

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
	LAI International, Inc.		02/27/2012
	Rich Technology International		02/27/2012
	RLJ LAI Holdings, Inc.		02/27/2012
			Entity Type
			CORPORATION: MINNESOTA
			CORPORATION: MAINE
			CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	Monroe Capital Partners Fund LP, as agent		
Street Address:	311 South Wacker Drive		
Internal Address:	Suite 6400		
City:	Chicago		
State/Country:	ILLINOIS		
Postal Code:	60606		
Entity Type:	LIMITED PARTNERSHIP: DELAWARE		
PROPERTY NUMBERS Total: 4			
	Property Type	Number	Word Mark
	Registration Number:	2917070	LAI
	Serial Number:	85104376	LAI LAI
	Serial Number:	85104375	LAI LAI INTERNATIONAL
	Registration Number:	3290595	RICH TECHNOLOGY INTERNATIONAL
CORRESPONDENCE DATA			
Fax Number:	(312)558-5700		
Phone:	312 558-6352		
Email:	lkonrath@winston.com		
	<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>		
Correspondent Name:	Laura Konrath		
Address Line 1:	35 W Wacker Drive		
Address Line 2:	Winston & Strawn LLP, Suite 2800		

CH \$115.00 2917070

Address Line 4: Chicago, ILLINOIS 60601

ATTORNEY DOCKET NUMBER: 10629-8

NAME OF SUBMITTER: Laura Konrath

Signature: /Laura Konrath/

Date: 03/06/2012

Total Attachments: 10

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this “**IP Security Agreement**”) dated as of February 27, 2012, is made by **LAI INTERNATIONAL, INC.**, a Minnesota corporation (“**Borrower**”), **RICH TECHNOLOGY INTERNATIONAL**, a Maine corporation (“**RTI**”) and **RLJ LAI HOLDINGS, INC.**, a Delaware corporation (“**Holdings**”) and together with RTI and Borrower, the “**Grantors**”) in favor of **MONROE CAPITAL PARTNERS FUND LP**, a Delaware limited partnership in its capacity as administrative agent for the Lenders identified below (“**Agent**”).

RECITALS:

WHEREAS, pursuant to that certain Credit Agreement dated as of the date hereof (including all annexes, exhibits and schedules thereto, and as from time to time amended, restated, supplemented or otherwise modified, the “**Credit Agreement**”) by and among the Borrower, the financial institutions from time to time party thereto (collectively, the “**Lenders**”) and Agent, the Lenders have agreed to make certain Loans to the Borrower.

WHEREAS, each Grantor (other than the Borrower) has agreed pursuant to that certain Guaranty and Collateral Agreement dated as of the date hereof in favor of Agent (including all annexes, exhibits and schedules thereto, and as from time to time amended, restated, supplemented or otherwise modified, the “**Guaranty and Collateral Agreement**”), to guarantee the Obligations (as defined in the Credit Agreement) of Borrower under the Credit Agreement.

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

1. Incorporation of Credit Agreement. The Credit 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 Credit Agreement; provided, however, that the following terms shall have the meanings given them in the Guaranty and Collateral Agreement: “Copyrights,” “Intellectual Property,” “Intellectual Property Licenses,” “Patents,” “Paid in Full,” “Secured Obligations” and “Trademarks.”

2. Security Interest in Intellectual Property. To secure the complete satisfaction and payment and performance when due or declared due of all of the Secured Obligations, each Grantor hereby grants to and in favor of Agent (for the benefit of Lenders and Agent) a first priority perfected security interest and lien having priority over all other security interests and Liens (other than Permitted Liens), with power of sale upon the occurrence and during the continuance of an Event of Default, in and to any and all of such Grantor’s right, title and interest in and to the Intellectual Property listed in Exhibit A hereto, as may be amended from time to time pursuant to Section 5 of this Security Agreement.

3. Representations and Warranties. Each Grantor hereby represents and warrants to Agent, which representations and warranties shall survive the execution and delivery of this IP Security Agreement, that as of the date hereof:

(i) Exhibit A hereto lists all Intellectual Property which is registered or for which an application for registration is pending that is owned by such Grantor in its own name. Such Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to such Intellectual Property that is United States Intellectual Property free and clear of any Liens, except for any applicable Permitted Liens; and

(ii) Such Grantor is duly authorized to execute and deliver this IP Security Agreement and perform its terms, this IP Security Agreement has been executed and delivered by a duly authorized officer of such Grantor, and this IP Security Agreement is a legally valid and binding obligation of such Grantor, enforceable against such Grantor 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 and to general principles of equity.

4. Restrictions on Future Agreements. Each Grantor agrees that until all Secured Obligations shall have been Paid in Full, such Grantor shall not, without the prior written consent of Agent, sell, transfer, mortgage, convey, dispose, encumber or assign any or all of the Intellectual Property, or enter into any other agreement with respect to the Intellectual Property (excluding non-exclusive licenses), except as expressly permitted under the Credit Agreement and the Guaranty and Collateral Agreement (including, without limitation, with respect to Permitted Liens), and each Grantor further agrees that it shall comply with the covenants set forth in Section 5.7 of the Guaranty and Collateral Agreement.

