

01-04-2002

Form PTO-1595

(Rev. 03/01)

REC

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

OMB No. 0651-0027 (exp. 5/31/2002)

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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Numation, Inc. 1.4.07

2. Name and address of receiving party(ies)

Name: American Capital Financial Services, Inc.

Internal Address: _____

Street Address: Two Bethesda Metro Center
14th Floor

City: Bethesda State: MD Zip: 20814

Additional name(s) & address(es) attached? ☐ Yes ☒ NoAdditional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

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

Execution Date: 11-28-2001

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)

B. Patent No.(s)

5,560,281 5,595,413

Additional numbers attached? ☐ Yes ☒ No

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

Name: George Borababy, Esquire

Internal Address: Patton Boggs, LLP

Street Address: 2550 M Street, N.W.

City: Washington State: DC Zip: 20037

6. Total number of applications and patents involved: 2

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

- ☒ Enclosed
☒ Authorized to be charged to deposit account

8. Deposit account number:

500-709

(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.

GEORGE M. BORABABY

Name of Person Signing

Signature

12/20/01

Date

Total number of pages including cover sheet, attachments, and documents: 10

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

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231PATENT
REEL: 012407 FRAME: 0337

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (as amended, supplemented or otherwise modified from time to time, the "Intellectual Property Security Agreement") is made and effective as of November 28, 2001, by NUMATICS, INCORPORATED, a Michigan corporation (the "Parent"), MICRO-FILTRATION, INC., a Michigan corporation, NUMATION INC., a Michigan corporation, NUMATECH, INC., a Michigan corporation, ULTRA AIR PRODUCTS, INC., a Michigan corporation, MICROSMITH, INC., an Arizona corporation, and EMPIRE AIR SYSTEMS, INC., a New York corporation (Parent and the foregoing entities, including any successors or permitted assignees thereof, each, the "Grantor," and collectively, the "Grantors"), in favor of AMERICAN CAPITAL FINANCIAL SERVICES, INC., a Delaware corporation, as agent for each of the Purchasers from time to time party to the Note Purchase Agreement referred to below (the "Agent"). Capitalized terms used in this Intellectual Property Security Agreement and not otherwise defined shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

RECITALS

WHEREAS, pursuant to the Note Purchase Agreement (as amended, supplemented or otherwise modified from time to time, the "Note Purchase Agreement") dated as of the date hereof by and among the Grantors, the Agent and the Purchasers from time to time party thereto (the "Purchasers"), the Purchasers have agreed, subject to the terms and conditions set forth therein, to purchase certain Term B Notes of the Parent (collectively, the "Notes"); and

WHEREAS, it is a condition precedent to the obligation of the Agent and the Purchasers to execute and perform under the Note Purchase Agreement that Grantors shall have executed and delivered this Intellectual Property Security Agreement to the Agent, for the ratable benefit of each of the Purchasers;

NOW, THEREFORE, in consideration of the willingness of the Agent and the Purchasers to enter into the Note Purchase Agreement and to agree, subject to the terms and conditions set forth therein, to purchase the Notes from Parent pursuant thereto, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. Grant of Security Interest. To secure the Grantors' prompt, punctual and faithful payment of the Notes and the performance of all and each of the obligations under the Note Purchase Agreement, each Grantor hereby grants to Agent, for its benefit and the ratable benefit of each of the Purchasers, a continuing first priority security interest in all of the right, title and interest of such Grantors in and to any and all of the following collateral, whether now owned or hereafter acquired (the "Intellectual Property Collateral"):

The U.S and foreign copyrights, associated copyright registrations and applications for copyright registration, and copyright licenses (to the extent permitted under the terms thereof) set forth on Schedule A attached hereto (collectively, the "Copyrights"); and

The U.S. and foreign patents and patent applications, and patent licenses set forth on Schedule B attached hereto, including, without limitation, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same (collectively, the "Patents"); and

