

TRADEMARK ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT																
NATURE OF CONVEYANCE:	SECURITY INTEREST																
CONVEYING PARTY DATA																	
<table border="1"> <thead> <tr> <th>Name</th> <th>Formerly</th> <th>Execution Date</th> <th>Entity Type</th> </tr> </thead> <tbody> <tr> <td>PROTOM INTERNATIONAL INC.</td> <td></td> <td>06/26/2012</td> <td>CORPORATION: DELAWARE</td> </tr> <tr> <td>PROTOM INTERNATIONAL LLC</td> <td></td> <td>06/26/2012</td> <td>LIMITED LIABILITY COMPANY: TEXAS</td> </tr> <tr> <td>VLADIMIR BALAKIN</td> <td></td> <td>06/26/2012</td> <td>INDIVIDUAL: RUSSIAN FEDERATION</td> </tr> </tbody> </table>		Name	Formerly	Execution Date	Entity Type	PROTOM INTERNATIONAL INC.		06/26/2012	CORPORATION: DELAWARE	PROTOM INTERNATIONAL LLC		06/26/2012	LIMITED LIABILITY COMPANY: TEXAS	VLADIMIR BALAKIN		06/26/2012	INDIVIDUAL: RUSSIAN FEDERATION
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RECEIVING PARTY DATA																	
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CORRESPONDENCE DATA																	
<p>Fax Number: 2122925391 <i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i></p> <p>Phone: 212-292-5390 Email: mail@ipcounselors.com Correspondent Name: EPSTEIN DRANGEL LLP Address Line 1: 60 East 42nd Street, Suite 2410 Address Line 4: New York, NEW YORK 10165</p>																	
ATTORNEY DOCKET NUMBER:	3107-006																
NAME OF SUBMITTER:	Dermot M. Sheridan																

OP \$40.00 85343266

Signature:	/dermot m. sheridan/
Date:	07/02/2012
<p>Total Attachments: 43</p> <p>source=070212 Security Agrmt#page1.tif source=070212 Security Agrmt#page2.tif source=070212 Security Agrmt#page3.tif source=070212 Security Agrmt#page4.tif source=070212 Security Agrmt#page5.tif source=070212 Security Agrmt#page6.tif source=070212 Security Agrmt#page7.tif source=070212 Security Agrmt#page8.tif source=070212 Security Agrmt#page9.tif source=070212 Security Agrmt#page10.tif source=070212 Security Agrmt#page11.tif source=070212 Security Agrmt#page12.tif source=070212 Security Agrmt#page13.tif source=070212 Security Agrmt#page14.tif source=070212 Security Agrmt#page15.tif source=070212 Security Agrmt#page16.tif source=070212 Security Agrmt#page17.tif source=070212 Security Agrmt#page18.tif source=070212 Security Agrmt#page19.tif source=070212 Security Agrmt#page20.tif source=070212 Security Agrmt#page21.tif source=070212 Security Agrmt#page22.tif source=070212 Security Agrmt#page23.tif source=070212 Security Agrmt#page24.tif source=070212 Security Agrmt#page25.tif source=070212 Security Agrmt#page26.tif source=070212 Security Agrmt#page27.tif source=070212 Security Agrmt#page28.tif source=070212 Security Agrmt#page29.tif source=070212 Security Agrmt#page30.tif source=070212 Security Agrmt#page31.tif source=070212 Security Agrmt#page32.tif source=070212 Security Agrmt#page33.tif source=070212 Security Agrmt#page34.tif source=070212 Security Agrmt#page35.tif source=070212 Security Agrmt#page36.tif source=070212 Security Agrmt#page37.tif source=070212 Security Agrmt#page38.tif source=070212 Security Agrmt#page39.tif source=070212 Security Agrmt#page40.tif source=070212 Security Agrmt#page41.tif source=070212 Security Agrmt#page42.tif source=070212 Security Agrmt#page43.tif</p>	

SECURITY AGREEMENT

This **SECURITY AGREEMENT** (this "Agreement"), dated as of June 26, 2012 is by and among **PROTOM INTERNATIONAL, INC.**, ("PII") a corporation duly organized and validly existing under the laws of Delaware, **PROTOM INTERNATIONAL, LLC**, ("PILLC") a limited liability company organized under the laws of Texas (PII and PILLC, are collectively referred to herein as the "Company"), **VLADIMIR BALAKIN**, ("Balakin") a citizen of Russia, with an address of 3 Moskovskaya Street, Flat No: 23, Protvino, Moscow Region, 142281, Russia, the holders of the Senior Convertible Promissory Notes ("Bridge Notes") identified on the signature pages hereto and together with any parties who execute and deliver to the Agent an agreement substantially in the form attached hereto as Annex 8, (each, an "Initial Purchaser" and collectively, the "Purchasers") and Wilmington Trust, National Association, having an office at 50 South Sixth Street, Suite 1290, Minneapolis, MN 55402 as agent for the Purchasers (in such capacity, together with its successors in such capacity, the "Agent"). Each of PII, PILLC, Balakin, each Initial Purchaser and the Agent may be referred to herein individually as a "Party" and collectively as the "Parties". Each of PII, PILLC and Balakin may be referred to herein individually as a "Grantor" and collectively as the "Grantors"; provided, however, that, Balakin shall only be deemed a Grantor for purposes of the Balakin Collateral.

