

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT5637972

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
SEQUENCE:	4

CONVEYING PARTY DATA

Name	Execution Date
MICRO PRECISION, LLC	07/25/2019

RECEIVING PARTY DATA

Name:	CONNECTICUT GROWTH FUND II, LIMITED PARTNERSHIP, AS COLLATERAL AGENT
Street Address:	45 NOD ROAD
Internal Address:	C/O IRONWOOD CAPITAL
City:	AVON
State/Country:	CONNECTICUT
Postal Code:	06001

PROPERTY NUMBERS Total: 2

Property Type	Number
Patent Number:	7654923
Application Number:	15338587

CORRESPONDENCE DATA

Fax Number: (860)275-8299

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

Phone: 860-275-8285

Email: jscheib@rc.com

Correspondent Name: JACQUELINE P. SCHEIB

Address Line 1: 280 TRUMBULL STREET

Address Line 2: ROBINSON & COLE LLP

Address Line 4: HARTFORD, CONNECTICUT 06103

NAME OF SUBMITTER:	JACQUELINE P. SCHEIB
SIGNATURE:	/Jacqueline P. Scheib/
DATE SIGNED:	07/26/2019

Total Attachments: 8

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PATENT SECURITY AGREEMENT

PATENT SECURITY AGREEMENT (as the same may be amended, restated, supplemented or otherwise modified from time to time, this “Agreement”), dated as of July 25, 2019, by and between **MICRO PRECISION, LLC**, a Delaware limited liability company (“Debtor”), and **CONNECTICUT GROWTH FUND II, LIMITED PARTNERSHIP**, a Connecticut limited partnership, as Collateral Agent for the Purchasers (in such capacity, the “Collateral Agent”).

Debtor and the Collateral Agent hereby agree as follows:

SECTION 1. Definitions; Interpretation.

(a) Terms Defined in NPA. All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the NPA.

(b) Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

“Collateral” has the meaning set forth in Section 2.

“Commercial Tort Claims” shall have the meaning provided in the UCC.

“NPA” means that certain Senior Subordinated Note and Warrant Purchase and Security Agreement, dated as of the date hereof, by and among Nautilus Holdings, LLC, a Delaware limited liability company, registered to do business in Connecticut under the name Nautilus Capital Holdings, LLC (immediately prior to and after the MP Merger, the “Parent Borrower”), Nautilus Acquisition, LLC, a Delaware limited liability company (immediately prior to the MP Merger), the “Merger Sub Borrower”), Debtor (the Debtor, the Parent Borrower and the Merger Sub Borrower hereinafter sometimes referred to collectively as, the “Borrowers”, which Borrowers after giving effect to the MP Merger shall consist only of the Parent Borrower and Debtor), the Subsidiary Guarantors from time to time party thereto, if any, the Purchasers party thereto, and the Collateral Agent, as amended, restated, supplemented or otherwise modified from time to time.

“PTO” means the United States Patent and Trademark Office.

“UCC” means the Uniform Commercial Code as in effect in the State of Connecticut.

(c) Terms Defined in UCC. Where applicable in the context of this Agreement and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(d) Construction. In this Agreement, the following rules of construction and interpretation shall be applicable: (i) no reference to “proceeds” in this Agreement authorizes any sale, transfer, or other disposition of any Collateral by Debtor; (ii) “includes” and “including” are not limiting; (iii) “or” is not exclusive; and (iv) “all” includes “any” and “any” includes “all.” To the extent not inconsistent with the foregoing, the rules of construction and interpretation applicable to the NPA shall also be applicable to this Agreement and are incorporated herein by this reference.

SECTION 2. Security Interest.

(a) Grant of Security Interest. In furtherance and as confirmation of the security interest granted by Debtor to the Collateral Agent under the NPA, and as further security for the payment and performance in full of the Obligations, Debtor hereby pledges, conveys and grants to the Collateral Agent, for the benefit of the Purchasers, a continuing security interest in and lien upon all of Debtor's right, title and interest in, to and under the following property, in each case whether now or hereafter existing or arising or in which Debtor now has or hereafter owns, acquires or develops an interest and wherever located (collectively, the "Collateral"):

(i) all patents and patent applications, domestic or foreign, all reissues, divisions, continuations, renewals, extensions and continuations-in-part, reexaminations and amendments relating to the foregoing, and all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such patents and patent applications as described in Schedule A);

(ii) any and all claims and causes of action, whether occurring before, on or after the date hereof, including all rights to sue for past, present or future infringement thereof, misappropriation, violation, misuse, breach or default, and, with the right but not the obligation to sue for such legal and equitable relief and to collect, or otherwise recover, any such damages;

(iii) all general intangibles and all intellectual or other intangible property of Debtor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(iv) all proceeds of any and all of the foregoing Collateral (including income, license royalties, fees, rights to payment, accounts and proceeds of infringement suits) now or hereafter due or payable, and, to the extent not otherwise included, all payments under insurance (whether or not the Collateral Agent is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral.

(b) Continuing Security Interest. Debtor agrees that this Agreement and the NPA shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 11.

SECTION 3. Supplement to NPA.

This Agreement has been entered into in conjunction with the security interests granted to the Collateral Agent, for the benefit of the Purchasers, under the NPA or other security documents referred to therein. The rights and remedies of the Collateral Agent with respect to the security interests granted herein are without prejudice to, and are in addition to those set forth in the NPA or any other security documents referred to therein, all terms and provisions of which are incorporated herein by reference.

SECTION 4. Representations and Warranties.

Debtor represents and warrants to the Collateral Agent that a true and correct list of all of the existing Collateral consisting of U.S. patents or applications owned by Debtor, in whole or in part, is set forth in Schedule A attached hereto and made a part hereof.

