

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
Farrel Corporation	02/26/2007

RECEIVING PARTY DATA

Name:	LaSalle Business Credit, LLC
Street Address:	2001 Market Street
Internal Address:	Two Commerce Square, Suite 2610
City:	Philadelphia
State/Country:	PENNSYLVANIA
Postal Code:	19103

PROPERTY NUMBERS Total: 12

Property Type	Number
Patent Number:	4834543
Patent Number:	5261740
Patent Number:	5526566
Patent Number:	5382089
Patent Number:	5180225
Patent Number:	5259671
Patent Number:	5267788
Patent Number:	5415492
Patent Number:	5487602
Patent Number:	6494607
Patent Number:	6402360
Application Number:	11343820

CORRESPONDENCE DATA

CH \$480.00 4834543

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ATTORNEY DOCKET NUMBER:	114727-01037
NAME OF SUBMITTER:	Zachary A. Aria

Total Attachments: 13
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EXECUTION COPY

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (this "Security Agreement") is made as of this 26th day of February, 2007 by FARREL CORPORATION, a Delaware corporation ("Borrower") in favor of LASALLE BUSINESS CREDIT, LLC with an office at Two Commerce Square, 2001 Market Street, Suite 2610 Philadelphia, Pennsylvania 19103 ("Lender").

WITNESSETH:

WHEREAS, Borrower and Lender are parties to that certain Loan and Security Agreement, dated as of the date hereof (as amended, modified, supplemented or restated from time to time, the "Loan Agreement") and other related loan documents, each dated on or about the date hereof (collectively, with the Loan Agreement, and as each may be amended, modified, supplemented or restated from time to time, the "Financing Agreements"), which Financing Agreements provide, *inter alia* (i) for Lender to, from time to time, extend credit to or for the account of Borrower and (ii) for the grant by Borrower to Lender of a security interest in all of Borrower's assets, including, without limitation, its patents and patent applications.

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

1. Incorporation of Financing Agreements. The Financing Agreements and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All capitalized terms not otherwise defined herein shall have the same meanings given to such terms in the Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Liabilities, Borrower hereby grants to Lender, and hereby reaffirms its prior grant pursuant to the other Financing Agreements of, a continuing security interest in Borrower's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising patents and patent applications, including, without limitation, (i) the inventions and improvements described and claimed therein, (ii) all patentable inventions, (iii) those patents and patent applications registered or filed (as applicable) with the United States Patent and Trademark Office listed on Schedule A attached hereto and made a part hereof, (iv) those patents and patent applications registered or filed (as applicable) with the appropriate office of a foreign jurisdiction listed on Schedule B attached hereto and made a part hereof, (v) all patents and the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, (vi) all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and (vii) the right to sue for past,

present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Patents").

3. Warranties and Representations. Borrower warrants and represents to Lender that:

(i) no Patent has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Patent been cancelled, in whole or in part and each such Patent is presently subsisting;

(ii) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Patent, free and clear of any liens, charges and encumbrances (other than the security interests granted to Lender herein and in the other Financing Agreements), including without limitation, shop rights and covenants by Borrower not to sue third persons;

(iii) Borrower has no notice of any suits or actions commenced or threatened with reference to any Patent; and

(iv) Borrower has the unqualified right and power to execute and deliver this Security Agreement and perform its terms, and has taken all necessary corporate actions to authorize such execution, delivery and performance. This Security Agreement constitutes the valid and binding obligation of Borrower enforceable against Borrower in accordance with its terms. The execution, delivery and performance hereof will not violate any provision of Borrower's articles of incorporation, by-laws or equivalent or similar corporate governance documents, or any agreement to which Borrower is a party or by which Borrower's property is bound. No consent or approval of, or filing or registration with, any governmental authority is necessary for the execution and performance hereof by Borrower.

4. Restrictions on Future Agreements. Borrower agrees that until the Liabilities shall have been indefeasibly paid and satisfied in full in cash and the Loan Agreement terminated, Borrower shall not, without the prior written consent of Lender, sell or assign its interest in any Patent or enter into any other agreement with respect to any Patent which would affect the validity or enforcement of the rights transferred to Lender under this Security Agreement.