WHEREAS, PII and each of the Initial Purchasers are parties to a Subscription Agreement (and related documents) for the purchase of Bridge Notes and Common Stock Purchase Warrants ("Warrants") in an offering of up to [REDACTED] in Bridge Notes and Warrants by PII (such offering the "Bridge Note Offering") (each agreement, a "Subscription Agreement" or "Purchase Agreement"), that provides, subject to the terms and conditions thereof, for the issuance and sale by PII to each of the Initial Purchasers, severally and not jointly, Bridge Notes and Warrants as more fully described in the Subscription Agreement; and

WHEREAS, to induce each of the Initial Purchasers to enter into the Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Balakin agreed to pledge and grant a security interest in the Collateral (as hereinafter defined) as security for the Secured Obligations (as hereinafter defined).

Accordingly, the Parties hereto agree as follows:

Section 1. Definitions. Each capitalized term used herein and not otherwise defined shall have the meaning assigned to such term in the Subscription Agreement (or its Exhibits). Each of the parties to this Agreement agree that the obligations of the Company are joint and several. In addition, as used herein:

"Account Control Agreement" shall mean an agreement to be executed by the Agent, certain of the Grantors and the Company's depository bank as soon as practicable following the final closing of the Bridge Note Offering.

“Accounts” shall have the meaning ascribed thereto in Section 3(a) hereof.

“Balakin Collateral” shall mean solely those U.S. Patents set forth on Annex 3 hereto.

“Bridge Notes” shall have the meaning ascribed thereto in the Recitals to this Agreement.

“Business” shall mean the businesses from time to time, now or hereafter, conducted by a Grantor and its subsidiaries.

“Business Day” means a day (other than a Saturday or Sunday) on which banks generally are open in New York, New York for the conduct of substantially all of their activities.

“Collateral” shall have the meaning ascribed thereto in Section 3 hereof.

“Copyright Collateral” shall mean all Copyrights, whether now owned or hereafter acquired by a Grantor that are associated with the Business.

“Copyrights” shall mean all copyrights, copyright registrations and applications for copyright registrations, including those shown on Annex 3 hereto, and, without limitation, all renewals and extensions thereof, the right to recover for all past, present and future infringements thereof, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

“Deposit Accounts” shall have the meaning ascribed thereto in Section 3(g) hereof.

“Documents” shall have the meaning ascribed thereto in Section 3(h) hereof.

“Equipment” shall have the meaning ascribed thereto in Section 3(e) hereof.

“Event of Default” shall have the meaning ascribed thereto in Section 8 of the Bridge Notes.

“Fee Letter” shall mean the fee letter, dated on or about the date of this Agreement between PII and the Agent.

“Instruments” shall have the meaning ascribed thereto in Section 3(b) hereof.

“Intellectual Property” shall mean, collectively, all Balakin Collateral, Copyright Collateral, all Patent Collateral and all Trademark Collateral, together with (a) all inventions, processes, production methods, proprietary information, know-how and trade secrets used or useful in the Business; (b) all licenses or user or other agreements granted to a Grantor with respect to any of the foregoing, in each case whether now or hereafter owned or used including, without limitation, the licenses or other agreements with respect to the Copyright Collateral, the Patent Collateral or the Trademark Collateral; (c) all customer lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, recorded

knowledge, surveys, manuals, materials standards, processing standards, catalogs, computer and automatic machinery software and programs, and the like pertaining to the operation by a Grantor of the Business; (d) all sales data and other information relating to sales now or hereafter collected and/or maintained by a Grantor that pertain to the Business; (e) all accounting information which pertains to the Business and all media in which or on which any of the information or knowledge or data or records which pertain to the Business may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data; (f) all licenses, consents, permits, variances, certifications and approvals of governmental agencies now or hereafter held by a Grantor pertaining to the operation by a Grantor and its Subsidiaries of the Business; and (g) all causes of action, claims and warranties now or hereafter owned or acquired by a Grantor in respect of any of the items listed above.

“Inventory” shall have the meaning ascribed thereto in Section 3(c) hereof.

“Liens” shall mean a lien, charge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

“Losses” means any and all claims, liabilities, losses, damages, taxes, costs and expenses (including any special, punitive or consequential losses or damages) including reasonable attorneys’ fees, disbursements, other dispute resolution expenses (including reasonable fees and expenses in preparation for a defense of any investigation, litigation or proceeds) and the costs of collection.

“Motor Vehicles” shall mean motor vehicles, tractors, trailers and other like property, whether or not the title thereto is governed by a certificate of title or ownership.

“Patent Collateral” shall mean (i) with respect to a Grantor, all Patents, whether now owned or hereafter acquired by such Grantor, that are associated with the Business, and (ii) with respect to Balakin, the Balakin Collateral.

“Patents” shall mean all patents and patent applications, including those shown on Annex 3 hereto, and, without limitation, the inventions and improvements described and claimed therein together with the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, the right to sue for past, present and future infringements thereof, and all rights corresponding thereto throughout the world.

“Permitted Indebtedness” shall mean a Grantor’s existing indebtedness, liabilities and obligations as disclosed on Annex 5 hereto and any future capitalized leases, purchase money indebtedness and the Bridge Notes.

