

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:		NEW ASSIGNMENT	
NATURE OF CONVEYANCE:		SECURITY INTEREST	
CONVEYING PARTY DATA			
Name		Formerly	Execution Date
Particle Dynamics International, LLC			06/02/2010
			LIMITED LIABILITY COMPANY: DELAWARE
RECEIVING PARTY DATA			
Name:		The Peninsula Fund V Limited Partnership	
Street Address:		535 Griswold Street, Suite 2050	
Internal Address:		c/o Peninsula Capital Partners L.L.C.	
City:		Detroit	
State/Country:		MICHIGAN	
Postal Code:		48226	
Entity Type:		LIMITED PARTNERSHIP: DELAWARE	
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Registration Number:	2713829	MICROMASK	
Registration Number:	1786383	DESCOTE	
Registration Number:	2589738	CALCI-PRESS	
CORRESPONDENCE DATA			
Fax Number:		(312)499-6701	
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>			
Phone:		(312) 499-6700	
Email:		tapatterson@duanemorris.com	
Correspondent Name:		Brian P. Kerwin	
Address Line 1:		190 South LaSalle Street, Suite 3700	
Address Line 2:		Duane Morris LLP	
Address Line 4:		Chicago, ILLINOIS 60603	
ATTORNEY DOCKET NUMBER:		D6410-00042	

OP \$90.00 2713829

NAME OF SUBMITTER:	Brian P. Kerwin
Signature:	/Brian P. Kerwin/
Date:	06/21/2010
<b>Total Attachments: 15</b> source=IP Security Agmt (Peninsula)#page1.tif source=IP Security Agmt (Peninsula)#page2.tif source=IP Security Agmt (Peninsula)#page3.tif source=IP Security Agmt (Peninsula)#page4.tif source=IP Security Agmt (Peninsula)#page5.tif source=IP Security Agmt (Peninsula)#page6.tif source=IP Security Agmt (Peninsula)#page7.tif source=IP Security Agmt (Peninsula)#page8.tif source=IP Security Agmt (Peninsula)#page9.tif source=IP Security Agmt (Peninsula)#page10.tif source=IP Security Agmt (Peninsula)#page11.tif source=IP Security Agmt (Peninsula)#page12.tif source=IP Security Agmt (Peninsula)#page13.tif source=IP Security Agmt (Peninsula)#page14.tif source=IP Security Agmt (Peninsula)#page15.tif	

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Security Agreement") dated as of June 2, 2010, is made by **PARTICLE DYNAMICS INTERNATIONAL, LLC**, a Delaware limited liability company (the "Debtor"), in favor of **THE PENINSULA FUND V LIMITED PARTNERSHIP**, a Delaware limited partnership (the "Secured Party").

### WITNESSETH:

**WHEREAS**, the Debtor has entered into a Note Purchase Agreement dated of even date herewith (as further amended, supplemented, extended, restated or otherwise modified from time to time, including any agreement entered into in substitution therefor, the "Note Purchase Agreement"), with the Secured Party.

**WHEREAS**, under the terms of the Note Purchase Agreement and a Security Agreement of even date herewith, the Debtor is required to grant to the Secured Party a security interest in and to the Collateral hereinafter described.

**NOW, THEREFORE**, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor (intending to be legally bound) hereby agrees as follows:

1. Incorporation of Note Purchase Agreement. The Note Purchase Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Note Purchase Agreement.

2. Security Interest in Intellectual Property. To secure the prompt and complete satisfaction, payment and performance when due or declared due of all of the indebtedness, liabilities and obligations owing by Debtor to Secured Party, including, without limitation, all of the "Senior Subordinated Obligations", as defined in the Note Purchase Agreement (collectively, the "Senior Subordinated Obligations"), the Debtor hereby grants assigns and transfers to the Secured Party a second priority perfected security interest and lien with power of sale, upon the occurrence of an Event of Default (as defined in the Note Purchase Agreement) subject only to Permitted Liens, in and to any and all of Debtor's right, title and interest in and to all of the following now owned and existing and hereafter arising, created or acquired property (collectively, the "Intellectual Property"):

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Exhibit A attached hereto and hereby made a part hereof, and (a) all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages, proceeds and payments now and hereafter due or payable under or with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in

