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Form PTO-1595

(Rev. 03/01)

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

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

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

## 1. Name of conveying party(ies):

Flanders Filters, Inc.

## 2. Name and address of receiving party(ies)

Name: Fleet Capital Corporation

Internal Address: \_\_\_\_\_

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

## 3. Nature of conveyance:



Assignment



Merger



Security Agreement



Change of Name



Other \_\_\_\_\_

Street Address: 300 Galleria ParkwaySuite 1100City: Atlanta State: GA Zip: 30339Execution Date: October 18, 2002Additional 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)

B. Patent No.(s)

See attached Exhibit A

Additional numbers attached? ☒ Yes ☐ No

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

Name: Ian M. Hathaway, ParalegalInternal Address: Parker Hudson Rainer& Dobbs, LLPStreet Address: 285 Peachtree Center Ave. NE#1500City: Atlanta State: Georgia Zip: 303036. Total number of applications and patents involved: 177. Total fee (37 CFR 3.41).....\$ 680.00

Enclosed



Authorized to be charged to deposit account

## 8. Deposit account number:

(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.*Ian M. Hathaway

Name of Person Signing

Signature

October 24, 2002

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. 20231

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680.00 DP

PATENT  
REEL: 013403 FRAME: 0824

EXHIBIT A

Patents

Patent	Federal Registration Number	Registration Date
Housing for high efficiency particulate air filters	4,521,234	June 4, 1985
Method and apparatus for the leak testing of filters	RE31,952	July 23, 1985
Air flow control apparatus	4,535,811	August 20, 1985
Air Flow Control Apparatus	1,198,310	December 24, 1985
Connector for a filter bank supporting framework and method of assembling same	4,570,391	February 18, 1986
High efficiency particulate air filter and method of fabricating same	4,584,005	April 22, 1986
Filter Testing Apparatus and Method	1,207,606	July 15, 1986
Clean room adapted for variable work area configurations	4,608,066	August 26, 1986
High efficiency air filter	4,639,261	January 27, 1987
Connector for Filter Bank Supporting Framework and Method of Assembling Same	1,213,426	March 24, 1987
Laminar flow clean room	4,671,811	June 9, 1987
Laminar flow clean room having improved filter bank	4,678,487	July 7, 1987
High efficiency particulate air filter	4,685,944	August 11, 1987
High Efficiency Particulate Air Filter And Method of Fabricating Same	1,245,570	November 29, 1988
Method of fabricating a clean room filter bank	4,860,420	August 29, 1989
Isolation work station	5,711,705	January 27, 1998
Isolation work station	6,010,400	January 4, 2000

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Patent Applications

Patent Application	Federal Serial Number	Application Date
None		

## PATENT SECURITY AGREEMENT

This **PATENT SECURITY AGREEMENT** (this "Agreement") is made this 18<sup>th</sup> day of October, 2002, between **FLANDERS FILTERS, INC.**, a North Carolina corporation, having its principal place of business at 2399 26th Avenue North, St. Petersburg, Florida 33734 ("the Company"), and **FLEET CAPITAL CORPORATION**, a Rhode Island corporation having an office at 300 Galleria Parkway, N.W., Suite 800, Atlanta, Georgia 30339 ("Lender").

### Recitals:

The Company desires to obtain loans and other financial accommodations from Lender pursuant to that certain Loan and Security Agreement dated on or about the date hereof, among the Company, the other borrowers named therein, and Lender (as at any time amended, the "Loan Agreement").

Lender is willing to make loans and other financial accommodations to the Company from time to time pursuant to the terms of the Loan Agreement, provided that the Company executes this Agreement.

NOW, THEREFORE, for Ten Dollars (\$10.00) in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company hereby agrees with Lender as follows:

1. Capitalized terms used herein (including those used in the Recitals hereto), unless otherwise defined, shall have the meanings ascribed to them in the Loan Agreement.