“Permitted Liens” shall mean: (i) liens existing on the date of this Agreement; (ii) liens for taxes, fees, assessments or other government charges or levies, either (A) not due and payable or (B) being contested in good faith and for which the Company maintains adequate reserves on its books; (iii) purchase money liens; (iv) liens of carriers, warehousemen,

suppliers, or other Persons that are possessory in nature arising in the ordinary course of business; (v) liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than liens imposed by ERISA); (vi) liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (i) through (v); (vii) liens arising from attachments or judgments, orders, or decrees in circumstances not constituting an Event of Default under Sections 8(m) and 8(n) of the Bridge Notes; and (viii) liens in favor of financial institutions arising in connection with the Company's deposit and/or securities accounts held at such institutions.

"Person" means any person or entity of any nature whatsoever, specifically including an individual, a firm, a company, a corporation, a partnership, a limited liability company, a trust or other entity.

"Required Holders" shall mean, at any time, the holders of more than 50% in principal amount of the Bridge Notes at the time outstanding exclusive of any principal amount of the Bridge Notes owned by a Grantor.

"Secured Obligations" shall mean, collectively: (a) the principal of and interest on the Bridge Notes issued or issuable (as applicable) by a Grantor and held by the applicable Purchaser and all other amounts from time to time owing to such Purchasers by such Grantor under the Purchase Agreement and the Bridge Notes, (b) all obligations of the Grantors to such Purchasers thereunder; and (c) all obligations of the Grantors to the Agent.

"Stock Collateral" shall mean, collectively, the Collateral described in clauses (a) through (c) of Section 3 hereof and the proceeds of and to any such property and, to the extent related to any such property or such proceeds, all books, correspondence, credit files, records, invoices and other papers.

"Trademark Collateral" shall mean all Trademarks, whether now owned or hereafter acquired by a Grantor, that are associated with the Business. Notwithstanding the foregoing, the Trademark Collateral does not and shall not include any Trademark which would be rendered invalid, abandoned, void or unenforceable by reason of its being included as part of the Trademark Collateral.

"Trademarks" shall mean all trade names, trademarks and service marks, logos, trademark and service mark registrations, and applications for trademark and service mark registrations, including those shown on Annex 3 hereto, and, without limitation, all renewals of trademark and service mark registrations, all rights corresponding thereto throughout the world, the right to recover for all past, present and future infringements thereof, all other rights of any kind whatsoever accruing thereunder or pertaining thereto, together, in each case, with the product lines and goodwill of the business connected with the use of, and symbolized by, each such trade name, trademark and service mark.

"Transaction Documents" shall mean any Account Control Agreement, the Fee Letter and any other agreement, certificate, document, instrument and writing at any time delivered in connection with this Agreement or any Account Control Agreement.

“Uniform Commercial Code” shall mean the Uniform Commercial Code as in effect in the State of New York from time to time.

Section 2. Representations and Warranties. The Company and/or Balakin, as applicable, hereby represent and warrant to each of the Purchasers that:

- a. except as set forth on Schedule 2(a), each Grantor (or Balakin, in the case of the Patent Collateral) is the sole beneficial owner of the Collateral and no Lien exists or will exist upon any Collateral at any time (and, with respect to the Stock Collateral, no right or option to acquire the same exists in favor of any other Person) except for Permitted Liens and the pledge and security interest in favor of each of the Purchasers created or provided for herein which pledge and security interest will constitute a first priority perfected pledge and security interest in and to all of the Collateral upon the filing of the applicable financing statements or delivery of stock certificates required hereunder or other action required by this Agreement necessary to establish “control” as that term is defined in the Uniform Commercial Code over the Collateral for the benefit of the Agent; provided that such priority shall be subject to Permitted Liens that may have superior priority to the Lien created hereby.
- b. No Grantor owns an equity interest in any other entity;
- c. each Grantor (and Balakin, as applicable) owns and possesses the right to use, and has done nothing to authorize or enable any other Person (other than the Company) to use, all of its Copyrights, Patents and Trademarks, and all registrations of its Copyrights, Patents and Trademarks are valid and in full force and effect. Except as may be set forth in said Annex 3, each Grantor owns and possesses the right to use all Copyrights, Patents and Trademarks, necessary for the operation of the Business;
- d. to each Grantor’s knowledge, (i) except as set forth in Annex 3 hereto, there is no violation by others of any right of each Grantor with respect to any material Copyrights, Patents or Trademarks, respectively, and (ii) each Grantor is not, in connection with the Business, infringing in any material respect upon any Copyrights, Patents or Trademarks of any other Person; and no proceedings have been instituted or are pending against such Grantor or, to such Grantor’s knowledge, threatened, and no claim against a Grantor has been received by a Grantor, alleging any such violation, except as may be set forth in said Annex 3;
- e. to Balakin’s knowledge, (i) except as set forth in Annex 3 hereto, there is no violation by others of any right of Balakin with respect to any material Copyrights, Patents or Trademarks, respectively, and (ii) Balakin is not, in connection with the Business, infringing in any material respect upon any Copyrights, Patents or Trademarks of any other Person; and no proceedings

have been instituted or are pending against Balakin or, to Balakin's knowledge, threatened, and no claim against Balakin has been received by Balakin, alleging any such violation, except as may be set forth in said Annex 3;

- f. No Grantor owns any Trademarks registered in the United States of America to which the last sentence of the definition of Trademark Collateral applies; and
- g. Balakin is the sole inventor of the inventions protected by the Patents described in this Agreement and on the Annexes hereto (the "Inventions") and that Balakin has the full right and authority to enter into this Agreement and has not entered into any agreement to license or to assign his rights to these Inventions to any other party except as otherwise disclosed herein.