5. New Patents. Borrower represents and warrants that, based on a diligent investigation by Borrower, (i) the Patents listed on Schedule A constitute all of the Patents and Patent applications federally registered in the United States now owned by Borrower and (ii) the Patents listed on Schedule B constitute all of the foreign registered Patents and Patent applications now owned by Borrower. If, before the Liabilities shall have been indefeasibly paid and satisfied in full in cash and the Loan Agreement shall have been terminated, Borrower shall (i) become aware of any existing Patents of which Borrower has not previously informed Lender, (ii) obtain rights to any new patentable inventions or Patents, or (iii) become entitled to the benefit of any Patents, which benefit is not in existence on the date hereof, then the

provisions of this Security Agreement above shall automatically apply thereto and Borrower shall give to Lender prompt written notice thereof, along with an amended Schedule A or Schedule B (as applicable). Borrower hereby authorizes Lender to modify this Security Agreement by amending Schedule A and/or Schedule B (as applicable) by replacing it with any such amended schedule provided by Borrower under the provisions of this Section 5.

6. Royalties; Terms. The term of this Security Agreement shall extend until the earlier of (i) the expiration of each of the Patents, and (ii) the indefeasible payment and satisfaction in full in cash of the Liabilities and the termination of the Loan Agreement. Borrower agrees that upon the occurrence and during the continuance of an Event of Default, Borrower shall be deemed to have granted a non-exclusive license to Lender to use the Patents in the exercise by Lender of its rights as a secured creditor with respect to Borrower's tangible property and the use by Lender of all Patents shall be without any liability for royalties or other related charges from Lender to Borrower.

7. Release of Security Interest. This Security Agreement is made for collateral purposes only. Upon the indefeasible payment and satisfaction in full in cash of the Liabilities and the termination of the Loan Agreement, Lender shall take such actions as may be necessary or proper to terminate the security interests created hereby.

8. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Borrower. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Patents or in defending or prosecuting any actions or proceedings arising out of or related to, or in enforcing Lender's rights as a secured creditor in, the Patents, shall be borne by and paid by Borrower and until paid shall constitute Liabilities.

9. Duties of Borrower. Borrower shall have the duty (i) to file and prosecute diligently any patent applications pending as of the date hereof or hereafter until the Liabilities shall have been indefeasibly paid and satisfied in full in cash and the Loan Agreement terminated, (ii) to make application on unpatented but patentable inventions (iii) to preserve and maintain all rights in the Patents and (iv) to ensure that the Patents are and remain enforceable, in each of the foregoing cases to the extent that the filing, prosecution, preservation and maintenance of such patent applications, patentable inventions and Patents is reasonably necessary to, or desirable in connection with, the conduct of Borrower's business, as currently conducted. Any expenses incurred under this Section 9 shall be borne by Borrower.

10. Lender's Right to Sue. After the occurrence and during the continuance of an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and, if Lender shall in the exercise of its sole discretion commence any such suit, Borrower 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 and Borrower shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 10.

11. Waivers. No course of dealing between Borrower 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 Financing Agreements 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 further exercise thereof or the exercise of any other right, power or privilege.

12. Severability. The provisions of this Security 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 Security Agreement in any jurisdiction.

13. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

14. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Lender's rights and remedies with respect to the Patents, whether established hereby or by any of the other Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Borrower hereby authorizes Lender upon the occurrence and during the continuance of an Event of Default, to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as Borrower's true and lawful attorney-in-fact, with power to (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Patents, (ii) take any other actions with respect to the Patents as Lender deems to be in the best interest of Lender, (iii) grant or issue any exclusive or non-exclusive license under the Patents to anyone, and (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents to anyone. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Liabilities shall have been indefeasibly paid and satisfied in full in cash and the Loan Agreement terminated. Borrower acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under any of the other Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the other Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of New York.

15. Binding Effect; Benefits. This Security Agreement shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of Lender, its successors, nominees and assigns. Borrower may not assign any of its rights and obligations hereunder.

16. Governing Law. This Security Agreement and all matters arising herefrom or relating hereto shall be governed and controlled by the internal laws of the State of New York as to interpretation, enforcement, validity, construction, effect and in all other respects.

17. Headings. Section, paragraph and subdivision headings used herein are for convenience only and shall not govern the interpretation of any of the provisions of this Security Agreement.

18. Further Assurances. Borrower agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Lender shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and the agreements set forth herein. Borrower hereby authorizes Lender to file UCC-1 financing statements (and all appropriate continuations and amendments thereto) against Borrower describing the Patents (including a description of "all patents" or "all general intangibles") from time to time in such jurisdictions as Lender may deem necessary, desirable or prudent to protect and perfect Lender's security interest in the Patents.