2. To secure the prompt payment and performance of the Obligations, the Company hereby grants, assigns and pledges to Lender a continuing security interest in and Lien upon all of the following property of the Company, whether now existing or hereafter created or acquired (the "Patent Collateral"):

(a) the entire right, title and interest of the Company in and to the patent applications and patents listed in Exhibit A attached hereto (as the same may be amended from time to time), and all re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof, including, without limitation, the right to sue for past, present and future infringements and any and all rights corresponding thereto throughout the world (all of the foregoing being herein collectively referred to as the "Patents"); and

(b) All proceeds of the foregoing (such as, by way of example, license royalties and proceeds of infringement suits).

3. The Company covenants with and warrants to Lender that:

(a) The Patents are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) The Company is now and shall continue to be the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, free and clear of any Liens other than Permitted Liens;

(c) The Company has the unqualified right to enter into this Agreement and perform its terms and, to the extent it deems reasonably necessary, has entered and will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained; and

(d) The Company has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents and has made, and will continue to make, all appropriate filings with the United States Patent and Trademark Office to maintain the Patents in existence, including, without limitation, filing all necessary documents with the United States Patent and Trademark Office for each Patent to maintain it without loss of protection therefor.

4. Until all of the Obligations have been satisfied in full and the Loan Agreement has been terminated, the Company shall not enter into any license agreement relating to any of the Patents with any Person except non-exclusive licenses to customers of the Company in the regular and ordinary course of the Company's business as presently conducted and for reasonable and customary compensation, and shall not become a party to any agreement with any Person that is inconsistent with the Company's obligations under this Agreement.

5. If, before the Obligations shall have been satisfied in full, the Company shall obtain rights to any new patentable inventions, or become entitled to the benefit of any patent application 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 paragraph 2 shall automatically apply thereto and the Company shall give to Lender prompt notice thereof in writing.

6. The Company irrevocably authorizes and empowers Lender to modify this Agreement by amending Exhibit A to include any future patents and patent applications within the definition of Patents under paragraph 2 or paragraph 5 hereof.

7. The Company hereby grants to Lender and its employees as often as may be reasonably requested, but only during normal business hours and (except when a Default or Event of Default exists) upon reasonable prior notice to the Company, and subject only to any obligations of confidentiality to which the Company, its employees and agents are then subject with respect thereto, the right, from time to time, to visit the Company's plants and facilities at which any patented inventions are located or which manufacture, inspect or store products made under any of the Patents and to inspect the products and quality control records relating thereto.

8. As long as this Agreement is in effect, and as long as no Event of Default has occurred, the Company shall continue to have the right to exercise any and all rights in the Patents, subject to the terms and conditions of this Agreement. Absent an Event of Default, Lender shall not assign, pledge, license, or otherwise grant or transfer any interest in the Patents, and any such attempted assignment, pledge, license, or other grant or transfer shall be void *ab initio*.

9. All persons holding valid licenses of rights in any of the Patents as of the date of this Agreement, and all future licensees permitted under this Agreement, shall have the right to quiet enjoyment of such rights without interference by Lender.

10. Upon and at any time after the occurrence of an Event of Default, Lender shall have, in addition to all other rights and remedies given it by this Agreement, all rights and remedies under Applicable Law and all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, Lender may immediately, without demand of performance and without other notice (except as described in the next sentence, if required by Applicable Law) or demand whatsoever to the Company, each of which the Company hereby expressly waives, and without advertisement (except as otherwise provided by Applicable Law), collect directly any payments due the Company in respect of the Patent Collateral, or sell at public or private sale or otherwise realize upon the whole or from time to time any of the Patent Collateral, or any interest which the Company may have therein. The Company hereby agrees that ten (10) days advance written notice to the Company of any public or private sale or other disposition of any of the Patent Collateral shall be reasonable notice; provided, however, that no notice shall be required hereunder if not otherwise required by Applicable Law. At any such sale or disposition, Lender may, to the extent permitted by Applicable Law, purchase the whole or any part of the Patent Collateral sold, free from any right of redemption on the part of the Company, which right the Company hereby waives and releases. After deducting from the proceeds of such sale or other disposition of the Patent Collateral all costs and expenses incurred by Lender in enforcing its rights hereunder (including, without limitation, all reasonable attorneys' fees), Lender shall apply the remainder of such proceeds to the payment of the Obligations, in such order or manner as may be authorized or required by the Loan Agreement. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to the Company. If any deficiency shall arise, the Company and each guarantor of the Obligations shall remain jointly and severally liable to Lender therefor.