**TRADEMARK**

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clauses (a)-(d) of this subsection 2(i), are sometimes hereinafter referred to individually as a "Patent" and, collectively, as the "Patents"); and

(ii) trademarks, trademark registrations, trademark applications, trade names and tradestyles, brand names, service marks, service mark registrations and service mark applications, including, without limitation, the trademarks, trade names, brand names, service marks and applications and registrations thereof listed on Exhibit B attached hereto and hereby made a part hereof, and (a) all renewals or extensions thereof, (b) all income, royalties, proceeds, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names and tradestyles, brand names, service marks and applications and registrations thereof, together with the items described in clauses (a)-(d) of this subsection 2(ii), are sometimes hereinafter referred to individually as a "Trademark" and, collectively, as the "Trademarks"); and

(iii) license agreements (to the extent such license agreements may be assigned without violating the terms of any such license agreement) with respect to any of the Intellectual Property or any other patent, trademark, service mark or any application or registration thereof or any other trade name or tradestyle between Debtor and any other party, whether Debtor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Exhibit C attached hereto and hereby made a part hereof (all of the foregoing license agreements and Debtor's rights thereunder are referred to collectively as the "Licenses"); and

(iv) the goodwill of Debtor's business connected with and symbolized by the Trademarks; and

(v) copyrights, copyright registrations and copyright applications, used in the United States, including, without limitation, the copyright registrations and copyright applications listed on Exhibit D attached hereto and made a part hereof, and (a) renewals or extensions thereof, (b) all income, royalties, proceeds, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing copyrights, copyright registrations and copyright applications, together with the items described in clauses (a)-(d), are sometimes hereinafter individually and/or collectively referred to as the "Copyrights"); and

(vi) all trade secrets, formulas, processes, devices, know-how, or compilations of information (including technical information and non-technical information such as customer lists and marketing plans), collectively referred to as trade secrets, which are not available to others and which are maintained as confidential by Debtor, and the right to prevent misappropriation and unauthorized disclosures thereof and all rights corresponding thereto throughout the world (all of the foregoing trade secrets and associated rights are sometimes hereinafter individually and/or collectively referred to as the "Trade Secrets").

3. Representations and Warranties. Debtor hereby represents and warrants to Secured Party, which representations and warranties shall survive the execution and delivery of this Security Agreement, that as of the date hereof:

(i) To the best of Debtor's knowledge, none of the Intellectual Property has been adjudged invalid or unenforceable nor has any such Intellectual Property been cancelled, in whole or in part, and each such Intellectual Property is presently subsisting;

(ii) Each of the Intellectual Property material to the Debtor's business is valid and enforceable, and the Debtor has adopted adequate precautions to protect its Trade Secrets from unauthorized or accidental disclosure;

(iii) Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Intellectual Property, free and clear of any liens, security interests, mortgages, charges and encumbrances, including, without limitation, licenses, consent-to-use agreements, shop rights and covenants by Debtor not to sue third persons, except for any applicable Permitted Liens;

(iv) Debtor has adopted, used and is currently using all of the Trademarks, and to the best of Debtor's knowledge, Debtor's use thereof does not infringe the intellectual property rights of any person or entity;

(v) Debtor has no notice or knowledge of any suits or actions commenced or threatened with reference to or in connection with any of the Intellectual Property;

(vi) Debtor has the unqualified right to execute and deliver this Security Agreement and perform its terms, this Security Agreement has been executed and delivered by a duly authorized officer of the Debtor, and this Security Agreement is a legally valid and binding obligation of Debtor, enforceable against Debtor in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditor's rights and remedies generally;

(vii) To the best of Debtor's knowledge, no trademark opposition or cancellation proceedings have ever been filed with the United States Patent and Trademark Office against any of the Trademarks;

(viii) The Licenses, complete copies of which have been provided to Secured Party, are valid and binding agreements, enforceable in accordance with their terms (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency and similar laws from time to time in effect). To the Debtor's best knowledge, each of the Licenses is in full force and effect and has not been amended or abrogated and there is no default under any of the Licenses; and

(ix) To the best knowledge of Debtor, none of the Intellectual Property infringes upon the rights or property of any other person or entity or is currently being challenged in any way, and there are no pending or, to the knowledge of the Debtor, threatened claims, litigation, proceedings or other investigations regarding any of the Intellectual Property.