19. Survival of Representations. All representations and warranties of Borrower contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Financing Agreements.

20. Counter parts. This Security Agreement and any amendments, waivers, consents or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which counterparts together shall constitute but one agreement. Signature by facsimile shall bind the parties hereto.

[Signatures Appear on Following Page]

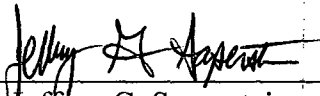
IN WITNESS WHEREOF, Borrower has duly executed this Patent Security Agreement as of the date first written above.

FARREL CORPORATION

By: 
Name: Alberto Shaio
Title: Chief Executive Officer

Acknowledged, agreed to and accepted
as of the date first written above by:

LASALLE BUSINESS CREDIT, LLC

By: 
Name: Jeffrey G. Saperstein
Title: First Vice President

Signature Page to Patent Security Agreement

PATENT
REEL: 018934 FRAME: 0918

ACKNOWLEDGMENT

STATE OF NY)
) SS
COUNTY OF NY)

I, Kathleen Mangual, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Alberto Shaio, the Chief Executive Officer of Farrel Corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

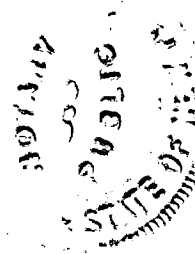
GIVEN under my hand and notarial seal this 26th day of February, 2007.

Kathleen Mangual
Notary Public

My Commission Expires:

11/25/2010

KATHLEEN MANGUAL
Notary Public, State of New York
No. 01MA6083782
Qualified in New York County
Commission Expired November 25, 2010



ACKNOWLEDGMENT

STATE OF NY)
) SS
COUNTY OF NY)

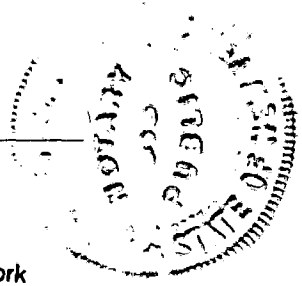
I, Kathleen Mangual, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Jeffrey G. Saperstein, a First Vice President of LaSalle Business Credit, LLC, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said limited liability company for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 26th day of February, 2007.

Kathleen Mangual
Notary Public

My Commission Expires:

11/25/2010



KATHLEEN MANGUAL
Notary Public, State of New York
No. 01MA6083782
Qualified in New York County
Commission Expired November 25, 2010

SCHEDULE A

U.S. PATENTS

Farrel ID	Description	Expiration Date	Patent No.
F4004	Optimized Four-Wing Non-Intermeshing Rotors for Mixing Machines	04/12/2008	4834543
F4008	One-Piece Cylindrical Extruder Barrel Assembled With Eccentric Converging Hopper For Receiving Molten Plastic	06/06/2011	5261740
F4011	Method of Making Rotors For Two-Rotor Continuous Mixers And Method of Assembly	06/18/2013	5526566
F4011A	Convenient Access For Clean-Out And Maintenance Of Mixing Chamber And Both Rotors In Two-Rotor Continuous Mixers	01/17/2012	5382089
F4013	Rotor Zone Cooling Method And Apparatus For Rotors In Continuous Mixers Of Plastic Materials	06/07/2011	5180225
F4014	Greased Journal Bearing Assemblies With Thermal Insulation And Cooling In Continuous Mixers Of Plastic Materials	06/07/2011	5259671
F4017	Multi-Screw Continuous Mixing & Kneading Machine For Plasticizable Compounds	03/23/2012	5267788
F4018	Coupling Mechanism for Quickly Axially Aligning Rotor to Journals	05/16/2007	5415492
F4019	Multi-Screw, Extrusion Compounding Machine With Modular Mixing Units	06/03/2014	5487602
F4021	Four Wing, Non-Intermeshing Rotors For Synchronous Drive To Provide Improved Dispersive And Distributive Mixing In Internal Batch Mixers	07/24/2021	6494607
F4022	Internal Batch Mixing Machines And Rotors	03/25/2019	6402360

PATENT APPLICATIONS

Farrel ID	Description	Application Date	App. No.
F4024	Keel Type Ram For Use In Internal Batch Mixers With Tangential Rotors	01/30/2006	11/343820

