other transaction which would affect the Assignor's ability to transfer such interest.

The Assignor further agrees to indemnify the Assignee and the Lenders for any breach of the above warranty.

IN WITNESS WHEREOF, the Assignor has executed this Assignment as of the day and year first above written.

[Assignor's Name]

By: _____
Name: _____
Title: _____

SCHEDULE A
U.S. PATENTS AND U.S. PATENT APPLICATIONS

NUMBER

DESCRIPTION

PATENT APPLICATIONS:

- Disclosure #98-00 Fluorophosphate Splice Glass for Joining Optical Fibers
- Disclosure #97-16 Fiber Optic Liquid Crystal Temperature Sensor
- Disclosure #97-16 Attachment to Colposcopes, Operating Microscopes or other instrumentation with light sources to divert and provide Cold Illumination to Hysteroscopes and Cystoscopes or other instrumentation requiring illumination.
- Disclosure #97-15 Use of optically clear windows on the distal end of a fiberscope.
- Disclosure #97-14 Method of construction: the use of pre-bent members to provide 'angle of view'
- Disclosure #97-13 Method of construction: malleable single use endoscopes
- Disclosure #97-12 Use of optical glues in the construction of windows for endoscopes
- Disclosure #97-11 Method of interchangeable/different diameter optical fibers within the construction of fiberoptic endoscopes
- Disclosure #97-10 Battery-powered, hand-held illumination systems for use with endoscopes
- Disclosure #97-08 Method to enhance focusing or condensing light in the use of "cold light guide" sources through optical condensers
- Disclosure #97-07 Articulating micro-endoscope with detachable and/or disposable optics and working channel components

Disclosure #97-06 Microcoupler

Disclosure #97-02 Fluoride erbium doped optical fiber
amplifier with stabilized wavelength gain
flatness

The following patents are owned by NetOptix Corporation:

PATENTS

DESCRIPTION

Patent #5,049,176 Fiber Assembly

PATENT APPLICATIONS

The following patent applications are owned by NetOptix Corporation:

**PATENT
APPLICATIONS**

DESCRIPTION

09/105,152 Variable Stiffness Medical Device

09/111,872 Corona Generating Device with Unitary
Removable Shield

SCHEDULE B

None

SCHEDULE A

U.S. PATENT REGISTRATIONS

0466146.04
CONDITIONAL ASSIGNMENT AND
PATENT SECURITY AGREEMENT

RECORDED: 10/27/1999

**PATENT
REEL: 010327 FRAME: 0794**