4. Restrictions on Future Agreements. Debtor agrees that until all Senior Subordinated Obligations shall have been satisfied and indefeasibly paid in full, Debtor shall not, without the prior written consent of Secured Party, sell, transfer, mortgage, convey, dispose, encumber or assign any or all of, or grant any license or sublicense under, the Intellectual Property, or enter into any other agreement with respect to the Intellectual Property (except for such action in the ordinary course of the Debtor's business), and Debtor further agrees that it shall not take any action or permit any action to be taken by others subject to its control, including, without limitation, licensees or sublicensees, or fail to take any action, which would adversely affect the validity or enforcement of the rights provided or transferred to Secured Party under this Security Agreement.

5. New Intellectual Property. Debtor hereby represents and warrants to Secured Party that the Intellectual Property listed on Exhibits A, B, and C, respectively, constitute all of the Intellectual Property (except with respect to Trade Secrets and unregistered copyrights) now owned by Debtor and material to Debtor's business. If, before all Senior Subordinated Obligations shall have been satisfied in full, Debtor shall (i) become aware of any existing Intellectual Property of which Debtor has not previously informed Secured Party, (ii) obtain rights to any new patentable inventions or other Intellectual Property, or (iii) become entitled to the benefit of any Intellectual Property which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and Debtor shall give to Secured Party prompt written notice thereof (except with respect to Trade Secrets and unregistered copyrights). Debtor hereby authorizes Secured Party to modify this Security Agreement by amending Exhibits A, B, C, and D, as applicable, to include any such Intellectual Property, and to file or refile this Security Agreement with the U.S Patent and Trademark Office and U.S. Copyright Office or Library of Congress (at Debtor's sole cost and expense). Upon Secured Party's reasonable request, Debtor agrees to execute and deliver any and all documents and instruments necessary or advisable to record or preserve Secured Party's interest in all Intellectual Property added to Exhibits A, B, C, and D pursuant to this Section.

6. Royalties; Terms; Rights Upon Default. The term of this Security Agreement shall extend until the earlier of (i) the expiration of all of the respective Intellectual Property subject to the grant of security interest hereunder, and (ii) the indefeasible payment in full of all Senior Subordinated Obligations. Debtor agrees that upon the occurrence and during the continuance of an Event of Default, the use by Secured Party of all Intellectual Property shall be worldwide and as extensive as the rights of Debtor to use such Intellectual Property, and without any liability for royalties or other related charges from Secured Party to Debtor. Upon the occurrence and during the continuance of any Event of Default, Debtor hereby authorizes: (a) the Commissioner of Patents and Trademarks, United States Patent and Trademark Office (or as appropriate, such equivalent agency in foreign countries), to issue any and all Patents to Secured Party as assignee of Debtor's entire interest therein; (b) the Register of Copyrights, United States Copyright Office (or as appropriate, such equivalent agency in foreign countries), to issue any and all certificates of registration or renewal for all of the Copyrights to Secured Party as assignee of Debtor's entire interest therein; and (c) the Commissioner of Patents and Trademarks, United States Patent and Trademark Office (or as appropriate, such equivalent agency in foreign countries) to issue any and all certificates of registration or renewal for all of the Trademarks to Secured Party as assignee of Debtor's entire interest therein and in the goodwill of Debtor's business connected therewith and symbolized thereby.

7. Effect on Note Purchase Agreement. Debtor acknowledges and agrees that this Security Agreement is intended to facilitate the exercise of rights and remedies under the Note Purchase Agreement. Secured Party shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Note Purchase Agreement, all rights and remedies allowed by law, in equity, and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Michigan.

8. Secured Party's Right to Inspect; Trademark Quality Control. Secured Party shall have the right, at any time and from time to time during normal business hours and prior to payment in full of all Senior Subordinated Obligations, to inspect Debtor's premises and to examine Debtor's books, records and operations, including, without limitation, Debtor's quality control processes. Debtor agrees (i) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof and (ii) to provide Secured Party, upon Secured Party's reasonable request from time to time, with a certificate of an officer of Debtor certifying, on behalf of Debtor, Debtor's compliance with the foregoing. Upon the occurrence and during the continuance of an Event of Default, Debtor agrees that Secured Party, or a conservator appointed by Secured Party, shall have the right to establish such additional product quality controls as Secured Party, or said conservator, in its sole but reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Debtor under the Trademarks. The foregoing notwithstanding, unless and until an Event of Default shall have occurred, Secured Party agrees to hold confidential and not disclose or use any non-public information regarding any Patent, Trademark or License unless such disclosure is required by applicable law or court order. This obligation shall survive the termination of this Agreement, the release of the security interest herein and such reassignment of the Intellectual Property, as applicable, unless such termination is due to an Event of Default.

