

11-20-2000



101521626

ments or copy thereof.

Tab settings

To the Honorable Commissioner of Patents and Tradema

1. Name of conveying party(ies):
FEI Products, Inc.

2. Name and address of receiving party(ies)

Name LaSalle Bank National Association, as Agent

Internal Address: _____

Street Address: 135 South LaSalle Street

City: Chicago State: IL ZIP: 60603

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

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

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other _____

Execution Date: October 26, 2000

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)
-NONE-

B. Patent No.(s)
5,842,474 and 5,370,129

Additional numbers attached? No

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

Name: _____

Internal Address: _____

RETURN TO:
FEDERAL RESEARCH CORP,
400 SEVENTH STREET NW
SUITE 101
WASHINGTON DC 20004

Street Address: _____
City: _____ State: _____ ZIP: _____

6. Total number of applications and patents involved:

7. Total fee (37 CFR 3.41) \$ 80.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: _____

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

11/21/2000 DNGUYEN 00000060 5842474

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80.00 DP

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 the original document.

Todd Ramstrom

Name of Person

Todd Ramstrom
Signature

November 15, 2000

Date

Total number of pages including cover sheet, attachments, and document: _____
Mail documents to be recorded with required cover sheet information to: _____

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT ("Agreement") is made as of October 26, 2000, by and between FEI Products, Inc., a New York corporation ("Grantor"), and LaSalle Bank National Association, in its capacity as agent (in such capacity, the "Agent") for the Lender Parties (as such term is defined in the Security Agreement described below).

WITNESSETH:

WHEREAS, FEI Acquisition Corp. (together with its successors and assigns, the "Borrower"), has entered into a certain Credit Agreement of even date herewith among the Borrower, the institutions from time to time party thereto as lenders (the "Banks"), the Agent (as the same has been and further may be amended, modified, supplemented or restated from time to time, the "Credit Agreement"), providing for the making of loans, advances and other financial accommodations (including, without limitation, issuing letters of credit) (all such loans, advances and other financial accommodations being hereinafter referred to collectively as the "Loans") to or for the benefit of the Borrower;

WHEREAS, Grantor granted, or shall have granted, to the Agent, for its benefit and the benefit of the other Lender Parties, a first priority security interest in its assets pursuant to the Security Agreement of even date herewith (as the same may be amended, modified, supplemented or restated from time to time, the "Security Agreement") between the Grantor and the Agent, to secure its obligations under the "Loan Documents" (as defined in the Credit Agreement) and the "Obligations" (as defined in the Credit Agreement);

WHEREAS, the Agent and the Banks have required Grantor to execute and deliver this Agreement in order to secure the prompt and complete payment, observance and performance of all of the Obligations;

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

1. Defined Terms.

(a) Unless otherwise defined herein, each capitalized term used herein that is defined in the Credit Agreement shall have the meaning specified for such term in the Credit Agreement. Unless otherwise defined herein or in the Credit Agreement, each capitalized term used herein that is defined in the Security Agreement shall have the meaning specified for such term in the Security Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Incorporation of Premises. The premises set forth above are incorporated into this Agreement by this reference thereto and are made a part hereof.

3. Incorporation of the Credit Agreement. The Credit Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.

4. Security Interest in Patents. To secure the prompt and complete and timely payment, observance, performance and satisfaction of all of the Obligations, Grantor hereby grants to the Agent, for the benefit of itself and the other Lender Parties, a security interest in all of Grantor's right, title and interest in, to and under the following, whether now owned or existing and hereafter acquired or arising:

(i) patents and patent applications, and the inventions and improvements described and claimed therein, including, without limitation, those patents and patent applications listed on Schedule A attached hereto and made a part hereof unless otherwise excluded as set forth below, 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, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all of Grantor's rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a) - (d) in this paragraph 4(i) are sometimes hereinafter individually and/or collectively referred to as the "Patents"); and