Section 3. Collateral

3.01 Pledge of Grantors. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, each Grantor hereby pledges, grants, collaterally assigns, hypothecates and transfers to the Agent on behalf of and for the benefit of the Agent and the Purchasers as hereinafter provided, a security interest in and Lien upon all of such Grantor's right, title and interest in, to and under all personal property and other assets of such Grantor, whether now owned or hereafter acquired by or arising in favor of such Grantor, whether now existing or hereafter coming into existence, whether owned or consigned by or to, or leased from or to such Grantor and regardless of where located (all being collectively referred to herein as "Collateral"), including:

- a. all accounts and general intangibles (each as defined in the Uniform Commercial Code) of a Grantor constituting any right to the payment of money, including (but not limited to) all moneys due and to become due to a Grantor in respect of any loans or advances for the purchase price of Inventory or Equipment or other goods sold or leased or for services rendered, all moneys due and to become due to a Grantor under any guarantee (including a letter of credit) of the purchase price of Inventory or Equipment sold by such Grantor and all tax refunds (such accounts, general intangibles and moneys due and to become due being herein called collectively "Accounts");
- b. all instruments, chattel paper or letters of credit (each as defined in the Uniform Commercial Code) of a Grantor evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any of the Accounts, including (but not limited to) promissory notes, drafts, bills of exchange and trade acceptances (herein collectively called "Instruments");

- c. all inventory (as defined in the Uniform Commercial Code) of a Grantor and all goods obtained by a Grantor in exchange for such inventory (herein collectively called "Inventory");
- d. all Intellectual Property and all other accounts or general intangibles of a Grantor not constituting Intellectual Property or Accounts;
- e. all equipment (as defined in the Uniform Commercial Code) of a Grantor (herein collectively called "Equipment");
- f. each contract and other agreement of a Grantor relating to the sale or other disposition of Inventory or Equipment;
- g. all deposit accounts (as defined in the Uniform Commercial Code) of a Grantor (herein collectively called "Deposit Accounts");
- h. all documents of title (as defined in the Uniform Commercial Code) or other receipts of a Grantor covering, evidencing or representing Inventory or Equipment (herein collectively called "Documents");
- i. all rights, claims and benefits of a Grantor against any Person arising out of, relating to or in connection with Inventory or Equipment purchased by a Grantor, including, without limitation, any such rights, claims or benefits against any Person storing or transporting such Inventory or Equipment;
- j. all other tangible or intangible property of a Grantor, including, without limitation, all proceeds, products and accessions of and to any of the property of a Grantor described in clauses (a) through (i) above in this Section 3 (including, without limitation, any proceeds of insurance thereon), and, to the extent related to any property described in said clauses or such proceeds, products and accessions, all books, correspondence, credit files, records, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of a Grantor or any computer bureau or service company from time to time acting for a Grantor; and
- k. the Balakin Collateral;

but specifically excluding the items set forth on Annex 2 hereto, (the "Excluded Collateral").

3.02 Pledge of Balakin. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, Balakin hereby pledges, grants, collaterally assigns, hypothecates and transfers to the Agent on behalf of and for the benefit of the Agent and the Purchasers as hereinafter provided, a security interest in and Lien upon all of Balakin's right, title and interest in, to and under the Patent Collateral and the Balakin Collateral.

Section 4. Further Assurances; Remedies. In furtherance of the grant of the pledge and security interest pursuant to Section 3 hereof, each Grantor hereby agrees with the Agent and each of the Purchasers as follows:

4.01 Delivery and Other Perfection. Each Grantor shall:

- a. if any of the above-described shares, securities, monies or property required to be pledged by a Grantor under clauses (a), (b) and (c) of Section 3 hereof are received by a Grantor, forthwith either (x) transfer and deliver to the Agent such shares or securities so received by the Grantor (together with the certificates for any such shares and securities duly endorsed in blank or accompanied by undated stock powers duly executed in blank) all of which thereafter shall be held by the Agent, pursuant to the terms of this Agreement, as part of the Collateral or (y) take such other action as the Agent shall reasonably deem necessary or appropriate to duly record the Lien created hereunder in such shares, securities, monies or property referred to in said clauses (a), (b) and (c) of Section 3;
- b. deliver and pledge to the Agent, at the Agent's request, any and all Instruments, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Agent may request; provided, that so long as no Event of Default shall have occurred and be continuing, each Grantor may retain for collection in the ordinary course any Instruments received by it in the ordinary course of business and the Agent shall, promptly upon request of each Grantor, make appropriate arrangements for making any other Instrument pledged by a Grantor available to it for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate by the Agent, against trust receipt or like document);
- c. give, execute, deliver, file and/or record any financing statement, notice, instrument, document, agreement or other papers that may be necessary (in the reasonable judgment of the Agent to create, preserve, perfect or validate any security interest granted pursuant hereto or to enable the Agent to exercise and enforce their rights hereunder with respect to such security interest, including, without limitation, causing any or all of the Stock Collateral to be transferred of record into the name of the Agent or its nominee (and the Agent agrees that if any Stock Collateral is transferred into its name or the name of its nominee, the Agent will thereafter promptly give to any Grantor copies of any notices and communications received by it with respect to the Stock Collateral), provided that notices to account debtors in respect of any Accounts or Instruments shall be subject to the provisions of Section 4.09 below;
- d. upon the acquisition after the date hereof by a Grantor of any Equipment covered by a certificate of title or ownership cause the Agent to be listed as