5. New Intellectual Property. Provided Agent gives written notice to Borrower, as agent for each of the Grantors, each Grantor hereby authorizes Agent to modify this IP Security Agreement by amending Exhibit A to include any new or additional Intellectual Property subject to the Guaranty and Collateral Agreement, and to file or refile this IP Security Agreement with the U.S. Patent and Trademark Office and U.S. Copyright Office, as applicable. Upon Agent's reasonable request, each Grantor agrees to duly execute and deliver any and all documents and instruments reasonably necessary or advisable to record or preserve Agent's interest (for the benefit of itself and Lenders) in all Intellectual Property added to Exhibit A pursuant to this Section.

6. Royalties; Terms; Rights Upon Default. The term of this IP Security Agreement shall extend until the earlier of (i) the expiration of all of the respective Intellectual Property collaterally assigned hereunder, and (ii) such time as the Secured Obligations have been Paid in Full. Each Grantor agrees that upon the occurrence and during the continuance of an Event of Default, the use by Agent (for the benefit of Lenders and Agent) of all Intellectual Property shall be worldwide and as extensive as the rights of such Grantor to use such Intellectual Property, and without any liability for royalties or other related charges from Agent or Lenders to such Grantor. Upon the occurrence and during the continuance of any Event of Default, each Grantor 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 Agent (for the benefit of Lenders and Agent) as assignee of such Grantor'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 Agent (for the benefit of Lenders and Agent) as assignee of such Grantor'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 Agent (for the benefit of Lenders and Agent) as assignee of such Grantor's entire interest therein and in the goodwill of such Grantor's business connected therewith and symbolized thereby.

7. Effect on Credit Agreement. Each Grantor acknowledges and agrees that this IP Security Agreement is not intended to limit or restrict in any way the rights and remedies of Agent (or, if and as applicable, Lenders) under and pursuant to the Credit Agreement (or the Guaranty and Collateral Agreement identified therein) but rather is intended to facilitate the exercise of such rights and remedies. Agent shall have, in addition to all other rights and remedies given it by the terms of this IP Security Agreement and the Credit Agreement (and the Guaranty and Collateral 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 New York.

8. Release of IP Security Agreement. Upon such time as the Secured Obligations are Paid in Full, this IP Security Agreement shall terminate, and Agent shall execute and deliver any document reasonably requested by any Grantor, at such Grantor's sole cost and expense, as shall be necessary or advisable to evidence termination of the security interest granted by such Grantor to Agent (for the benefit of Lenders and Agent) hereunder.

9. Expenses. All reasonable out-of-pocket costs and expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by each Grantor, on a joint and several basis. All reasonable out-of-pocket fees, costs and expenses, of whatever kind or nature, including Attorney Costs incurred by Agent 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 (other than Excluded Taxes), 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 each Grantor, on a joint and several basis, on demand by Agent and until so paid shall be added to the principal amount of the Secured Obligations and shall bear interest at the default rate of interest set forth in the Credit Agreement.

10. Duties of the Grantors. Each Grantor shall have the duty to the extent commercially reasonable and in such Grantor's good faith business judgment: (i) to file and prosecute diligently any Patent or Trademark applications pending as of the date hereof or hereafter that are material to such Grantor's business or necessary for the conduct of such Grantor's business, (ii) to make application on unpatented but patentable inventions and on Trademarks that are material to such Grantor's business or necessary for the conduct of such Grantor's business, and (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 such Grantor in its Trademarks). Any and all costs and expenses incurred in connection with any Grantor's obligations under this Section 10 shall be

borne by such Grantor. Each Grantor shall comply with Section 5.7 of the Guaranty and Collateral Agreement with respect to the abandonment of any Intellectual Property.

11. Agent's Right to Sue. Upon the occurrence and during the continuance of an Event of Default, Agent 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 Agent shall commence any such suit, each Grantor shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents and instruments reasonably required by Agent in aid of such enforcement and each Grantor shall promptly, upon demand, reimburse and indemnify Agent for all reasonable out-of-pocket costs and expenses (including, without limitation, Attorney Costs) incurred by Agent in the exercise of its rights under this Section 11 in accordance with and pursuant to any limitations set forth in Sections 15.5 and 15.17, as applicable, of the Credit Agreement.

12. Waivers. No course of dealing between any of the Grantors, on the one hand, and Agent, on the other hand, nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder or under the Credit 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.

13. Severability. The provisions of this IP 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 IP Security Agreement in any jurisdiction.

14. Modification. This IP 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 each Grantor and Agent.

15. Cumulative Remedies; Power of Attorney. All of Agent's rights and remedies with respect to the Intellectual Property, whether established hereby or by the Credit Agreement (or the Guaranty and Collateral Agreement), or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Each Grantor hereby authorizes Agent upon the occurrence and during the continuance of an Event of Default, to make, constitute and appoint any officer or agent of Agent as Agent may select, in its sole discretion, as such Grantor's true and lawful attorney-in-fact, with power to (i) endorse such Grantor's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Intellectual Property, or (ii) take any other actions with respect to the Intellectual Property as Agent deems to be in the best interest of Agent, 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. This power of attorney being coupled with an interest shall be irrevocable until all Secured Obligations shall have been Paid in Full.