SECTION 5. Further Acts.

On a continuing basis, Debtor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, and take all such action as may be necessary and reasonably requested by the Collateral Agent to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure Debtor's compliance with this Agreement or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing with the PTO or any applicable state or local office. The Collateral Agent may record this Agreement, an abstract thereof, or any other document describing the Collateral Agent's interest in the Collateral with the PTO, at the sole cost and expense of Debtor. In addition, Debtor authorizes the Collateral Agent to file financing statements describing the Collateral in any UCC filing office deemed appropriate by the Collateral Agent. To the extent required by Section 3.3(a) of the NPA, if Debtor shall at any time hold or acquire a Commercial Tort Claim arising with respect to the Collateral, Debtor shall immediately notify the Collateral Agent in a writing signed by Debtor of the brief details thereof and grant to the Collateral Agent, for the benefit of the Purchasers, in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Collateral Agent.

SECTION 6. Authorization to Supplement.

If Debtor shall obtain rights to any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, continuation-in-part, or reexamination of any patent, the provisions of this Agreement shall automatically apply thereto. Debtor shall give prompt notice in writing to the Collateral Agent with respect to any such new patent rights. Without limiting Debtor's obligations under this Section 6, Debtor authorizes the Collateral Agent unilaterally to modify this Agreement by amending Schedule A to include any such new patent rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule A shall in any way affect, invalidate or detract from the Collateral Agent's continuing security interest in all Collateral, whether or not listed on Schedule A.

SECTION 7. Binding Effect.

This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor, the Collateral Agent and their respective successors and assigns in accordance with its terms except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally. Debtor may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder, except as specifically permitted by the Loan Documents.

SECTION 8. Governing Law.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Connecticut, without giving effect to any conflict of laws principles (but giving effect to federal laws relating to national banks), except as required by mandatory provisions of law or to the extent the validity, perfection or priority of the security interests hereunder, or the remedies hereunder, in respect of any Collateral are governed by the law of a jurisdiction other than Connecticut.

SECTION 9. Entire Agreement; Amendment.

This Agreement and the NPA, together with the Schedules hereto and thereto, contain the entire agreement of the parties with respect to the subject matter hereof and supersede all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties, as provided in the NPA. Notwithstanding the foregoing, the Collateral Agent unilaterally may re-execute this Agreement or modify, amend or supplement the Schedule A hereto as provided in Section 6 hereof. In the event of any direct conflict between the express terms and provisions of this Agreement and of the NPA, the terms and provisions of the NPA shall control.

SECTION 10. 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 but one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile or other electronic method of transmission shall be equally as effective as delivery of a manually executed counterpart. Any party hereto delivering a counterpart of this Agreement by facsimile or other electronic method of transmission shall also deliver a manually executed counterpart, but the failure to so deliver a manually executed counterpart shall not affect the validity, enforceability or binding effect hereof.

SECTION 11. Termination.

Upon Full Payment of all Obligations, the security interests created by this Agreement shall terminate and the Collateral Agent (at Debtor's expense) shall promptly execute and deliver to Debtor such documents and instruments reasonably requested by Debtor as shall be necessary to evidence termination of all such security interests given by Debtor to the Collateral Agent hereunder, including cancellation of this Agreement by written notice from the Collateral Agent to the PTO.

SECTION 12. No Inconsistent Requirements.

Debtor acknowledges that this Agreement and the other documents, agreements and instruments entered into or executed in connection herewith may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

SECTION 13. Severability.

If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party or any other provisions of this Agreement.

SECTION 14. Notices.

All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the NPA.

SECTION 15. Intercreditor Agreement.

The rights and remedies of the Collateral Agent hereunder shall be subject in all respects to the terms of the Intercreditor Agreement. In the event of any conflict between the provisions of this Agreement and the provisions of the Intercreditor Agreement, the provisions of the Intercreditor Agreement shall govern.

THE NEXT PAGE IS THE SIGNATURE PAGE

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

MICRO PRECISION, LLC, a Delaware limited liability company, as Debtor

By:



Name: James Waters

Title: Vice President

CONNECTICUT GROWTH FUND II, LIMITED PARTNERSHIP, as Collateral Agent for the Purchasers

By: Ironwood Capital Connecticut I LLC,
its Attorney-in-Fact and Co-Manager

By:

Name: John R. Strahley

Title: Member

(Signature Page to Patent Security Agreement)

PATENT
REEL: 049868 FRAME: 0418

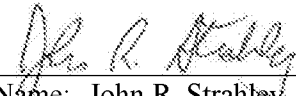
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, as of the date first above written.

MICRO PRECISION, LLC, a Delaware limited liability company, as Debtor

By: _____
Name: James Waters
Title: Vice President

CONNECTICUT GROWTH FUND II, LIMITED PARTNERSHIP, as Collateral Agent for the Purchasers

By: Ironwood Capital Connecticut I LLC,
its Attorney-in-Fact and Co-Manager

By:  _____
Name: John R. Strahley
Title: Member

SCHEDULE A
to
Patent Security Agreement

Debtor: Micro Precision, LLC

Issued Patents of Debtor

PATENT TITLE	REGISTRATION NO. and REGISTRATION DATE	COUNTRY
READILY EXTENDIBLE TELESCOPIC LIFTING SYSTEM	7,654,923 February 2, 2010	United States
ELECTRIC HORN FOR TRAINS	WO/2018/080822 May 3, 2019	International

Pending Patent Applications of Debtor:

PATENT TITLE	APPLICATION NO. and APPLICATION DATE	COUNTRY
ELECTRONIC HORN FOR TRAINS	15338587 October 31, 2016	United States