

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 |
| MM Westborough, LLC | 12/10/2012 |
| RECEIVING PARTY DATA | |
| Name: | TD Bank, N.A. |
| Street Address: | One Portland Square |
| Internal Address: | Attn: Robert A. Small, Vice President - Commercial Lending |
| City: | Portland |
| State/Country: | MAINE |
| Postal Code: | 04101 |
| PROPERTY NUMBERS Total: 1 | |
| Property Type | Number |
| Patent Number: | 6193077 |
| CORRESPONDENCE DATA | |
| Fax Number: | 2078229901 |
| <i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i> | |
| Phone: | 2078229900 |
| Email: | rpearce@pearcedow.com |
| Correspondent Name: | Pearce & Dow, LLC |
| Address Line 1: | Two Monument Square, PO Box 108 |
| Address Line 4: | Portland, MAINE 04112-0108 |
| NAME OF SUBMITTER: | Joshua Dow, its duly authorized attorney |
| Total Attachments: 13 source=Security Agreement#page1.tif source=Security Agreement#page2.tif source=Security Agreement#page3.tif source=Security Agreement#page4.tif source=Security Agreement#page5.tif source=Security Agreement#page6.tif | |

OP \$40.00 6193077

source=Security Agreement#page7.tif
source=Security Agreement#page8.tif
source=Security Agreement#page9.tif
source=Security Agreement#page10.tif
source=Security Agreement#page11.tif
source=Security Agreement#page12.tif
source=Security Agreement#page13.tif

PATENT SECURITY AGREEMENT

This Patent Security Agreement ("Agreement") is made this 10th day of December, 2012, by **MM WESTBOROUGH**, a Delaware limited liability company with a mailing address of 63 Community Drive, Sanford, Maine 04073 ("Borrower") and delivered to **TD BANK, N.A.** having an address of One Portland Square, Portland, ME 04101, Attn: Robert A. Small, Vice President-Commercial Lending ("Lender").

BACKGROUND

A. This Agreement is being executed contemporaneously with that certain Security Agreement of even date herewith between Borrower and Lender (as it may be supplemented, restated, superseded, amended or replaced from time to time, the "Security Agreement"), under which Borrower is granting Lender a lien on and security interest in certain assets of Borrower associated with or relating to services or products sold under Borrower's Patent Collateral (as defined herein), and under which Lender is entitled to foreclose or otherwise deal with such assets under the terms and conditions set forth therein. Capitalized terms not defined herein shall have the meanings given to such terms in the Security Agreement.

B. Borrower has rights with respect to: (i) the United States Letters Patents and the inventions described and claimed therein set forth on Schedule A hereto (hereinafter referred to collectively as the "Patents"); (ii) the application for Letters Patent and the inventions described and claimed therein set forth on Schedule A hereto and any United States Letters Patents which may be issued upon any of said applications (hereinafter referred to collectively as the "Applications"); (iii) any reissues, extension, division or continuation of the Patents or Applications (such reissues, extension, divisions and continuations being herein referred to collectively as the "Reissued Patents"); and (iv) all future royalties or other fees paid or payments made to Borrower in respect of the Patents (hereinafter referred to collectively as the "Royalties"), (the Patents, Applications and the Reissued Patents and the Royalties being herein referred to collectively as the "Patent Rights").

C. Pursuant to the Security Agreement, Lender is acquiring a lien on, security interest in and a license to use the Patent Collateral and the registration thereof, as security for all of Borrower's Obligations (as defined in the Security Agreement), and Lender desires to have its security interest in such Patent Collateral confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Security Agreement and the Obligations therein described, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure Borrower's Obligations, Borrower grants to Lender a lien on and security interest in all of the Patent Rights and all proceeds thereof and all Borrower's

This Security Agreement is subject to the terms of a certain Intercreditor Agreement dated December 10, 2012 between TD Bank, N.A. and GE Osmonics, Inc.

right, title, interest, claims and demands that Borrower has or may have in profits and damages for past and future infringements of the Patent Rights (such rights, interest, claims and demand being herein called the "Claims") (the Patent Rights and Claims are collectively referred to as the "Patent Collateral").