(ii) rights under or interest in any patent license agreements with any other party, whether Grantor is a licensee or licensor under any such license agreement, including, without limitation, those patent license agreements listed on Schedule B attached hereto and made a part hereof unless otherwise excluded as set forth below, and the right to prepare for sale and sell any and all Inventory now or hereafter owned by Grantor and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Licenses"), provided, however, Licenses shall not include license agreements to the extent the granting of a security interest would constitute a violation of a valid and enforceable restriction on such grant ("Excluded Licenses"), unless and until any required consents shall have been obtained, but expressly shall include any and all proceeds of any such Excluded License, it being understood that upon request of the Agent, Grantor will, in good faith, use reasonable efforts to obtain consent for the creation of a security interest in favor of the Agent, for the benefit of the Lender Parties, in Grantor's rights under

any such Excluded Licenses. Grantor hereby represents and warrants to the Lender Parties that the failure of the Agent to receive a security interest in the Excluded Licenses, for the benefit of the Lender Parties, individually or in the aggregate, does not result in a Material Adverse Effect.

Provided, however, that Patents and Licenses shall not include any and all of the foregoing, if any, required by the Ortho Contract and/or the Escrow Agreement (as defined below) to be deposited with an escrow agent pursuant to the terms of the Ortho Contract and the escrow agreement attached thereto as Exhibit "A" thereof (the "Escrow Agreement") ("Excluded Assets"), unless and until the Ortho Contract and Escrow Agreement, as applicable, are revised so that the granting of a security interest therein would not create a breach of such Ortho Contract and the Escrow Agreement, as applicable; it being understood that upon request of the Agent, Grantor will, in good faith, use commercially reasonable efforts to obtain consent for the creation of a security interest in favor of the Agent, for the benefit of the Lender Parties, in Grantor's rights under and such Excluded Assets. Grantor hereby represents and warrants to the Lender Parties that the failure of the Agent to receive a security interest in the Excluded Assets, for the benefit of the Lender Parties, individually or in the aggregate, does not result in a Material Adverse Effect.

5. Restrictions on Future Agreements. Grantor will not, without the Agent's prior written consent, enter into any agreement, including, without limitation, any license agreement other than those license agreements set forth in Schedule B attached hereto, which is inconsistent with this Agreement, and Grantor further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any respect affect the validity or enforcement of the rights transferred to the Agent under this Agreement or the rights associated with the Patents or Licenses.

Provided, however, that the Grantor may, without the Agent's consent if no Event of Default exists, grant a nonexclusive, transferable license under the Patents on fair and reasonable terms and at an arm's length basis, as determined by the Grantor in its reasonable business judgment, provided that such license is and such Patent remains subject to the security interest granted to the Agent herein and that such license is not otherwise inconsistent with the Grantor's obligations under this agreement.

Provided further, that upon receipt of a request by the Grantor for the Agent's consent to enter into an agreement for the assignment or exclusive license of one or more of the Patents, the Agent agrees to give reasonably prompt consideration to such request and respond to such request within a reasonable time. If the Agent consents to the assignment of one or more of the Patents, which consent may be granted or withheld in the Agent's discretion, the Agent shall, upon receipt of a request from the Grantor, promptly, and in no event later than thirty (30) days after such request, take all action reasonably necessary to release its security interest with respect to the Patents that are the subject of such assignment at Grantor's sole cost and expense. Grantor may not modify this

Agreement without the Agent's prior written consent, which consent shall not be unreasonably withheld (i) by amending Schedule A to delete any Patents that have been assigned to a third party with the consent of the Agent pursuant to this Paragraph 5; and (ii) by filing appropriate documentation to record the release of the security interest with respect to such Patents.

Grantor hereby represents and warrants to the Lender Parties that any such grant of a nonexclusive, transferable license under the Patents or any such assignment or exclusive license of one or more of the Patents and any failure of the Agent to receive a security interest for the benefit of the Lender Parties resulting therefrom, individually or in the aggregate, does not and will not result in a Material Adverse Effect.