9. Release of Security Agreement. Upon the payment and performance in full of the Senior Subordinated Obligations, this Security Agreement shall terminate, and Secured Party shall execute and deliver any document reasonably requested by Debtor, at Debtor's sole cost and expense, as shall be necessary to evidence termination of the security interest granted by Debtor to Secured Party hereunder.

10. Expenses. All costs and expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Debtor. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' and paralegals' fees and legal expenses, incurred by Secured Party 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, counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Intellectual Property, or in defending or prosecuting any actions or proceedings arising out of or related to the Intellectual Property, shall be borne by and paid by Debtor on demand by Secured Party and until so paid shall be added to the principal amount of the Senior Subordinated Obligations and shall bear interest at the default rate (as set forth in the Note Purchase Agreement).

11. Duties of Debtor. Debtor shall have the duty to the extent commercially reasonable and in Debtor's good faith business judgment: (i) to file and prosecute diligently any

patent, trademark or service mark applications pending as of the date hereof or hereafter until all Senior Subordinated Obligations shall have been paid in full, (ii) to make application on unpatented but patentable inventions and on trademarks and service marks, (iii) to preserve and maintain all rights in the Intellectual Property (including, but not limited to, with respect to Trademarks, the filing of affidavits of use and, incontestability, where applicable, under §§8 and 15 of the Lanham Act (15 U.S.C. § 1058, 1065) and renewals and, to the extent commercially reasonable, initiating opposition or cancellation proceedings or litigation against users of the same or confusingly similar marks who seriously threaten the validity or rights of Debtor in its Trademarks), and (iv) to ensure that the Intellectual Property is and remains enforceable. Any and all costs and expenses incurred in connection with Debtor's obligations under this Section 11 shall be borne by Debtor. Debtor shall not knowingly and unreasonably abandon any right to file a patent, trademark or service mark application, or abandon any pending patent application, or any other Intellectual Property, without the prior written consent of Secured Party except for Intellectual Property that Debtor determines, in the exercise of its good faith business judgment, is not or is no longer material to its business.

12. Secured Party's Right to Sue. Upon the occurrence and during the continuance of an Event of Default, Secured Party shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Intellectual Property, and, if Secured Party shall commence any such suit, Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents and instruments reasonably required by Secured Party in aid of such enforcement and Debtor shall promptly, upon demand, reimburse and indemnify Secured Party for all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Secured Party in the exercise of its rights under this Section 12.

13. Waivers. No course of dealing between Debtor and Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of Secured Party, any right, power or privilege hereunder or under the Note Purchase Agreement 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.

14. 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.

15. 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.

16. Cumulative Remedies; Power of Attorney. All of Secured Party's rights and remedies with respect to the Intellectual Property, whether established hereby or by the Note Purchase Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Debtor hereby authorizes Secured Party upon the



occurrence and during the continuance of an Event of Default, to make, constitute and appoint any officer or agent of Secured Party as Secured Party may select, in its sole discretion, as Debtor's true and lawful attorney-in-fact, with power to (i) endorse Debtor's name on all applications, documents, papers and instruments necessary or desirable for Secured Party in the use of the Intellectual Property, or (ii) take any other actions with respect to the Intellectual Property as Secured Party deems to be in the best interest of Secured Party, or (iii) grant or issue any exclusive or non-exclusive license under the Intellectual Property to any person or entity, or (iv) assign, pledge, sell, convey or otherwise transfer title in or dispose of any of the Intellectual Property to any person or entity. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney being coupled with an interest shall be irrevocable until all Senior Subordinated Obligations shall have been paid in full.