2. Borrower hereby covenants and agrees to maintain the Patent Collateral as permitted under applicable law in full force and effect until all of Borrower's Obligations are indefeasibly paid and satisfied in full.

3. Borrower represents, warrants and covenants to Lender that:

(a) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Patent Collateral as set forth on Schedule "A".

(b) The Patent Collateral is subsisting and has not been adjudged invalid or unenforceable;

(c) All of the Patent Rights are registered, valid and enforceable;

(d) All of the Patent Collateral is free and clear of any liens, charges and encumbrances including, without limitation, pledges, assignments, licenses (other than to Borrower and Lender hereunder) and covenants by Borrower not to sue third persons;

(e) Borrower has no notice of any suits or actions commenced or threatened against it, or notice of claims asserted or threatened against it, with reference to the Patent Collateral;

(f) Borrower has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(g) Borrower has complied with, and will continue for the duration of this Agreement to comply with the requirements set forth in 35 U.S.C. §1 et seq. and any other applicable statutes, rules and regulations in connection with its use of the Patent Collateral except where failure to comply would not have a Material Adverse Effect on Borrower or its Property; and

(h) Borrower has used and will continue to use for the duration of this Agreement, consistent standards of quality in services or products leased or sold under the Patent Collateral and hereby grants to Lender and its employees and agents the right (with no obligation of any kind upon Lender to do so) to visit Borrower's affiliates, franchises or management locations and to inspect the use of the Patent Collateral and quality control records relating thereto at reasonable times during regular business hours to ensure Borrower's compliance with this paragraph 3(h).

4. Borrower further covenants that:

(a) Until all the Borrower's Obligations are indefeasibly paid and satisfied in full, Borrower will not enter into any agreement, including, without limitation, license agreements or options, which are inconsistent with Borrower's obligations under this Agreement, Borrower's obligations under the Security Agreement or which restrict or impair Lender's rights hereunder.

(b) If Borrower acquires rights to any new Patent Collateral, the provisions of this Agreement shall automatically apply thereto and such Patent Collateral shall be deemed part of the Patent Collateral. Borrower shall give Lender prompt written notice thereof along with an amended Schedule "A."

5. So long as this Agreement is in effect and so long as Borrower has not received notice from Lender that an Event of Default has occurred under the Security Agreement and that Lender has not elected to exercise its rights hereunder: (i) Borrower shall continue to have the exclusive right to use the Patent Collateral; and (ii) Lender shall have no right to use the Patent Collateral or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Patent Collateral to anyone else.

6. Borrower agrees not to sell, license, grant any option, assign or further encumber its rights and interest in the Patent Collateral to any entity or person other than Lender without the prior written consent of Lender.

7. Anything herein contained to the contrary notwithstanding, if and while an Event of Default exists under the Security Agreement, Borrower hereby covenants and agrees that Lender, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect from time to time in the State of Maine, may take such action permitted hereunder, in its exclusive discretion, to foreclose upon the Patent Collateral covered hereby. For such purposes, while an Event of Default exists, Borrower hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in its exclusive discretion, as Borrower's true and lawful attorney-in-fact, with the power to endorse Borrower's name on all applications, documents, papers and instruments necessary for Lender to use the Patent Collateral or to grant or issue any exclusive or non-exclusive license under the Patent Collateral to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Patent Collateral to anyone else including, without limitation, the power to execute a Patent Assignment in the form attached hereto as Exhibit 1. Borrower hereby ratifies all that such attorney or agent shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or willful misconduct of such attorney or agent. This power of attorney shall be irrevocable for the life of this Agreement, any related loan documents, and until all Borrower's Obligations are indefeasibly paid and satisfied in full.

8. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Security Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

9. All rights and remedies herein granted to Lender shall be in addition to any rights and remedies granted to Lender under Lender's loan documents. In the event of an inconsistency between this Agreement and Security Agreement, the language of this Agreement shall control.

10. Upon Borrower's performance of all of the obligations under Borrower's loan documents and after all of Borrower's Obligations are indefeasibly paid and satisfied in full, Lender shall, at Borrower's expense, execute and deliver to Borrower all documents reasonably necessary to terminate Lender's security interest in the Patent Collateral.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, 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 costs otherwise incurred in protecting, maintaining, preserving the Patent Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Patent Collateral, in each case in accordance with the terms of this Agreement, shall be borne and paid by Borrower on demand by Lender and until so paid shall be added to the principal amount of Borrower's Obligations to Lender and shall bear interest at the highest otherwise applicable rate prescribed in the instruments evidencing the Obligations, as defined in the Security Agreement.

12. Subject to the terms of the Security Agreement, Borrower shall have the duty to prosecute diligently any application and/or registration with respect to the Patent Collateral pending as of the date of this Agreement or thereafter, until Borrower's Obligations are indefeasibly paid and satisfied in full, to preserve and maintain all rights in the Patent Collateral, and upon reasonable request of Lender, Borrower shall make federal application on registerable but unregistered Patent Collateral belonging to Borrower and licensed to Borrower. Any reasonable expenses incurred in connection with such applications shall be borne exclusively by Borrower. Borrower shall not abandon any Patent Collateral without the prior written consent of Lender.

13. Borrower shall have the right to bring suit in its own name to enforce the Patent Collateral, in which event Lender may, if Borrower reasonably deems it necessary, be joined as a nominal party to such suit if Lender shall have been satisfied, in its sole discretion, that it is not thereby incurring any risk of liability because of such joinder. Borrower shall promptly, upon demand, reimburse and indemnify Lender for all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by Lender in the fulfillment of the provisions of this paragraph.

14. Upon the occurrence of an Event of Default under the Security Agreement, Lender may, without any obligation to do so, complete any obligation of Borrower hereunder, in Borrower's name or in Lender's name, but at the expense of Borrower.

15. 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, shall operate as a waiver thereof, and all of Lender's rights and remedies with respect to the Patent Collateral, whether established hereby or by the Loan Documents, or by any other future agreements between Borrower and Lender or by law, shall be cumulative and may be exercised singularly or concurrently.

16. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties. Borrower may not transfer, assign or delegate any of its duties or obligations hereunder.

17. THIS AGREEMENT, AND ALL MATERS ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND ALL RELATED AGREEMENTS AND DOCUMENTS, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE STATE OF MAINE. THE PROVISIONS OF THIS AGREEMENT AND ALL OTHER AGREEMENTS AND DOCUMENTS REFERRED TO HEREIN ARE TO BE DEEMED SEVERABLE, AND THE INVALIDITY OR UNENFORCEABILITY OF ANY PROVISION SHALL NOT AFFECT OR IMPAIR THE REMAINING PROVISIONS WHICH SHALL CONTINUE IN FULL FORCE AND EFFECT.

18. Borrower hereby irrevocably consents to the non-exclusive jurisdiction of the Courts of the State of Maine or the United States District Court for the District of Maine in any and all actions and proceedings whether arising hereunder or under any other agreement or undertaking. Borrower waives any objection which Borrower may have based upon lack of personal jurisdiction, improper venue or forum non conveniens. Borrower irrevocably agrees to service of process by certified mail, return receipt requested to the address of the appropriate party set forth in the preamble of this Agreement.