6. New Patents and Licenses. Grantor represents and warrants that, from and after the date hereof, (a) the patents listed on Schedule A include all of the patents and patent applications now owned or held by Grantor, (b) the Licenses listed on Schedule B include all of the patent license agreements under which Grantor is the licensee or licensor and (c) no liens, claims or security interests in such Patents and Licenses have been granted by Grantor to any Person other than the Agent except for Permitted Liens. If, prior to the termination of this Agreement, Grantor shall (i) obtain rights to any new patentable inventions, (ii) become entitled to the benefit of any patent, patent application, license or any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent or License, or (iii) enter into any new patent license agreement, the provisions of paragraph 4 above shall automatically apply thereto. Grantor shall give to the Agent written notice of events described in clauses (i), (ii) and (iii) of the preceding sentence promptly after the occurrence thereof, but in any event not less frequently than on a quarterly basis. Grantor hereby authorizes the Agent to modify this Agreement unilaterally (i) by amending Schedule A to include any future patents and patent applications, and by amending Schedule B to include any future patent license agreements, which are Patents or Licenses under paragraph 4 above or under this paragraph 6, and (ii) by filing, in addition to and not in substitution for this Agreement, a duplicate original of this Agreement containing on Schedule A or B thereto, as the case may be, such future patents, patent applications and license agreements.

7. Royalties. Grantor hereby agrees that the use by the Agent of the Patents and Licenses as authorized hereunder in connection with the Agent's exercise of its rights and remedies under paragraph 15 or pursuant to the Security Agreement shall be coextensive with Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Agent or the other Lender Parties to Grantor.

8. Right to Inspect; Further Assignments and Security Interests. In accordance with the applicable terms of the Credit Agreement, the Agent shall have access to, examine, audit, make copies (at Grantor's expense as set forth in the Credit Agreement) and extracts from and inspect Grantor's premises and examine Grantor's books, records and operations relating to the Patents and Licenses. Grantor agrees, except as otherwise provided in Paragraph 5 hereof, not to sell or assign its respective interests in, or grant any license under, the Patents or the Licenses without the prior and express written consent of the Agent as provided in Paragraph 5 hereof.

9. Nature and Continuation of the Agent's Security Interest; Termination of the Agent's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Patents and Licenses and shall terminate only when the Obligations (other than contingent indemnity obligations) have been paid in full in cash and the Credit Agreement has been terminated. When this Agreement has terminated, the Agent shall execute and deliver to Grantor, at Grantor's expense and promptly after written request therefor, all termination statements and other instruments as may reasonably be necessary or proper to terminate the Agent's security interest in the Patents and the Licenses, subject to any disposition thereof which may have been made by the Agent pursuant to this Agreement or the Security Agreement.

10. Duties of Grantor. Grantor shall have the duty, to the extent desirable in the normal conduct of Grantor's business, to: (i) prosecute diligently any patent application that is part of the Patents pending as of the date hereof or hereafter until the termination of this Agreement, and that, according to the reasonable business judgment of the Grantor, is material to the conduct of the Grantor's business as then conducted, and (ii) make application on unpatented but patentable inventions, as appropriate in accordance with the reasonable business judgment of the Grantor, except to the extent the failure to prosecute diligently any patent applications or make applications on unpatented but patentable inventions in accordance with the foregoing clauses (i) or (ii), individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Grantor further agrees (i) not to abandon any Patent or License that, according to the reasonable business judgment of the Grantor, is material to the conduct of the Grantor's business as then conducted, except to the extent any such abandonment, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, and (ii) to use its best efforts to maintain in full force and effect the Patents and the Licenses that are or shall be necessary or economically desirable in the operation of Grantor's business. Any expenses incurred in connection with the foregoing shall be borne by Grantor. Neither the Agent nor any of the Lender Parties shall have any duty with respect to the Patents and Licenses. Without limiting the generality of the foregoing, neither the Agent nor any of the Lender Parties shall be under any obligation to take any steps necessary to preserve rights in the Patents or Licenses against any other parties, but the Agent may do so at its option from and after the occurrence of a Default, and all expenses incurred in connection therewith shall be for the sole account of Grantor and shall be added to the Obligations secured hereby.