SCHEDULE B

FOREIGN PATENTS

Farrel ID	Description	Jurisdiction	Expiration Date	Patent No.
F2601	Mixing Machine	Australia	05/13/2007	584510
		Spain	05/08/2007	2026532
		Japan	05/15/2007	1927231
F4000	Internal Batch Mixing Machines With Non-Intermeshing Rotors Of Increased Performance	Australia	10/09/2007	588216
		Canada	03/31/2009	1298285
		Germany	10/07/2007	P3774663.4
		Spain	10/07/2007	0264224
		France	10/07/2007	0264224
		UK	10/07/2007	0264224
		India	Allowed	171247
		Italy	10/07/2007	0264224
		Japan	10/14/2007	1911264
Korea	07/26/2011	107969		
F4001	Two-Wing Non-Intermeshing Rotors Of Increased Performance For Use In Internal Batch Mixing Machines	Australia	10/19/2007	587762
		Canada	07/23/2008	1286657
		Germany	10/07/2007	P3784306.0
		Spain	10/07/2007	0266078
		France	10/07/2007	0266078
		UK	10/07/2007	0266078
		Italy	10/07/2007	0266078
		Japan	10/27/2007	1927327
		Korea	12/21/2009	83317
F4004	Optimized Four-Wing Non-Intermeshing Rotors for Mixing Machines	Australia	02/23/2009	605733
		Brazil	03/01/2009	P19705891
		Canada	04/28/2009	1299562
		Germany	02/21/2009	68902085.6
		Spain	02/21/2009	0340888
		France	02/21/2009	0340888
		UK	02/21/2009	0340888
		Italy	02/21/2009	0340888
		Japan	03/29/2009	2109089
Korea	05/30/2012	131114		
F4017	Multi-Screw Continuous Mixing & Kneading Machine For Plasticizable Compounds	Austria	01/26/2013	0624124
		Australia	01/26/2013	665404
		Belgium	01/26/2013	0624124
		Brazil	01/26/2013	P19305820-9

		China	01/29/2013	38659
		Denmark	01/26/2013	0624124
		Spain	01/26/2013	0624124
		France	01/26/2013	0624124
		UK	01/26/2013	0624124
		Italy	01/26/2013	0624124
		Japan	01/26/2013	2645612
		Korea	01/26/2013	149424
		Mexico	01/26/2013	186313
		Malaysia	08/29/2013	MY110577A
		Netherlands	01/26/2013	0624124
		Sweden	01/26/2013	0624124
		Thailand	01/26/2013	14380
F4019	Multi-Screw, Extrusion Compounding Machine With Modular Mixing Units	Austria	06/01/2015	0764074
		Australia	06/01/2015	680372
		Belgium	06/01/2015	0764074
		Brazil	06/01/2015	P19508698-6
		Canada	06/01/2015	2191860
		Switzerland	06/01/2015	0764074
		China	06/01/2015	53306
		Germany	06/01/2015	0764074
		Denmark	06/01/2015	0764074
		Spain	06/01/2015	0764074
		France	06/01/2015	0764074
		UK	06/01/2015	0764074
		Italy	06/01/2015	0764074
		Japan	06/01/2015	2912021
		Korea	06/01/2015	204118
		Liechtenstein	06/01/2015	0764074
		Mexico	12/02/2016	196210
		Netherlands	06/01/2015	0764074
		Poland	06/01/2015	177289
		Russia	06/01/2015	2145281
		Taiwan	05/03/2015	NI-074208
F4021	Four Wing, Non-Intermeshing Rotors For Synchronous Drive To Provide Improved Dispersive And Distributive Mixing In Internal Batch Mixers	Australia	02/28/2022	2002245544
		China	02/28/2022	02803237.3
		Korea	Pending	
		Taiwan	02/20/2022	1227682

PATENT APPLICATIONS

Farrel ID	Description	Jurisdiction	Application Date	App. No.
F4021	Four Wing, Non-Intermeshing Rotors For Synchronous Drive To Provide Improved Dispersive And Distributive Mixing In Internal Batch Mixers	Brazil Canada Czech Rep. France Germany India Italy Japan Mexico Poland Russia Spain UK	02/28/2002 Allowed 02/28/2002 02/28/2002 02/28/2002 Allowed 02/28/2002 02/28/2002 Allowed 02/28/2002 02/28/2002 02/28/2002 02/28/2002	PI206152-0 2428700 PV 2003-1324 PCT/US02/1324 PCT 00741/DELPN/2003 PCT 2002-587089 PCT P362303 2003113960 PCT PCT
F4024	Keel Type Ram For Use In Internal Batch Mixers With Tangential Rotors	PCT Taiwan	01/30/2007 01/30/2007	PCT/US07/02364