19. BORROWER (AND LENDER BY ITS ACCEPTANCE HEREOF) HEREBY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO A JURY TRIAL IN CONNECTION WITH ANY LITIGATION, PROCEEDING OR COUNTERCLAIM ARISING WITH RESPECT TO RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO OR UNDER THE LOAN DOCUMENTS OR WITH RESPECT TO ANY CLAIMS ARISING OUT OF ANY DISCUSSIONS, NEGOTIATIONS OR COMMUNICATIONS INVOLVING OR RELATED TO ANY PROPOSED RENEWAL, EXTENSION, AMENDMENT, MODIFICATION, RESTRUCTURE, FORBEARANCE, WORKOUT, OR ENFORCEMENT OF THE TRANSACTIONS CONTEMPLATED HEREUNDER OR UNDER THE UNDERLYING LOAN DOCUMENTS.

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

Borrower:
MM Westborough, LLC

By: William C. Embiser

Name: William C. Embiser

Title: Its duly authorized CEO

(Corporate Seal)

Address: 63 Community Drive
Sanford, Maine 04073

Approved and Accepted:

TD BANK, N. A.

By: 

Name: Robert A. Small

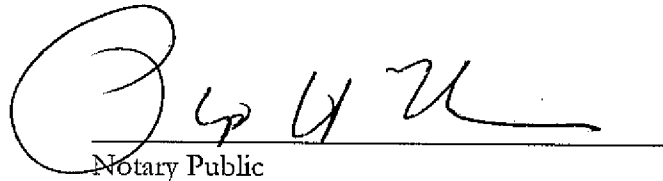
Title: Its Vice President – Commercial Lending

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA
STATE OF MAINE
COUNTY OF CUMBERLAND

:
: SS
:

On this 10th day of December, 2012, before me personally appeared William Embury, to me known and being duly sworn, deposes and says that he/she is the CEO of MM Westborough, LLC, the corporation described in the foregoing Agreement; that he/she knows the seal of the corporation; that the seal so affixed to the Agreement is such corporate seal; that he/she signed the Agreement and affixed the seal of the corporation thereto as such officer pursuant to the authority vested in him/her by law; that the within Agreement is the voluntary act of such corporation; and he/she desires the same to be recorded as such.



Notary Public

PHILIP H. GLEASON
Notary Public, Maine
My Commission Expires December 14, 2013

My Commission Expires
PHILIP H. GLEASON
Notary Public, Maine
My Commission Expires December 14, 2013

Schedule A to Patent Security Agreement

| <u>PATENTS</u> | <u>APPLICATION/ REGISTRATION NO.</u> | <u>COUNTRY</u> | <u>REGISTRATION DATE</u> |
|--|--|----------------|------------------------------|
| Non-Cracking Hydrophilic Polyethersulfone Membranes | 6,193,077 B1 | US | February 27, 2001 |

Exhibit 1 to Patent Security Agreement

PATENT ASSIGNMENT

WHEREAS, MM Westborough, LLC, a Delaware limited liability company ("Grantor"), is the registered owner, holder or user of: (i) the United States Letter Patents and the inventions which are registered in the United States Patent and Trademark Office and set forth on Schedule A hereto (hereinafter referred to collectively as the "Patents"); (ii) the application for Letters Patents and the inventions described and claimed therein set forth on Schedule A hereto and any United States Letters Patents which may be issued upon any of said applications (hereinafter referred to collectively as the "Applications"); (iii) any reissues, extension, division or continuation of the Patents or Applications (such reissues, extension, divisions and continuations being herein referred to collectively as the "Reissued Patents"); and (iv) all future royalties or other fees paid or payments made to Borrower in respect of the Patents (hereinafter referred to collectively as the "Royalties"), (the Patents, Applications and the Reissued Patents and the Royalties being herein referred to collectively as the "Patent Rights").

WHEREAS, TD BANK, N.A. ("Grantee"), having a place of business at One Portland Square, Portland, Maine 04101, Attn: Robert A. Small, Vice President - Commercial Lending, is desirous of acquiring the Patent Rights;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Patent Rights and all proceeds thereof and all Borrower's right, title, interest, claims and demands that Borrower has or may have in profits and damages for past and future infringements of the Patent Rights.