17. Indemnification. Debtor hereby agrees to and shall defend, indemnify, save, and hold Secured Party and its officers, directors, employees, affiliates and agents harmless from and against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any person or entity arising out of or relating to this Security Agreement or the transactions contemplated hereby, and (b) all costs, expenses, charges, penalties, damages, and losses (including, without limitation, reasonable attorneys' fees and out-of-pocket costs and expenses) in any way suffered, incurred, or paid by Secured Party as a result of or in any way arising out of, following, or consequential to this Security Agreement or the transactions contemplated hereby, except for any demands, claims, liabilities and losses suffered or incurred by Secured Party because of its willful misconduct or gross negligence. The indemnification obligations of Debtor provided hereby shall survive the termination of this Security Agreement and the Note Purchase Agreement.

18. Binding Effect; Benefits. This Security Agreement shall be binding upon Debtor and its respective successors and permitted assigns, and shall inure to the benefit of Secured Party, its successors, nominees and assigns; provided, however, Debtor shall not assign this Security Agreement or any of Debtor's obligations hereunder without the prior written consent of Secured Party.

19. Governing Law. This Security Agreement shall be governed by, enforced and construed in accordance with the internal laws of the State of Michigan, without regard to choice of law or conflict of law principles.

20. Headings; Counterparts. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede. This Security Agreement may be signed in one or more counterparts, but all of such counterparts shall constitute and be deemed to be one and the same instrument. A signature hereto sent or delivered by facsimile or other electronic transmission shall be as legally binding and enforceable as a signed original for all purposes.

21. Further Assurances. Debtor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Secured Party shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein. Debtor acknowledges that a copy of this Security Agreement will be filed by the Secured Party with the United States Patent and Trademark Office and, if

applicable, the United States Copyright Office or Library of Congress, at the sole cost and expense of the Debtor.

22. Survival of Representations. All representations and warranties of Debtor contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

23. Foreign Patents, Copyrights and Trademarks. Upon the request of Secured Party at any time or from time to time, and at the sole cost and expense (including, without limitation, reasonable attorneys' fees) of Debtor, Debtor shall take all actions and execute and deliver any and all instruments, agreements, assignments, certificates and/or documents, reasonably required by Secured Party to collaterally assign any and all of Debtor's foreign patent, copyright and trademark registrations and applications now owned or hereafter acquired to and in favor of Secured Party. Upon the execution and delivery of any such collateral assignments or documents, the terms "Patents", "Copyrights", and "Trademarks" as used herein shall automatically be deemed amended to include such foreign patent, copyright and trademark registrations and applications without any action required by any person or entity.

24. Venue: Jury Trial Waiver. (a) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS SECURITY AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN ANY STATE OR FEDERAL COURT LOCATED IN THE STATE OF MICHIGAN OR, AT THE SOLE OPTION OF SECURED PARTY, IN ANY OTHER COURT IN WHICH SECURED PARTY SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY.

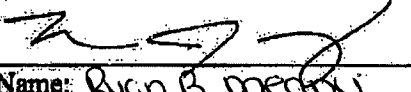
(b) TO THE FULLEST EXTENT PERMITTED BY LAW, AND AS SEPARATELY BARGAINED FOR CONSIDERATION TO SECURED PARTY, DEBTOR HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY (WHICH SECURED PARTY ALSO WAIVES) IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR OTHERWISE RELATING TO THIS SECURITY AGREEMENT. DEBTOR HEREBY EXPRESSLY ACKNOWLEDGES THE INCLUSION OF THIS JURY TRIAL WAIVER AND ACKNOWLEDGES THAT IT HAS HAD THE OPPORTUNITY TO CONSULT WITH INDEPENDENT LEGAL COUNSEL REGARDING ITS MEANING.

25. Subordination. The provisions of this Security Agreement are subject to the terms of a Subordination and Intercreditor Agreement of even date herewith between Fifth Third Bank, an Ohio banking corporation, the Debtor, and the Secured Party, as amended or modified from time to time.

[Signature Page Follows]

IN WITNESS WHEREOF, Debtor has duly executed this Intellectual Property Security Agreement in favor of Secured Party, as of the date first written above.