The U.S., state and foreign trademark and service mark registrations, trademark and service mark applications, and trademark and service mark licenses (to the extent permitted under the terms thereof) set forth on Schedule C attached hereto and all goodwill associated with the foregoing (collectively, the "Trademarks"); and

The domain names and registrations set forth on Schedule D attached hereto and all goodwill associated with the foregoing (collectively, the "Domain Names"); and

(a) Any and all claims and causes of action for past, present or future infringement of any of the Intellectual Property Collateral, with the right, but not the obligation, to sue for and collect damages for infringement of the Intellectual Property Collateral; and

(b) Any and all licenses or rights granted under any of the Intellectual Property Collateral, and all license fees and royalties arising from such licenses or rights, in each case to the extent permitted by such licenses or rights; and

(c) Any and all amendments, renewals, extensions, reissuances and replacements of any of the Intellectual Property Collateral; and

(d) Any and all products and proceeds of any of the foregoing.

2. Requested Recordation. Each Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks (and any state, foreign or other authorities to which this Intellectual Property Security Agreement is submitted) file and record this Intellectual Property Security Agreement (and any corresponding or separate application forms of such jurisdiction) in order to publicly reflect the interests of the Agent and the Purchasers in the Intellectual Property Collateral.

3. Reserved.

4. Power of Attorney. Each Grantor hereby irrevocably grants the Agent for its benefit and for the ratable benefit of the Purchasers a power of attorney, to act as such Grantor's attorney-in-fact, with full authority in the name, place and stead of such Grantor, from time to time in the Agent's discretion, to take any action and to execute any instrument which the Agent may deem reasonably necessary or advisable to accomplish the purposes of this Intellectual Property Security Agreement. This authority includes, without limitation, the following:

(a) To modify or amend (in sole discretion of the Agent and the Purchasers and without first obtaining such Grantor's approval of or signature thereto) Schedule A, Schedule B, Schedule C, and/or Schedule D hereof, as appropriate, to include references to any registered intellectual property (or application or license therefor) acquired by such Grantor after the execution hereof or to delete any reference to any Intellectual Property Collateral in which such Grantor no longer has or claims any right, title or interest; and

(b) To execute, file and pursue (in sole discretion of the Agent and the Purchasers and without first obtaining such Grantor's approval of or signature thereto, unless otherwise prohibited by applicable law) any application, form or other document in order to perfect, maintain, continue or otherwise protect the Agent's interest or such Grantor's rights in the Intellectual Property Collateral, including, without limitation, executing and filing (i) any financing statement, any continuation statement or any amendment thereto, and (ii) any document in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or the relevant office of any state or foreign jurisdiction (including, without limitation, the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings) and to pay any fees and taxes in connection therewith or otherwise; and

(c) To execute any document required to acknowledge, register or perfect the interest of the Agent and the Purchasers in any part of the Intellectual Property Collateral without the signature of such Grantor unless prohibited by applicable law; and

(d) Upon the occurrence and during the continuation of an Event of Default, to (i) endorse the respective Loan Party's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Intellectual Property Collateral or (ii) take any other actions with respect to the Intellectual Property Collateral as Agent deems to be in the best interest of Agent, or (iii) grant or issue any exclusive or non-exclusive license under the Intellectual Property Collateral to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Intellectual Property Collateral to anyone.

The foregoing power of attorney is coupled with an interest and is irrevocable.

5. Release. Unless otherwise agreed in writing by the parties, the security interests granted herein will terminate (and all rights to the Intellectual Property Collateral will revert to each of the Grantors) upon satisfaction of the following conditions: (a) payment and performance in full of all the Obligations secured hereby (unconditionally and indefeasibly) and (b) the termination of the Note Purchase Agreement. Upon any such termination, the Agent (at the Grantors' request and sole expense) will promptly execute and deliver to the Grantors (without any representation, warranty or recourse of any kind whatsoever) such documents as the Grantors may reasonably request and provided to the Agent to evidence such termination.