IN WITNESS WHEREOF, the undersigned has caused this Patent Assignment to be executed as of the ____ day of _____, _____.

MM WESTBOROUGH, LLC

Witness: _____

By: _____
As Attorney-in-fact

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF _____ : SS
COUNTY OF _____ :

On this the ____ day of _____, _____, before me a Notary Public for the said County and State, personally appeared _____ known to me or satisfactorily proven to me to be attorney-in-fact on behalf of MM Westborough, LLC ("Grantor"), and he/she acknowledged to me that he/she executed the foregoing Patent Assignment on behalf of Grantor, and as the act and deed of Grantor for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(Individual Notary)

My Commission Expires:

_____, _____

SCHEDULE A TO PATENT ASSIGNMENT

| <u>PATENTS</u> | <u>APPLICATION/ REGISTRATION NO.</u> | <u>COUNTRY</u> | <u>REGISTRATION DATE</u> |
|--|--|----------------|------------------------------|
| Non-Cracking Hydrophilic Polyethersulfone Membranes | 6,193,077 B1 | US | February 27, 2001 |

POWER OF ATTORNEY

MM WESTBOROUGH, LLC, a Delaware limited liability company, ("Grantor"), hereby authorizes TD BANK, N.A., its successors and assigns, and any officer or agent thereof (collectively "Grantee") as Grantor's true and lawful attorney-in-fact, with the power to endorse Grantor's name on all applications, assignments, documents, papers and instruments necessary for Grantee to enforce and effectuate its rights under a certain Patent Security Agreement between Grantor and Grantee dated the date hereof (as it may hereafter be supplemented, restated, superseded, amended or replaced, the "Patent Agreement"), including, without limitation, the power to use the Patents (as defined in the Patent Agreement), to grant or issue any exclusive or nonexclusive license under the Patents to anyone else, or to assign, pledge, convey or otherwise transfer title in or dispose of the Patents.

This Power of Attorney is given and any action taken pursuant hereto is intended to be so given or taken pursuant to a certain Loan and Security agreement bearing even date herewith between Grantor and Grantee as it may be supplemented, restated, superseded, amended or replaced from time to time.

Grantor hereby unconditionally ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

This Power of Attorney shall be coupled with an interest and irrevocable for the life of the Patent Agreement.

IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney, under seal, this 5th day of December, 2012.

Witness: _____

Witness: _____

MM WESTBOROUGH, LLC

By: _____

Attest: _____

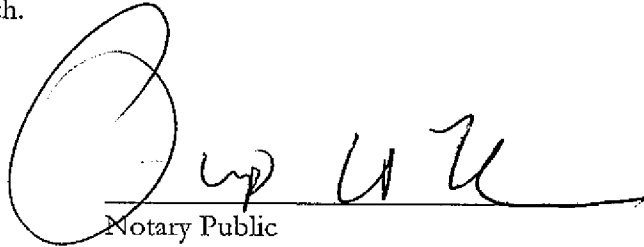
(Corporate Seal)

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA
STATE OF MAINE
COUNTY OF CUMBERLAND

:
:
SS
:

On this 10th day of December, 2012, before me personally appeared William Embury, to me known and being duly sworn, deposes and says that he/she is CEO of MM WESTBOROUGH, LLC, the Grantor corporation described in the foregoing Power of Attorney; that he/she knows the seal of the corporation; that the seal so affixed to the Power of Attorney is such corporate seal; that he/she signed the Power of Attorney and affixed the seal of the corporation thereto as such officer pursuant to the authority vested in him/her by law; that the within Power of Attorney is the voluntary act of such corporation; and he/she desires the same to be recorded as such.


Notary Public

My Commission Expires:

PHILIP H. GLEASON
Notary Public, Maine
My Commission Expires December 14, 2013