**PARTICLE DYNAMICS INTERNATIONAL, LLC**

By:   
Name: Ryan B. Meahy  
Its: manager

Agreed and Accepted  
as of this 3/10 2010

**THE PENINSULA FUND V LIMITED PARTNERSHIP**

By: Peninsula Fund V Management L.L.C.  
Its: General Partner

By: Peninsula Capital Partners L.L.C.  
Its: Manager

By: \_\_\_\_\_  
Name: Scott A. Reilly  
Its: President and Chief Investment Officer

Signature page to IP Security Agreement

**IN WITNESS WHEREOF**, Debtor has duly executed this Intellectual Property Security Agreement in favor of Secured Party, as of the date first written above.

**PARTICLE DYNAMICS INTERNATIONAL, LLC**

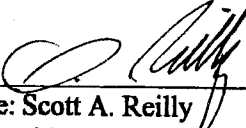
By: \_\_\_\_\_  
Name:  
Its:

**Agreed and Accepted**  
as of this Wed, 2010

**THE PENINSULA FUND V LIMITED PARTNERSHIP**

By: Peninsula Fund V Management L.L.C.  
Its: General Partner

By: Peninsula Capital Partners L.L.C.  
Its: Manager

By:  \_\_\_\_\_  
Name: Scott A. Reilly  
Its: President and Chief Investment Officer

Signature page to IP Security Agreement

EXHIBITS TO INTELLECTUAL PROPERTY SECURITY AGREEMENT  
BY AND BETWEEN  
PARTICLE DYNAMICS INTERNATIONAL, LLC AND  
THE PENINSULA FUND V LIMITED PARTNERSHIP

EXHIBIT A

PATENTS

**A. Issued Patents**

<b>Patent No.</b>	<b>Title</b>	<b>Exp. Date</b>	<b>Maintenance Fee Due</b>	<b>Ex-US Patents</b>
6,631,808	Air Classifier System for the Separation of Particles	8.7.2021	4.14.2011	None
6,544,552	Method of Producing Porous Tablets with Improved Dissolution Properties	1.11.2021	10.8.2010	Mexico
6,465,010	Means for Creating a Mass Having Structural Integrity	8.4.2019	10.15.2013	None
6,284,270	Means for Creating a Mass Having Structural Integrity	8.4.2019	3.4.2013	None
5,730,997	Tastemasked Pharmaceutical Delivery System	8.1.2014	None	Canada
5,494,681	Tastemasked Pharmaceutical Materials	2.27.2013	None	Canada Europe
5,336,433	Bleaching Agent	6.8.2012	None	None

**B. Patent Applications**

<b>Serial No./ Publication No.</b>	<b>Title</b>	<b>U.S. Status</b>	<b>Ex-US Applications</b>
12/032,964 2008/0226733	Spatial Arrangement of Particles in a Drinking Device for Oral Delivery of Pharmaceuticals	Prosecution has not yet started	None
12/021,438 2008/0181932	Compositions for Oral Delivery of Pharmaceuticals	Prosecution has not yet started	None
11/746,832 2007/0264329	Calcium Compositions	Prosecution has not yet started	Chile Venezuela
11/177,762 2006/0008527	Controlled Phase Composition Technology as an Improved Process for Protection of Drugs	Response to Office Action filed on 3.1.2010	Europe

EXHIBIT B  
TRADEMARKS

Trademarks and Service Marks

Mark	US Status	Registration No.	Int. Class(es)	Renewal Date	Goods and Services
MICROMASK®	Registered	2,713,829	001, 005, 006, 010, 026, 046	5.6.2013	Chemical tastemasking additives, stability and flavor enhancers, for use in the manufacture of pharmaceuticals, namely, antihistamines, anti-nausea agents, central nervous system pharmaceuticals for the treatment of epilepsy, seizures; neonatal agents, osteoporetic, nutraceuticals, nutritional supplements, vitamins, pharmaceuticals, namely hormones, anti-infectives, fertility agents, and animal health products, namely nutritional supplements and vitamins, medications
DESCOTE®	Registered	1,786,383	006	8.10.2013	Chemical encased in a matrix which is sold in bulk for manufacturing, processing or repacking of chemicals
CALCI-PRESS®	Registered	2,589,738	001, 005, 006, 010, 026, 046	7.2.2012	Chemicals sold in bulk for use in the manufacturing, processing and packing of nutritional supplements, vitamins, and pharmaceutical products and preparations

EXHIBIT C  
LICENSE AGREEMENTS

None.



EXHIBIT D  
COPYRIGHTS

None.

DETROIT 40396-3 1161818v2