6. Newly Registered Copyrights, Patents and Trademarks. Each Grantor hereby agrees to provide the Agent, for its benefit and the benefit of each of the Purchasers, on a monthly basis, a schedule of newly registered Copyrights, Patents and Trademarks.

7. Miscellaneous.

(a) This Intellectual Property Security Agreement has been entered into in conjunction with the provisions of and the security interest granted to the Agent, for its benefit and the ratable benefit of the Purchasers, under the Note Purchase Agreement. The rights and remedies of the Grantors and the Agent with respect to the security

interests granted herein are in addition and without prejudice to those set forth in the Note Purchase Agreement, all terms and provisions of which are hereby incorporated herein by reference. In the event that any provisions of this Intellectual Property Security Agreement are deemed to conflict with the Note Purchase Agreement or the other Purchase Documents, the provisions of the Note Purchase Agreement or the other Purchase Documents shall govern.


(b) This Intellectual Property Security Agreement may be executed in any number of counterparts with the same effect as if all the signatures on such counterparts appeared on one document; each such counterpart will be deemed to be an original but all counterparts together will constitute one and the same instrument.

[Signatures appear on following pages.]

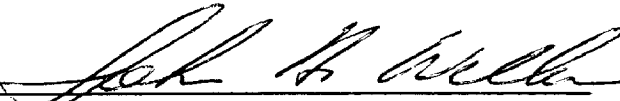
IN WITNESS WHEREOF, the parties hereto have executed this Intellectual Property Security Agreement, as an instrument under seal, through their duly authorized officers, as of the date first written above.

GRANTORS:

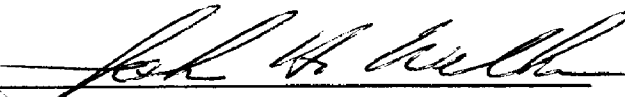
NUMATICS, INCORPORATED.

By: 
John H. Welker
Chief Executive Officer


MICRO-FILTRATION, INC.

By: 
John H. Welker
Chief Executive Officer

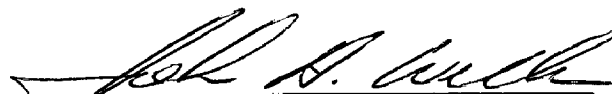
NUMATION INC.

By: 
John H. Welker
Chief Executive Officer


NUMATECH, INC.

By: 
John H. Welker
Chief Executive Officer

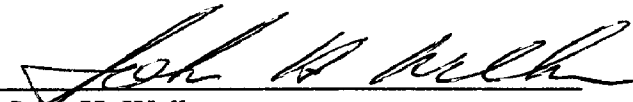
ULTRA AIR PRODUCTS, INC.

By: 
John H. Welker
Chief Executive Officer

MICROSMITH, INC.

By: 
John H. Welker
Chief Executive Officer

EMPIRE AIR SYSTEMS, INC.

By: 
John H. Welker
Authorized Signatory

ACKNOWLEDGMENT

STATE OF Michigan :

: SS

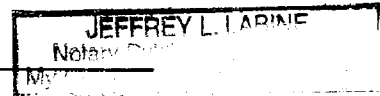
COUNTY OF Wayne :

Before me, the undersigned, a Notary Public, on this 28th day of November, 2001, personally appeared John H. Welker to me known personally, who, being by me duly sworn, did say that he is authorized signatory of each of Numatics, Incorporated, Micro-Filtration, Inc., Numation Inc., Numatech, Inc., Ultra Air Products, Inc., MicroSmith, Inc., and Empire Air Systems, Inc., as Grantor, and that said Intellectual Property Security Agreement was signed on behalf of said Grantor, by authority of each of its board of directors, and the said John H. Welker acknowledged said instrument to be his free act and deed.



Notary Public

My Commission Expires: _____



AGENT:

AMERICAN CAPITAL FINANCIAL SERVICES,
INC.