the lienholder on such certificate of title and within one hundred twenty (120) days of the acquisition thereof (or such other time as the Agent may approve in its sole discretion) deliver evidence of the same to the Agent;

- e. keep accurate books and records relating to the Collateral, and, during the continuation of an Event of Default, stamp or otherwise mark such books and records in such manner as the Agent may reasonably require in order to reflect the security interests granted by this Agreement;
- f. furnish to the Agent from time to time (but, unless an Event of Default shall have occurred and be continuing, no more frequently than quarterly) statements and schedules further identifying and describing the material Balakin Collateral, Copyright Collateral, the Patent Collateral and the Trademark Collateral, respectively, and such other reports in connection with the Copyright Collateral, the Patent Collateral and the Trademark Collateral, as the Agent may reasonably request, all in reasonable detail;
- g. permit representatives of the Agent, upon reasonable notice, at any time during normal business hours to inspect and make abstracts from its books and records pertaining to the Collateral, and permit representatives of the Agent to be present at a Grantor's place of business to receive copies of all communications and remittances relating to the Collateral, and forward copies of any notices or communications by a Grantor with respect to the Collateral, all in such manner as the Agent may reasonably require; provided, however, that so long as an Event of Default is not continuing, such visits shall be made not more than once per fiscal year at a Grantor's expense; and
- h. upon the occurrence and during the continuance of any Event of Default, upon request of the Agent, promptly notify each account debtor in respect of any Accounts or Instruments that such Collateral has been assigned to the Agent hereunder, and that any payments due or to become due in respect of such Collateral are to be made directly to the Agent.

4.02 Other Financing Statements and Liens. Except with respect to Permitted Indebtedness or as otherwise permitted under the Purchase Agreement, without the prior written consent of the Agent, neither a Grantor nor Balakin shall file or authorize or permit to be filed, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which the Agent is not named as the sole secured party for the benefit of each of the Purchasers, except for Permitted Liens.

4.03 Preservation of Rights. The Agent shall not be required to take steps necessary to preserve any rights against prior parties to any of the Collateral.

4.04 Special Provisions Relating to Certain Collateral.

- a. Intellectual Property.

- i. For the purpose of enabling the Agent to exercise rights and remedies under Section 4.05 hereof during the continuance of an Event of Default and at such time as the Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Grantor hereby grants to the Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Grantors) to use, assign, license or sublicense any of the Intellectual Property now owned or hereafter acquired by a Grantor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.
- ii. Notwithstanding anything contained herein to the contrary, so long as no Event of Default shall have occurred and be continuing and so long as the Company has not received notice from the Agent of the termination of a Grantor's rights with respect thereto as a result of such Event of Default, a Grantor will be permitted to exploit, use, enjoy, protect, license, sublicense, assign, sell, dispose of, terminate, abandon or take other actions with respect to the Intellectual Property in the ordinary course of the business of a Grantor. In furtherance of the foregoing, unless an Event of Default shall have occurred and is continuing, the Agent shall from time to time, upon the request of a Grantor, execute and deliver any instruments, certificates or other documents, in the form so requested, which a Grantor shall have certified are appropriate (in its judgment) to allow it to take any action permitted above (including relinquishment of the license provided pursuant to clause (i) immediately above as to any specific Intellectual Property). Further, upon the payment in full of all of the Secured Obligations or earlier expiration of this Agreement or release of the Collateral, the license granted pursuant to clause (i) immediately above shall be deemed to have terminated of its own accord and shall be of no further force or effect. The exercise of rights and remedies under Section 4.05 hereof by the Agent shall not terminate the rights of the holders of any licenses or sublicenses theretofore granted by a Grantor in accordance with the first sentence of this clause (ii).

- b. Recordation. The Company and Balakin hereby authorize the Commissioner for Patents and any other government officials to record and register this Agreement upon request by the Agent.