16. Indemnification. Each Grantor, jointly and severally, hereby agrees to and shall defend, indemnify, save, and hold Agent, Lenders and their respective officers, directors, employees, managers, affiliates, attorneys 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 IP Security Agreement or the transactions contemplated hereby, and (b) all costs, expenses, charges, penalties, damages, and losses (including, without limitation, Attorneys Costs) in any way suffered, incurred, or paid by Agent, Lenders as a result of or in any way arising out of, following, or consequential to this IP Security Agreement or the transactions contemplated hereby, except for any demands, claims, liabilities and losses suffered or incurred by Agent solely as a result of its willful misconduct or gross negligence as finally determined in a non-appealable judicial proceeding, and otherwise in accordance with and pursuant to any limitations set forth in Sections 15.5 and 15.17, as applicable, of the Credit Agreement. The indemnification obligations of each Grantor provided hereby shall survive the termination of this IP Security Agreement and the Credit Agreement.

17. Binding Effect; Benefits. This IP Security Agreement shall be binding upon each Grantor and its respective successors and permitted assigns, and shall inure to the benefit of Agent, its successors, nominees and assigns; provided, however, no Grantor shall assign this IP Security Agreement or any of such Grantor's obligations hereunder without the prior written consent of Agent.

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

19. Headings; Counterparts. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede. This IP 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.

20. Further Assurances. Each Grantor agrees to promptly execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Agent shall reasonably request from time to time in order to carry out the purpose of this IP Security Agreement and agreements set forth herein. Each Grantor acknowledges that a copy of this IP Security Agreement will be filed by the Agent 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 Grantors.

21. Survival of Representations. All representations and warranties of each Grantor contained in this IP Security Agreement shall survive the execution and delivery of this IP Security Agreement and shall be remade as true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation or warranty shall be true and correct in all respects) on the date of each borrowing under the Credit Agreement.

22. **Venue: Jury Trial Waiver.** (a) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS IP SECURITY AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE COURTS LOCATED IN THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK OR, AT THE SOLE OPTION OF AGENT, IN ANY OTHER COURT IN WHICH AGENT 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, EACH GRANTOR AND AGENT HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR OTHERWISE RELATING TO THIS IP SECURITY AGREEMENT. EACH GRANTOR 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.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has duly executed this Intellectual Property Security Agreement as of the date first written above.

LAI INTERNATIONAL, INC., a
Minnesota corporation

By: RH
Name: Rufus H. Rivers
Title: Chairman and Vice President

RICH TECHNOLOGY
INTERNATIONAL, a Maine corporation

By: RH
Name: Rufus H. Rivers
Title: Chairman and Vice President

RLJ LAI HOLDINGS, INC., a
Delaware corporation

By: RH
Name: Rufus H. Rivers
Title: Chairman and Vice President

Agreed and Accepted
as of this February 27, 2012

MONROE CAPITAL PARTNERS FUND LP,
as Agent

By: Monroe Capital Partners Fund LLC,
a Delaware limited liability company,
its general partner

By: _____
Name: Alex Franky
Title: Managing Director

IN WITNESS WHEREOF, the undersigned has duly executed this Intellectual Property Security Agreement as of the date first written above.

LAI INTERNATIONAL, INC., a
Minnesota corporation

By: _____
Name: Rufus H. Rivers
Title: Chairman and Vice President

**RICH TECHNOLOGY
INTERNATIONAL**, a Maine corporation

By: _____
Name: Rufus H. Rivers
Title: Chairman and Vice President

RLJ LAI HOLDINGS, INC., a
Delaware corporation

By: _____
Name: Rufus H. Rivers
Title: Chairman and Vice President

Agreed and Accepted
as of this February 27, 2012




MONROE CAPITAL PARTNERS FUND LP,
as Agent

By: Monroe Capital Partners Fund LLC,
a Delaware limited liability company,
its general partner

By:  _____
Name: Alex Franky
Title: Managing Director

EXHIBIT A

U.S. FEDERAL TRADEMARK REGISTRATIONS & APPLICATIONS:

LAI (and Design) 	Registered	2,917,070	January 11, 2005
LAI (and Design) 	Pending	85/104,376	August 10, 2010
LAI International (and Design) 	Pending	85/104,375	August 10, 2010
RICH TECHNOLOGY INTERNATIONAL	Registered	3,290,595	September 11, 2007

U.S. PATENTS & APPLICATIONS:

Variable rate dispensing system for abrasive material and method thereof	Patented	7,040,959	May 9, 2006
Adaptive nozzle system for high-energy abrasive stream cutting	Patented	6,846,221	January 25, 2005
Adaptive nozzle system for high-energy abrasive stream cutting	Patented	6,752,685	June 22, 2004
MULTI-HEAD FLUID JET CUTTING SYSTEM	Pending	US20100210186A1	February 18, 2009