

PATENT ASSIGNMENT COVER SHEET

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 Stylesheet Version v1.2

EPAS ID: PAT5421610

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
CONVEYING PARTY DATA	
Name	Execution Date
AVADIM HEALTH IP, INC.	03/13/2019
RECEIVING PARTY DATA	
Name:	HAYFIN SERVICES LLP, AS COLLATERAL AGENT
Street Address:	ONE EAGLE PLACE
City:	ST. JAMES, LONDON
State/Country:	UNITED KINGDOM
Postal Code:	SW1Y 6AF
PROPERTY NUMBERS Total: 8	
Property Type	Number
Application Number:	14629320
Application Number:	14946299
Application Number:	14745091
Application Number:	15187484
Application Number:	62082019
Application Number:	61943287
Application Number:	16054017
Application Number:	09471538
CORRESPONDENCE DATA	
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Address Line 4:	NEW YORK, NEW YORK 10020
NAME OF SUBMITTER:	MIRLANDE TELFORT
SIGNATURE:	/s/ Mirlande Telfort
DATE SIGNED:	03/14/2019

PATENT

Total Attachments: 4

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PATENT SECURITY AGREEMENT

(Patents and Patent Licenses)

March 13, 2019

WHEREAS, Avadim Health IP, Inc., a Delaware corporation (herein referred to as the “**Grantor**”), owns or licenses the Patent Collateral (as defined below);

WHEREAS, Avadim Health, Inc., as borrower (the “**Borrower**”), the Lenders party thereto, and Hayfin Services LLP, as Administrative Agent and Collateral Agent, are parties to a Credit Agreement dated as of October 5, 2018 (as amended from time to time, the “**Credit Agreement**”);

WHEREAS, pursuant to (i) a Guarantee and Collateral Agreement dated as of October 5, 2018 (as amended and/or supplemented from time to time, the “**Guarantee and Collateral Agreement**”) among the Borrower, the Guarantors party thereto (including the Grantor) and Hayfin Services LLP, as Collateral Agent for the Secured Parties referred to therein (in such capacity, together with its successors in such capacity, the “**Grantee**”), and (ii) certain other Security Documents (including this Patent Security Agreement), the Grantor has secured certain of its obligations (the “**Obligations**”) by granting to the Grantee for the benefit of such Secured Parties a continuing security interest in substantially all personal property of the Grantor, including all right, title and interest of the Grantor in, to and under the Patent Collateral (as defined below); and

WHEREAS, terms defined in the Guarantee and Collateral Agreement (or whose definitions are incorporated by reference in Section 1 of the Guarantee and Collateral Agreement) and not otherwise defined herein have, as used herein, the respective meanings provided for therein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor hereby grants to the Grantee, to secure the Obligations, a continuing security interest in all of the Grantor’s right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the “**Patent Collateral**”), whether now owned or existing or hereafter acquired or arising:

(i) each Pledged Patent (as defined in the Guarantee and Collateral Agreement) owned by the Grantor, including, without limitation, each Pledged Patent referred to in Schedule 1 hereto;

(ii) each Pledged Patent License (as defined in the Guarantee and Collateral Agreement) to which the Grantor is the licensee, including, without limitation, each Pledged Patent License identified in Schedule 1 hereto; and

(iii) all proceeds of and revenues from the foregoing, including, without limitation, all proceeds of and revenues from any claim by the Grantor against third parties for past, present or future infringement of any Pledged Patent owned by the Grantor

(including, without limitation, any Pledged Patent identified in Schedule 1 hereto) and all rights and benefits of the Grantor under any Pledged Patent License (including, without limitation, any Pledged Patent License identified in Schedule 1 hereto).

The Grantor irrevocably constitutes and appoints the Grantee and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full power and authority in the name of the Grantor or in the Grantee's name, from time to time, in the Grantee's discretion, so long as any Event of Default shall have occurred and be continuing, to take with respect to the Patent Collateral any and all appropriate action which the Grantor might take with respect to the Patent Collateral and to execute any and all documents and instruments which may be necessary or desirable to carry out the terms of this Patent Security Agreement and to accomplish the purposes hereof.

Except to the extent expressly permitted in the Guarantee and Collateral Agreement or the Credit Agreement, the Grantor agrees not to sell, exchange, assign or otherwise transfer or dispose of, or mortgage or otherwise encumber, any of the Patent Collateral.

The foregoing security interest is granted in conjunction with the security interests granted by the Grantor to the Grantee pursuant to the Guarantee and Collateral Agreement. The Grantor acknowledges and affirms that the rights and remedies of the Grantee with respect to the security interest in the Patent Collateral granted hereby are more fully set forth in the Guarantee and Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

Notwithstanding the foregoing and notwithstanding the occurrence of an Event of Default, the Collateral Agent hereby acknowledges and agrees that the rights and remedies of the Collateral Agent with respect to all Patent Collateral are subject to any license agreement or other commercial agreement of a Grantor (with a non-Affiliate counterparty) with respect to such Patent Collateral if the applicable license agreement or other commercial agreement was in existence on the Closing Date or entered into by such Grantor after the Closing Date in the ordinary course of business or consistent with past practice, including such counterparty's rights, if any, under Section 365(n) of the Bankruptcy Code.

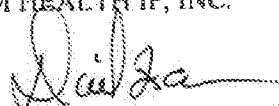
This Patent Security Agreement may be executed in any number of several counterparts, but all of such counterparts shall together constitute but one and the same agreement. Delivery of an executed signature page in electronic form (including .pdf format) shall be as effective as delivery of a manually signed counterpart.

The terms and provisions of Section 28 of the Guarantee and Collateral Agreement are incorporated by reference herein as if fully set forth herein.

[Signature pages follow]

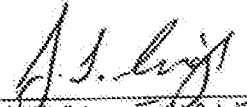
IN WITNESS WHEREOF, the Grantor has caused this Patent Security Agreement to be duly executed by its officer thereunto duly authorized as of the date first written above.

AVADIM HEALTH IP, INC.

By: 
Name: David Fann
Title: President

Acknowledged:

HAYFIN SERVICES LLP, as Collateral Agent

By: 
Name: ANDREW TINGLE
Title: AUTHORIZED SIGNATORY

[SIGNATURE PAGE TO PATENT SECURITY AGREEMENT]

Schedule 1**SCHEDULE OF PATENTS AND APPLICATIONS**

Title of Patent	Country	App. No.	Patent No.	Filing Date	Issue Date
Method for Maintenance of Urethral Catheters	United States	14,629,320	10,046,137	2/23/2015	8/14/2018
Method for the Prevention and Treatment of Acne	United States	14,946,299	10,071,052	11/19/2015	9/11/2018
Topically Applied Acidifying Composition For Improving Integumentary Tissues	United States	14,745,091	N/A	6/19/2015	N/A
Method for Improving Health Outcomes	United States	15,187,484	N/A	6/20/2016	N/A
Method for the Prevention and Treatment of Acne	United States	62,082,019	N/A	11/19/2014	N/A
Method for Maintenance of Urethral Catheters	United States	61,943,287	N/A	02/21/2014	N/A
Method for maintenance of urethral catheters	United States Continuation	16,054,017	N/A	08/03/18	N/A
Method for Decolonizing Mammalian Skin	United States	16054017	N/A	8/3/18	N/A
One-Step System for Cleansing, Conditioning, and Treating the Skin	United States	09471538	6358516	12/23/1999	03/22/2002