4.05 Events of Default, etc. During the period during which an Event of Default shall have occurred and be continuing:

- a. Each Grantor shall, at the request of the Agent, assemble the Collateral owned by it at such place or places, reasonably convenient to both the Agent and each Grantor, designated in its request;
- b. the Agent may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, any of the Collateral with the consent of each Grantor, which shall not be unreasonably withheld or delayed;
- c. the Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code (whether or not said Code is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including, without limitation, the right, to the maximum extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Agent were the sole and absolute owner thereof (and Balakin and each Grantor agree to take all such action as may be appropriate to give effect to such right);
- d. the Agent in its discretion may, in its name or in the name of a Grantor or Balakin, or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so; and
- e. the Agent may, upon thirty (30) Business Days' prior written notice to a Grantor (or Balakin, as applicable) of the time and place, with respect to the Collateral or any part thereof which shall then be or shall thereafter come into the possession, custody or control of the Agent, or any of its respective agents, sell, lease, assign or otherwise dispose of all or any of such Collateral, at such place or places as the Agent deems best, and for cash or on credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of time or place thereof (except such notice as is required above or by applicable statute and cannot be waived), and the Agent or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale), and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise) of Balakin or any Grantor, any such demand, notice or right and equity being hereby expressly waived and released. In the event of any sale, assignment, or other disposition of any of the Trademark Collateral, the goodwill of the Business connected with and symbolized by the Trademark Collateral subject to such disposition shall be included, and each Grantor

shall supply to the Agent or its designee, for inclusion in such sale, assignment or other disposition, all Intellectual Property relating to such Trademark Collateral. The Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned.

- f. The proceeds of each collection, sale or other disposition under this Section 4.05, including by virtue of the exercise of the license granted to the Agent in Section 4.04(a)(i) hereof, shall be applied in accordance with Section 4.09 hereof.
- g. Each Grantor recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and applicable state securities laws, the Agent may be compelled, with respect to any sale of all or any part of the Collateral, to limit purchasers to those who will agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges that any such private sales to an unrelated third party in an arm's length transaction may be at prices and on terms less favorable to the Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Collateral for the period of time necessary to permit the respective issuer thereof to register it for public sale.
- h. Each of the parties to this Agreement agrees that the Agent shall not be deemed to have knowledge of an Event of Default until the Agent is informed in writing of such Event of Default specifying the details thereof by a Grantor or a Purchaser.

4.06 Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral pursuant to Section 4.05 hereof are insufficient to cover the costs and expenses of such realization and the payment in full of the Secured Obligations, only the Company and in no event Balakin shall remain liable for any deficiency.

4.07 Removals, etc. Without at least thirty (30) days' prior written notice to the Agent or unless otherwise required by law, each Grantor shall not (a) maintain any of its books or records with respect to the Collateral at any office or maintain its chief executive office or its principal place of business at any place, or permit any Inventory or Equipment to be located anywhere other than at the address indicated for each Grantor in Section 7.4 of the Purchase Agreement or at one of the locations identified in Annex 4 hereto or in transit from one of such locations to another or (b) change its corporate name, or the name under which it does business, from the name shown on the signature page hereto.

4.08 Private Sale. The Agent shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale to an unrelated third party in an arm's length transaction pursuant to Section 4.05 hereof conducted in a commercially reasonable manner. Balakin and each Grantor hereby waive any claims against the Agent arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Agent accepts the first offer received and does not offer the Collateral to more than one offeree.

4.09 Application of Proceeds. Except as otherwise herein expressly provided, the proceeds of any collection, sale or other realization of all or any part of the Collateral pursuant hereto, and any other cash at the time held by the Agent under this Section 4, shall be applied by the Agent:

- a. First, to the payment of the costs and expenses of such collection, sale or other realization, including reasonable out-of-pocket costs and expenses of the Agent and the fees and expenses of its agents and counsel, and all expenses, and advances made or incurred by the Agent in connection therewith;
- b. Next, to the payment in full of the Secured Obligations in each case equally and ratably in accordance with the respective amounts thereof then due and owing to each of the Purchasers; and
- c. Finally, to the payment to the Grantors (or Balakin, as applicable), or their successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining.

As used in this Section 4, "proceeds" of Collateral shall mean cash, securities and other property realized in respect of, and distributions in kind of, Collateral, including any thereof received under any reorganization, liquidation or adjustment of debt of a Grantor or any issuer of or obligor on any of the Collateral.

4.10 Attorney-in-Fact. Without limiting any rights or powers granted by this Agreement to the Agent while no Event of Default has occurred and is continuing, upon the occurrence and during the continuance of any Event of Default, the Agent is hereby appointed the attorney-in-fact of Balakin and each Grantor for the purpose of carrying out the provisions of this Section 4 and taking any action and executing any instruments which the Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Purchasers shall be entitled under this Section 4 to make collections in respect of the Collateral, the Agent shall have the right and power to receive, endorse and collect all checks made payable to the order of Balakin or a Grantor representing any dividend, payment, or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

4.11 Perfection. (a) Concurrently with the execution and delivery of this Agreement or within 5 Business Days following the date hereof, each Grantor shall file such financing

statements and other documents in such offices as the Purchasers may reasonably request to perfect the security interests granted by Section 3 of this Agreement that may be perfected by such filing; and (b) each Grantor shall within five (5) Business Days following the date hereof, grant control over any deposit accounts to the Agent, which shall be pursuant to the Account Control Agreement, among the applicable Grantor, the Agent and the bank where the applicable Grantor has account with, a form of which is attached hereto on Annex 7. Each Purchaser hereby acknowledges that neither the Agent nor its legal counsel shall have any responsibility whatsoever for the preparation, the adequacy of, or the filing (including the determination of the locations of any such filings) of any financing statements (including, for the avoidance of doubt, any intellectual property filings) or for taking any other actions to perfect, or otherwise protect, the Purchasers' security interest in the Collateral.