11. The Company hereby makes, constitutes and appoints Lender, and any officer or agent of Lender as Lender may select, as the Company's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall occur and be continuing: to endorse the Company's name on all applications, documents, papers and instruments necessary for Lender to continue the maintenance of or to use the Patents, or to grant or issue any exclusive or nonexclusive license under the Patents to any other Person, or to assign, pledge, convey or otherwise transfer title in or dispose of any Patent Collateral to any other Person. The Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until all of the Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated.

12. At such time as all of the Obligations shall have been satisfied finally and in full and the Loan Agreement shall have been terminated, Lender shall execute and deliver to the Company, without representation, warranty or recourse and at the Company's expense, all releases and other instruments necessary to terminate Lender's security interest in the Patent Collateral, subject to any disposition thereof which may have been made by Lender pursuant to the terms of this Agreement, or any of the other Loan Documents.

13. Any and all fees, costs and expenses, of whatever kind or nature, (including, without limitation, reasonable attorneys' fees and legal expenses) actually incurred by Lender in connection with the preparation of this Agreement and any other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including, without limitation, all taxes in connection therewith) with the United States Patent and Trademark Office or in other public offices, the payment or discharge of any taxes, counsel fees, maintenance fees or Liens, or otherwise, in protecting, maintaining and preserving any Patent Collateral or in defending or prosecuting any actions or proceedings arising out of or related to any Patent Collateral, shall be borne and paid by the Company (it being the intent of the Company and Lender that the Company shall be responsible for the payment of all sums, fees, costs and expenses, including, without limitation, all maintenance fees payable with respect to the Patents) or, if paid by Lender in its sole discretion, shall be reimbursed by the Company to Lender **on demand** by Lender and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the highest per annum rate in effect from time to time under the Loan Agreement.

14. The Company shall use its best efforts to detect any infringers of the Patents and shall notify Lender in writing of infringements detected. The Company shall have the duty through counsel reasonably acceptable to Lender, to prosecute diligently any patent application for a Patent pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full and the Loan Agreement terminated, to make application on unpatented but patentable inventions (subject to Company's reasonable discretion in Ordinary Course of Business, or, during the existence of an Event of Default, promptly upon Lender's request), to file and prosecute opposition and cancellation proceedings, to file and prosecute lawsuits to protect the Patents and to do any and all acts which are reasonably deemed necessary or desirable by Lender to preserve and maintain all rights in patent applications for the Patents. Any expenses incurred in connection with such an application or proceedings shall be borne by the Company. The Company shall not abandon any pending patent application or patent, without the prior written consent of Lender.

15. Notwithstanding anything to the contrary contained in paragraph 2 hereof Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and any license hereunder, or to defend any suit or counterclaim in its own name to protect any Patents or license hereunder, in either of which events the Company shall at the request of Lender do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Lender in aid of such enforcement or defense and the Company shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this paragraph 15. Nothing herein shall prohibit the Company from instituting and pursuing any such proceeding in its own name at any time that an Event of Default does not exist, if Lender declines to institute such proceeding.

16. If the Company fails to comply with any of its obligations hereunder, then to the extent permitted by Applicable Law, Lender may do so in the Company's name or in Lender's name, in Lender's sole discretion, but at the Company's expense, and the Company agrees to reimburse Lender in full for all expenses, including, without limitation, reasonable attorneys' fees, incurred by Lender in prosecuting, defending or maintaining the Patents or Lender's interest therein pursuant to this Agreement.

