

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
MIFAB, Inc.	02/22/2006

RECEIVING PARTY DATA

Name:	Associated Bank, N.A.
Street Address:	5200 North Central Avenue
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60630

PROPERTY NUMBERS Total: 4

Property Type	Number
Patent Number:	6152164
Patent Number:	6142178
Patent Number:	6539976
Patent Number:	6283442

CORRESPONDENCE DATA

Fax Number: (312)977-4405
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: (312) 977-4341
Email: dstrzalka@uhlaw.com
Correspondent Name: Daniel P. Strzalka
Address Line 1: 3500 Three First National Plaza
Address Line 4: Chicago, ILLINOIS 60602

NAME OF SUBMITTER:

Daniel P. Strzalka

Total Attachments: 10

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PATENT

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PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (this “**Agreement**”) is made as of February 22, 2006 by and between MIFAB, Inc., a Delaware corporation (the “**Grantor**”), and Associated Bank, N.A. (“**Lender**”).

WHEREAS, Grantor and Lender are parties to that certain Loan and Security Agreement of even date herewith (such Loan and Security Agreement as the same hereafter may be amended, modified, supplemented or restated from time to time hereinafter, together with any documents related thereto, are referred to as the “**Loan Agreement**”); and

WHEREAS, Lender is requiring Grantor to execute and deliver this Agreement (i) in order to secure the prompt and complete payment, observance and performance of all of the obligations of Grantor under the Loan Agreement (the “**Obligations**”) and (ii) as a condition precedent to the Loan Agreement.

NOW, THEREFORE, in consideration of the terms and conditions 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.**

Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

2. **SECURITY INTEREST IN PATENTS.**

To secure the complete and timely payment, performance and satisfaction of all of the Obligations, Grantor hereby grants to Lender, a security interest in, with power of sale to the extent permitted by applicable law and the provisions of this Agreement, all of Grantor’s United States and foreign patents and patent applications, any of the foregoing now or hereafter owned and/or used by Grantor and all licenses that allow the use of any patents or applications of others (collectively, the “**Intellectual Property Rights**”) now owned or existing and hereafter acquired or arising consisting of:

(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, 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 hereof, (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 Section 2(i) are 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, 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"). Notwithstanding the foregoing provisions of this Section 2, the Licenses shall not include any license agreement in effect as of the date hereof which by its terms prohibits the grant of the security contemplated by this Agreement; provided that upon the termination of such prohibitions for any reason whatsoever, the provisions of this Section 2 shall be deemed to apply thereto automatically.

3. NEW PATENTS AND LICENSES.

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, which in any such case, shall involve or constitute Intellectual Property Rights, the provisions of Section 2 above shall automatically apply thereto. Grantor shall give to Lender 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 more than ten (10) days thereafter. Grantor hereby authorizes Lender to modify this Agreement unilaterally (i) by amending Schedule A to include any future Intellectual Property Rights consisting of patents and patent applications and by amending Schedule B to include any future Intellectual Property Rights consisting of patent license agreements, which are Patents or Licenses under Section 2 above or under this Section 3 and (ii) by filing with the appropriate government agency, 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.

4. REPRESENTATIONS AND WARRANTIES.

Grantor represents and warrants as of the date hereof that: (i) the Patents listed on Schedule A include all of the Intellectual Property Rights consisting of patents and patent applications; (ii) the Licenses listed on Schedule B include all of the Intellectual Property Rights consisting of patent license agreements under which Grantor is the licensee or licensor; and (iii) no liens, claims or security interests in such Patents and Licenses have been granted by Grantor to any Person other than Lender, except as permitted under the Loan Agreement.

5. DUTIES OF GRANTOR.

Grantor shall, to the extent material to the normal conduct of Grantor's business, have the duty 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; (ii) make applications on unpatented but patentable inventions; (iii) not abandon any Patent or License without the prior written consent of Lender; and (iv) maintain in full force and effect the Patents and the Licenses in connection with the operation of Grantor's business. Any expenses incurred in connection with the foregoing shall be borne by Grantor. Lender shall not have any duty with respect to the Patents and Licenses. Without limiting the generality of the foregoing, Lender shall not be under any obligation to take any steps necessary to preserve rights in the Patents or Licenses against any other parties, but Lender may do so at its option from and after the occurrence of an Event of 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.

6. ROYALTIES.

Grantor hereby agrees that the use by Lender of the Patents and Licenses as authorized hereunder in connection with Lender's exercise of its rights and remedies under Section 10 shall be coextensive with Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Lender to Grantor.