4.12 Termination. When all Secured Obligations shall have been paid in full under the Purchase Agreement, this Agreement shall terminate, and the Agent shall, (upon receipt of written confirmation from each Purchaser that the Secured Obligations have been paid in full), forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of any Grantor (or Balakin, as applicable) and to be released and cancelled all licenses and rights referred to in Section 4.04(b)(i) hereof. The Agent shall also execute and deliver to any Grantor upon such termination such Uniform Commercial Code termination statements, certificates for terminating the Liens on the Motor Vehicles and such other documentation as shall be reasonably requested by such Grantor to effect the termination and release of the Liens on the Collateral. Notwithstanding anything to the contrary in this Agreement, the provisions of Sections 4.13, 4.15 and 5.155 shall survive termination of this Agreement.

4.13 Expenses. The Company agrees to pay to the Agent and any Agent professional all reasonable out-of-pocket costs and expenses (including reasonable costs and expenses for legal services of every kind) of, or incident to, any amendments, modifications, waivers, extensions, renewals, renegotiations or "workouts" of the provisions hereof or in any other Transaction Document, the enforcement of any of the provisions of this Section 4, or performance by the Agent of any obligations of the Company in respect of the Collateral which the Company has failed or refused to perform upon reasonable notice, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of any of the Collateral, and for the care of the Collateral and defending or asserting rights and claims of the Agent in respect thereof, by litigation or otherwise, including expenses of insurance, and all such expenses shall be Secured Obligations to the Agent secured under Section 3 hereof. Any amount due under this Section 4.13 and unpaid ten (10) Business Days after request for such payment will bear interest from the expiration of such ten (10) Business Days at a rate per annum equal to two percent (2%) above the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York City as its prime rate, payable on demand. If not timely paid by the Company, at the Agent's election all amounts so payable and the interest thereon will be payable out of any assets in the possession of the Agent and any other Collateral in priority to amounts owing to any and all other parties to this Agreement.

4.14 Further Assurances. Each of Balakin and the Grantors agrees that, from time to

time upon the written reasonable request of the Agent, it will execute and deliver such further documents and do such other acts and things as the Agent may reasonably request in order fully to effect the purposes of this Agreement.

4.15 Indemnity.

- a. The Company hereby jointly and severally covenants and agrees to reimburse, indemnify and hold the Agent harmless from and against any and all claims, actions, judgments, damages, losses, liabilities, costs, transfer or other taxes, and expenses (including, without limitation, reasonable attorneys' fees and expenses) ("Covered Losses") incurred or suffered, arising out of or incident to any investigation, proceeding or litigation arising out of this Agreement or any other Transaction Document or the administration of the Agent's duties hereunder, or resulting from its actions or inactions as Agent, except to the extent that such Covered Losses are found by a final non-appealable judgment of a court of competent jurisdiction to have occurred as a direct result of gross negligence or willful misconduct by Agent.
- b. Each of the Purchasers hereby severally covenants and agrees to reimburse, indemnify and hold the Agent harmless from and against any and all claims, actions, judgments, damages, losses, liabilities, costs, transfer or other taxes, and expenses (including, without limitation, reasonable attorneys' fees and expenses) ("Covered Losses") incurred or suffered, arising out of or incident to any investigation, proceeding or litigation arising out of this Agreement or any other Transaction Document or the administration of the Agent's duties hereunder, or resulting from its actions or inactions as Agent, except to the extent that such Covered Losses are found by a final non-appealable judgment of a court of competent jurisdiction to have occurred as a direct result of gross negligence or willful misconduct by Agent.

Section 5. Miscellaneous and Agency provisions.

5.01 Additional Balakin Provisions.

(a) **Anything in this Agreement to the contrary notwithstanding, it is the express agreement of the parties hereto that Balakin's liability in respect of the Secured Obligations shall be limited solely to the extent of the Balakin Collateral, and that the Purchasers shall have no recourse against any assets of Balakin whatsoever, other than the Balakin Collateral, with respect to the Secured Obligations.**

(b) The Parties hereto acknowledge that Balakin shall have the right, on or after the maturity of the Bridge Notes, to pay on behalf of the Company all amounts necessary to retire such Bridge Notes in full, provided that (i) Balakin makes such payments with respect to all of the Bridge Notes and (ii) no Event of Default has yet occurred as of the time of such payments.

5.02 No Waiver. No failure on the part of the Agent or any of its agents to exercise,

and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Agent or any of its agents of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

5.03 Governing Law; Jurisdiction; Service of Process; Judgment Currency.

(a) ALL ISSUES AND QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE.

(b) Any legal action or proceeding with respect to this Agreement may be brought in the courts of the States of New York or Delaware or of the United States of America sitting in New York County or in the State of Delaware, and, by execution and delivery of this Agreement, each Party hereto hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each Party hereby irrevocably waives, in connection with any such action or proceeding, any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens, which they may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions.

(c) Nothing herein shall affect the right of any Party to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against any Party in any other jurisdiction. Each Party hereby waives any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated hereunder.