17. No course of dealing between the Company and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under any of the other Loan Documents 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 future exercise thereof or the exercise of any other right, power or privilege.

18. All of Lender's rights and remedies with respect to the Patent Collateral, whether established by this Agreement or any of the other Loan Documents, or by any other agreements or by Applicable Law, shall be cumulative and may be exercised singularly or concurrently.

19. 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, the same shall be deemed severed herefrom and shall not in any manner affect such clause or provisions in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

20. This Agreement, together with the other Loan Documents, constitutes and expresses the entire understanding of the parties hereto with respect to the subject matter hereof, and supercedes all prior agreements and understandings, inducements or conditions, whether express or implied, oral or written. This Agreement is subject to modification only by writing signed by the parties, except as provided in paragraph 6 hereof.

21. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of Lender and upon the successors and permitted assigns of the Company. The Company shall not assign its rights or delegate its rights or assign its duties hereunder without the prior written consent of Lender.

22. The Company hereby waives notice of Lender's acceptance hereof.

**23. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Georgia.**

**24. To the fullest extent permitted by Applicable Law, the Company and Lender each waives the right to trial by jury in any action, suit, proceeding or counterclaim of any**

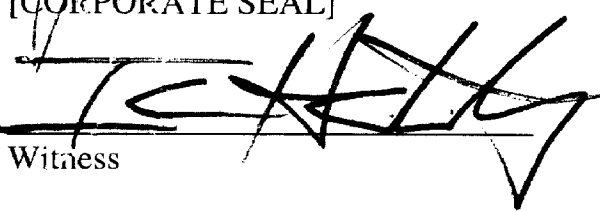


kind arising out of or related to this Agreement or the Patent Collateral.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal on the day and year first written above.

ATTEST:

  
\_\_\_\_\_  
Jeanetta Brown, Secretary  
[CORPORATE SEAL]

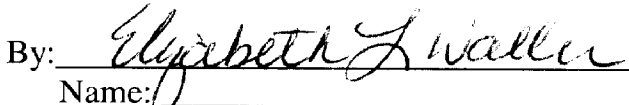
  
\_\_\_\_\_  
Witness

**FLANDERS FILTERS, INC.**  
("Company")

By:   
\_\_\_\_\_  
Steven K. Clark, President/Treasurer

Accepted:

**FLEET CAPITAL CORPORATION**  
("Lender")

By:   
\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: SVP

STATE OF Georgia )  
 )  
COUNTY OF Cobb )

BEFORE ME, the undersigned authority, on this day personally appeared Steven K. Clark, President/Treasurer of Flanders Filters, Inc. to me known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 9th day of October, 2002.

  
Notary Public

Executed on: October 18, 2002

My Commission Expires:

Notary Public, Cobb County, Georgia  
My Commission Expires December 21, 2003

[NOTARIAL SEAL]

STATE OF Georgia )  
 )  
COUNTY OF Cobb )

BEFORE ME, the undersigned authority, on this day personally appeared Elizabeth L. Waller, Senior VP of Fleet Capital Corporation, to me known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 23 day of October, 2002.

  
Notary Public

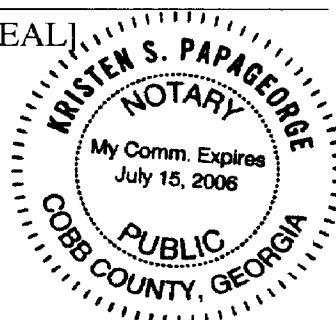
Executed on: October 23 2002

My Commission Expires:

7.15.06

[NOTARIAL SEAL]

(200953.2) 000052-00339



RECORDED: 10/28/2002

PATENT  
REEL: 013403 FRAME: 0833