7. FURTHER ASSIGNMENTS AND SECURITY INTERESTS.

From and after the occurrence of, and during the continuation of, an Event of Default, Grantor agrees that Lender, or a conservator appointed by Lender, shall have the right to establish such reasonable additional product quality controls as Lender or such conservator, in its sole and absolute discretion, may deem necessary to assure maintenance of the quality of products sold by Grantor under the Patents and the Licenses or in connection with which such Patents and Licenses are used. Grantor agrees (i) 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 Lender, (ii) to maintain the quality of such products as of the date hereof and (iii) not to change the quality of such products in any material respect without Lender's prior and express written consent. Grantor acknowledges that Lender, in its sole and absolute discretion, may withhold its consent for any or for no reason.

**8. NATURE AND CONTINUATION OF LENDER'S SECURITY INTEREST;
TERMINATION OF LENDER'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. When this Agreement has terminated, Lender shall promptly execute and deliver to Grantor, at Grantor's expense, all termination statements and other instruments as may be necessary or proper to terminate Lender's security interest in the Patents and the Licenses, subject to any disposition

thereof which may have been made by Lender pursuant to this Agreement or the Loan Agreement.

9. LENDER'S RIGHT TO SUE.

From and after the occurrence of an Event of Default, Lender 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 Lender shall commence any such suit, Grantor shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement. Grantor shall, upon demand, promptly reimburse Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 9 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for Lender).

10. CUMULATIVE REMEDIES; POWER OF ATTORNEY.

Grantor hereby irrevocably designates, constitutes and appoints Lender (and all Persons designated by Lender in its sole and absolute discretion) as Grantor's true and lawful attorney-in-fact, and authorizes Lender and any of Lender's designees, in Grantor's or Lender's names from and after the occurrence of and during the continuance of, an Event of Default, to: (i) endorse Grantor's names on all applications, documents, papers and instruments necessary or desirable for Lender 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 on commercially reasonable terms; (iii) grant or issue any exclusive or nonexclusive license under the Patents or, to the extent permitted, under the Licenses, to anyone on commercially reasonable terms; and (iv) take any other actions with respect to the Patents or the Licenses as Lender deems in its best interest. 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 shall have been paid in full. Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Loan Agreement, but rather is intended to facilitate the exercise of such rights and remedies.

Subject to the limitations set forth herein, or in the Loan Agreement, Lender 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 of an Event of Default and the election by Lender to exercise any of its remedies under Part 6 of Article 9 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 Lender or any transferee of Lender and to execute and deliver to Lender or any such transferee all such agreements, documents and instruments as may be necessary, in Lender's sole and absolute discretion, to effect such assignment, conveyance and transfer. All of Lender's rights and remedies with respect to the Patents and the Licenses, whether established hereby, by the Loan 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 continuation of an Event of Default, Lender may exercise any of the rights and remedies provided in this Agreement, the Loan Agreement and any of the other documents between Grantor and Lender. 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 that Lender may give any shorter notice that is commercially reasonable under the circumstances.

11. MISCELLANEOUS.

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

11.2 Waivers. Lender'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 Lender thereafter to demand strict compliance and performance therewith nor shall any course of dealing between Grantor and Lender 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 Lender unless such suspension or waiver is in writing signed by an officer of Lender and directed to Grantor specifying such suspension or waiver.

11.3 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 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.

11.4 Modification. Except as provided for in Section 3, this Agreement cannot be altered, amended or modified in any way, except as by a writing signed by the parties hereto.

11.5 Successors and Assigns. This Agreement shall be binding upon Grantor and its successors and assigns, and shall inure to the benefit of Lender and its 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 that Grantor shall not voluntarily assign or transfer its rights or obligations hereunder without Lender's prior written consent.

11.6 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.

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

11.8 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.

11.9 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.

11.10 Merger. This Agreement represents the final agreement of Grantor with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between Grantor and Lender.

11.11 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

[signature page attached]

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

GRANTOR:

MIFAB, Inc., a Delaware corporation

By: Mik Whiteside
Name: Michael Whiteside
Title: President

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

LENDER:

Associated Bank, N.A.

By: _____
Name: _____
Title: _____

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

GRANTOR:

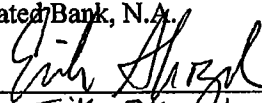
MIFAB, Inc., a Delaware corporation

By: _____
Name: _____
Title: _____

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

LENDER:

Associated Bank, N.A.

By:  _____
Name: Erik Skogshakken
Title: Vice President

Schedule A

Patents

US Patent #6,152,164 (for trap seal primers).

US Patent #6,142,178 (for trap seal primer distribution units).

US Patent #6,539,976 (for water hammer arrestors).

US Patent #6,283,442 (for trap seal primer distribution units).

Schedule B

License Agreements

None.