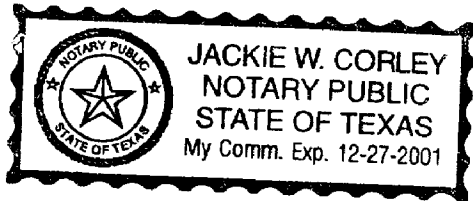
By: 

Mark D. Schindel
Vice President

ACKNOWLEDGMENT

STATE OF Texas :
COUNTY OF Dallas : SS

Before me, the undersigned, a Notary Public, on this 15th day of November, 2001, personally appeared Mark Schindel to me known personally, who, being by me duly sworn, did say that he is Vice President of American Capital Financial Services, Inc., as Agent, and that said Intellectual Property Security Agreement was signed on behalf of said American Capital Financial Services, Inc., as Agent, by authority of its board of directors, and the said American Capital Financial Services, Inc., as Agent, acknowledged said instrument to be his/her free act and deed.



Jackie W. Corley
Notary Public
My Commission Expires: 12-27-01

Schedule A

Copyright Collateral

United States Copyright Registrations

	<u>Name</u>	<u>Reg. No.</u>	<u>Dated</u>
a.	Practical Air Valve Sizing	A480362	1973
b.	Practical Air Circuitry	A857864	1966
c.	Numatrol Components Catalog	A932175	1966
d.	Numatrol Handbook	A932176	1966
e.	The Numatrol Diagram - 50B	A866461	1966
f.	Numatrol Control System for Horizontal or Overhead Arms	A722025	1966
g.	Numatics Product Specification and Design Brochure for Products		
h.	Numa-Cad Computer Program	TX 3085431	5/28/91

Schedule B

Patent Collateral

1. United States Patents Assigned to Numatics, Incorporated

<u>Patent No.</u>	<u>Issued</u>	<u>Inventors</u>	<u>Title</u>
4,995,421	2/26/91	Bonacorsi	Lock-Out Valve with Controlled Restart
5,522,431	6/4/96	Bonacorsi Chill Smith Welker	Solenoid Valve Control System
5,560,281	10/1/96	Schneid	Linear Slide Apparatus and Method of Combining Two or More Linear Slides ¹
5,595,413	1/21/97	McGeachy Schneid	Fluid Actuated Gripper ²
5,992,461	11/30/99	Gilmore Dalton, Jr.	Solenoid Valve Housing
6,053,198	4/25/00	Atkin Bonacorsi McGeachy Smith	Solenoid Valve Control System
6,164,323	12/26/00	Smith	Solenoid Valve Control System
6,257,277	7/10/01	McGeachy	Modular Multiple Output Pneumatic Pressure Valve
6,273,318	8/14/01	McGeachy	Welding Gun Cylinder with Control Valve

¹ Assigned to Numation, Inc.

² Assigned to Numation, Inc.

2. Pending United States Patent Applications

<u>Serial No.</u>	<u>Filed</u>	<u>Inventors</u>	<u>Title</u>
09/577,941	5/23/00	Bates Stover	Circuit Board Retainer
09/583,470	5/31/00	McGeachy	Modular Multiple Output Pneumatic Pressure Valve
09/589,689	6/8/00	McGeachy	Welding Gun Cylinder with Control Valve
09/798,141	3/2/01	McGeachy	Modular Multiple Output Pneumatic Pressure Valve

3. Unexpired Foreign Patents

<u>Country</u>	<u>Patent No.</u>	<u>Issued</u>	<u>Title</u>
Canada	2025065	12/20/94	Lock-Out Valve with Controlled Restart
Great Britain	9019581.9	8/25/93	Lock-Out Valve with Controlled Restart
Germany	P4027661.9	8/31/90	Lock-Out Valve with Controlled Restart
Canada	2,165,502	9/11/96	Solenoid Valve Control System