11. The Agent's Right to Sue. From and after the occurrence and during the continuance of a Default, the Agent shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Patents and the Licenses and, if the Agent shall commence any such suit, Grantor shall, at the request of the Agent, do any and all lawful acts and execute any and all proper documents required by the Agent in aid of such enforcement. Grantor shall, upon demand, promptly reimburse the Agent for all costs and expenses incurred by the Agent in the exercise of its rights under this paragraph 11 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for the Agent).

12. Waivers. The Agent's failure, at any time or times hereafter, to require strict performance by Grantor of any provision of this Agreement shall not waive, affect or diminish any right of the Agent thereafter to demand strict compliance and performance therewith nor shall any course of dealing between Grantor and the Agent have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of Grantor contained in this Agreement shall be deemed to have been suspended or waived by the Agent unless such suspension or waiver is in writing signed by an officer of the Agent and directed to Grantor specifying such suspension or waiver.

13. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but 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 hereof, 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.

14. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in paragraph 6 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney. Grantor hereby irrevocably designates, constitutes and appoints the Agent (and all Persons designated by the Agent in its sole and absolute discretion) as Grantor's true and lawful attorney-in-fact, and authorizes the Agent and any of the Agent's designees, in Grantor's or the Agent's name, to take any action and execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement from and after the occurrence and during the continuance of a Default, including, without limitation, to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for the Agent in the use of the Patents or the Licenses, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Patents or the Licenses to anyone, (iii) grant or issue any exclusive or nonexclusive license under the Patents or, to the extent permitted, under the Licenses, to anyone, and (iv) take any other actions with respect to the Patents or the Licenses as the Agent deems in its own or the Lender Parties' best interest, subject to applicable quality control provisions. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the Obligations (other than contingent indemnity obligations) shall have been paid in full in cash and the Credit Agreement shall have been terminated. Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Agent or the other Lender Parties under the Security Agreement, 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 law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the

Patents or the Licenses may be located or deemed located. Upon the occurrence and during the continuance of a Default and the election by the Agent to exercise any of its remedies under Section 9-504 or Section 9-505 of the Uniform Commercial Code with respect to the Patents and Licenses, Grantor agrees to assign, convey and otherwise transfer title in and to the Patents and the Licenses to the Agent or any transferee of the Agent and to execute and deliver to the Agent or any such transferee all such agreements, documents and instruments as may be necessary, in the Agent's sole discretion, to effect such assignment, conveyance and transfer. All of the Agent's rights and remedies with respect to the Patents and the Licenses, whether established hereby, by the Security Agreement, by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and during the continuance of a Default, the Agent may exercise any of the rights and remedies provided in this Agreement, the Security Agreement and any of the other Loan Documents. Grantor agrees that any notification of intended disposition of any of the Patents and Licenses required by law shall be deemed reasonably and properly given if given at least ten (10) days before such disposition; provided, however, that the Agent may give any shorter notice that is commercially reasonable under the circumstances.

16. Successors and Assigns. This Agreement shall be binding upon Grantor and its successors and assigns, and shall inure to the benefit of each of the Lender Parties and its respective nominees, successors and assigns. Grantor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Grantor; provided, however, that Grantor shall not voluntarily assign or transfer its rights or obligations hereunder without the Agent's prior written consent.

17. Governing Law. This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the internal laws (as opposed to conflict of laws provisions) and decisions of the State of Illinois.

18. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Security Agreement.


19. Section Titles. The section titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

20. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

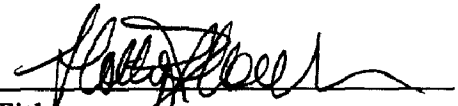
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed this Patent Security Agreement as of the day and year first above written.