4. Pending Foreign Patent Applications

<u>County</u>	<u>Serial No.</u>	<u>Filed</u>	<u>Title</u>
Canada	2154817	7/27/95	Fluid Actuated Gripper
European Patent Office ³	95119377.0	12/8/95	Fluid Actuated Gripper

³ Designating Austria, Belgium, Denmark, France, Germany, Italy, Greece, Luxemburg, The Netherlands, Switzerland. Deemed withdrawn prior to issuance on 10/1/97

Schedule C**Trademark Collateral****United States Trademark Registrations**

<u>Reg. No.</u>	<u>Dated</u>	<u>Trademark</u>	<u>Next Renewal</u>
667,283	9/23/58	Numatics	9/23/08
747,457	4/2/63	Numatrol	4/02/03
912,270	6/8/71	Flexiblok	6/8/011
1,211,033	9/28/82	Numasizing	9/28/02
1,620,822	11/6/90	Numatics Actuator	11/6/10

Pending United States Trademark Application

<u>Trademark</u>	<u>Serial No.</u>	<u>Filed</u>
NUMATECH	75/818,621	10/8/99

State Trademark Registration

<u>Trademark</u>	<u>Reg. No.</u>	<u>Renewed</u>	<u>Next Renewal</u>
Numatics	#M 00-024	5/25/00	5/25/10

Foreign Trademark Registrations

<u>Country</u>	<u>Reg. No</u>	<u>Reg. Date</u>	<u>Trademark</u>	<u>Owned By</u>	<u>Next Renewal</u>
United Kingdom	898,992	9/2/66	Numatrol	Numatics, Inc.	9/2/2011
United Kingdom	895,418	6/3/66	Numatrol	Numatics, Inc.	6/3/2011
Canada	163,287	6/6/69	Numatics	Numatics, Inc.	6/06/2009

<u>Country</u>	<u>Reg. No</u>	<u>Reg. Date</u>	<u>Trademark</u>	<u>Owned By</u>	<u>Next Renewal</u>
Canada	153,853	10/27/67	Numatrol	Numatics, Inc.	10/27/2007
EU Community Trademark	157,453	2/19/99	Numatics	Numatic Int'l Limited	4/1/2006
Spain	721,953	4/27/77	Numatrol	Numatics, Inc.	7/29/2003
Spain	510,456	3/20/68	Numatics	Numatics, Inc.	3/19/2008
France	1,354,012	5/9/86	Numatics	Numatics, Inc.	5/8/2006
France	1,004,739	12/24/76	Sentinel	Numatics, Inc.	(May have expired)
Benelux	319,615	6/13/73	Numatrol	Numatics, Inc.	6/13/2003
Benelux	3506	1/7/71	Numatics	Numatics, Inc.	1/7/2011
Denmark	3653/74	11/15/74	Numatics	Numatics, Inc.	11/15/2004
Switzerland	349,541	7/11/86	Numatics	Numatics, Inc.	7/11/2006
Switzerland	265,802	7/6/73	Numatrol	Numatics, Inc.	7/6/2003
Austria	57981	8/30/66	Numatics	Numatics Inc.	(? Unclear. may have expired)
Austria	75570	10/19/73	Numatrol	Numatics, Inc.	10/19/2003 (?)
Japan	630,611	12/4/63	Numatics	Numatics, Inc.	12/04/2003

<u>Country</u>	<u>Reg. No</u>	<u>Dated</u>	<u>Trademark</u>	<u>Owned By</u>	<u>Next Renewal</u>
Germany	854,978	2/20/69	Numatrol	Numatics, Inc.	5/24/2006
Germany	0,778,139	10/08/63	Numatics	Numatics, Inc.	5/2/2002
Italy	757,403	8/28/98	Numatics	Numatics, Inc.	6/19/2006
Italy	661,249	11/08/95	Numatrol	Numatics, Highland	6/22/2003
Italy	475,143	3/30/87	Numatics	Numatics, Inc.	6/20/2006
Italy	296,711	7/07/76	Numatrol	Numatics, Inc.	7/11/2003