FEI PRODUCTS, INC., a New York corporation

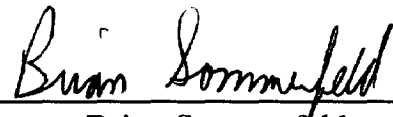
By: 
Name: Charles S. Croug
Title: President

ATTEST:

By: 
Title: _____

Accepted and agreed to as of the day and year first above written.

LASALLE BANK NATIONAL ASSOCIATION,
as Agent

By: 
Name: Brian Sommerfeld
Title: Assistant Vice President

**Schedule A
to
Patent Security Agreement**

Dated as of October 26, 2000

Patents

None, except:

<u>Patent No.</u>	<u>Issue Date</u>	<u>Subject</u>
5,842,474	December 1, 1998	IUD Loading Device
5,370,129*	December 6, 1994	IUD Inserting Apparatus*

* Lance J. Bronnenkant may have, prior to the effective date of this Agreement, had a right, title or interest in this patent. Lance J. Bronnenkant and Juan Diaz are the listed inventors with respect to such patent and DB Inserters, Inc. is listed as an assignee. To the knowledge of Grantor, DB Inserters, Inc. was never formed. This patent is not used in Grantor's business. On an even date with the date of this Agreement, Lance J. Bronnenkant signed a Quit Claim Bill of Sale with respect to this patent. As of the date of this Agreement, any right, title and interest granted by the Quit Claim Bill of Sale is the only interest which Grantor holds in this patent.

Patent Application

None.

**Schedule B
to
Patent Security Agreement**

Dated as of October 26, 2000

License Agreements

Patent License Agreements under which Grantor is a Licensee:

Grantor has been granted a non-exclusive license to use certain technology protected under United States Patent No. 4,549,652 pursuant to a Licensing Agreement (the "PIACT License Agreement") by and between the Program for the Introduction and Adaptation of Contraceptive Technology ("PIACT") and Grantor (Finishing Enterprises, Inc. n/k/a FEI Products, Inc.) dated March 13, 1987. The following is information regarding Patent No. 4,549,652 which was registered with the United States Patent and Trademark Office:

<u>Patent No.</u>	<u>Issue Date</u>	<u>Subject</u>
4,549,652	October 29, 1985	IUD Package

To the knowledge of Grantor, the material licensed in the foregoing agreement is the only patented material currently licensed by Grantor.

Patent License Agreements under which Grantor is a Licensor:

Currently, Grantor is not licensing any patented material. Grantor has entered into the following agreements which contain certain licenses. It is possible that the material for which Grantor grants a license under these agreements may, in the future include patented material.

1. Amended and Restated Manufacturing and Distribution Agreement between Grantor and GynoPharma Inc. dated on or about October 10, 2000.
2. Technology and Product Development Agreement between Grantor (Finishing Enterprises, Inc. n/k/a FEI Products, Inc.) and Hindustan Latex Limited, dated July 28, 1989, as subsequently amended.

STATE OF NY)
) SS
COUNTY OF NY)

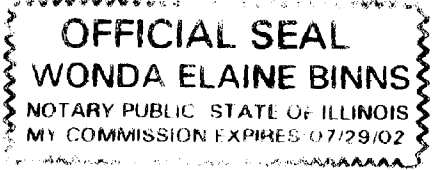
The foregoing Patent Security Agreement was acknowledged before me this 24 day of October, 2000, by Charles S. Craig President of FEI Products, Inc., a New York corporation, on behalf of such corporation.

Gabrielle M. Kissane
Notary Public
_____ County, _____
My commission expires: _____

GABRIELLE M. KISSANE
Notary Public, State of New York
No. 01K15047168
Qualified in Suffolk County
Commission Expires July 31, 2001

STATE OF Illinois)
) SS
COUNTY OF Cook)

The foregoing Patent Security Agreement was acknowledged before me this 11 day of October, 2000, by Brian Sommerfeld, an Assistant Vice President of LaSalle Bank National Association, on behalf of such association.



Wonda Elaine Binns
Notary Public
Cook County, Illinois
My commission expires: 7/29/02

Patent Security Agreement