(d) If for the purposes of obtaining judgment in any court in any jurisdiction or for any other purpose hereunder it becomes necessary to convert into the currency of such jurisdiction ("Judgment Currency") any amount due hereunder in any currency other than the Judgment Currency, then such conversion shall be made in accordance with the normal banking procedures of the Purchasers and Agent as secured parties at the rate of exchange prevailing on the last business day before the day on which judgment is given. In the event that there is a change in the rate of exchange prevailing between the last business day before the day on which the judgment is given and the date of payment of the amount due, the debtor shall, on the date of payment, pay such additional amounts (if any) as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in such other currency. Any additional amount due from the debtor under this Section 5.03(d) shall be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Agreement.

5.04 Notices. All notices, requests, consents and demands hereunder shall be in writing and facsimile (facsimile confirmation required) or delivered to the intended recipient at its address or telex number specified pursuant to the signature pages to this Agreement.

5.05 Amendments, Waivers, etc. The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by the Company, the Required Holders and the Agent. Any such amendment or waiver shall be binding upon each of the Purchasers, Balakin, and each of the Grantors.

5.06 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of Balakin, any Grantor and each of the Purchasers (provided, however, that neither Balakin nor a Grantor shall assign or transfer its rights hereunder without the prior written consent of the Agent), and provided further that in the event a Purchaser assigns or transfers its interest hereunder such substituted or additional Purchaser (a "New Purchaser") shall, upon executing an agreement in the form attached hereto as Annex 8 (a "Joinder"), become a party hereto and be bound by all the terms and conditions hereof to the same extent as though such Purchaser had originally executed this Agreement, (except that any obligations of a Purchaser under this Agreement which arose prior to the date of execution of a Joinder shall remain the obligations of such Purchaser and shall not be released upon the execution of a Joinder by a New Purchaser).

5.07 Counterparts. This Agreement may be executed in any number of counterparts (including facsimile and Adobe PDF counterparts), all of which together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

5.08 Agent. Each Purchaser agrees to appoint Wilmington Trust, National Association as its Agent for purposes of this Agreement. Wilmington Trust, National Association accepts such appointment on the terms and conditions set forth herein and acknowledges that it holds the Collateral and acts under this Agreement and the Transaction Documents as agent for and on behalf of the Purchasers. The Purchasers hereby authorize and direct the Agent to enter into this Agreement and the Transaction Documents for and on behalf of and for the benefit of itself and the Purchasers in accordance with the terms hereof and thereof. The duties of the Agent shall be deemed ministerial and administrative in nature, and the Agent shall not have, by reason of this Agreement or any of the Transaction Documents, a fiduciary relationship with any Purchaser or their respective affiliates. The Agent may employ agents and attorneys-in-fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith, nor for any fees or expenses of such co-agent or separate agent. Absent any specific agreement to the contrary, any co-agent or co-agents or separate agent or separate agents so appointed shall, to the extent applicable, have the rights, powers, obligations and duties of the Agent hereunder. In addition, the Agent may employ one or more Agent professionals to advise or assist it from time to time, but shall not be responsible for the negligence or misconduct of any such Agent professionals selected by it in good faith. The Agent shall be entitled to rely on the advice and statements of Agent professionals so selected. The Company shall pay reasonable remuneration for all services performed by Agent professionals in the discharge of its duties hereunder and under the

Transaction Documents.

5.09. Appointments, Powers and Immunities of the Agent.

- a. The Agent shall act as agent for the Purchasers under this Agreement and the Transaction Documents with such powers as are specifically vested in the Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto.
- b. The Agent:
 - i. has no duties or responsibilities except those expressly set forth in this Agreement and shall not be a trustee for or have any fiduciary obligation to any party hereto, and no implied covenants or obligations shall be read into this Agreement against the Agent;
 - ii. is not responsible for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement (other than as against the Agent), or any other document referred to or provided for herein or therein or for any failure by any Person (except the Agent) to perform any of its obligations hereunder or for the perfection, priority or, except as expressly required hereby, existence, validity, perfection or maintenance of any security interest created hereunder;
 - iii. is not required to initiate or conduct any litigation or collection proceedings, or otherwise exercise any power conferred on the Agent under this Agreement or the Transaction Documents at the request or direction of the Required Holders except in accordance with directions furnished under Section 5.10, subject to Section 4.15;
 - iv. is not responsible for any action taken or omitted to be taken by it or for any error of judgment made in good faith by an officer or officers of the Agent under this Agreement or under any other document or instrument referred to or provided for herein or in connection herewith or therewith, except for its own gross negligence, or willful misconduct;
 - v. is not required to advise any party as to selling or retaining, or taking or refraining from taking any action with respect to, the Collateral; and
 - vi. shall not be responsible in any manner whatsoever for the correctness of any recitals, statements, information, representations or warranties contained herein or in any Transaction Document except for those made by it herein. The Agent makes no representation or warranty as to, and is not responsible in any way

for: (A) the description, value, location, existence, or condition of any Collateral; (B) the financial condition of any Grantor or the title of any of Balakin or the Grantors to any of the Collateral; (C) the sufficiency of the security afforded by this Agreement or the Transaction Documents or whether registration in respect thereof has been properly effected or maintained; (D) the validity, genuineness, correctness, perfection, or priority of any Lien with respect to the Collateral; (E) the validity, proper execution, enforceability, legality, or sufficiency of this Agreement, or any other Transaction Document or any instrument deposited with the Agent; (F) the identity, authority or right of Balakin, any Grantor or Purchaser executing any document; or (G) the filing or renewal of any registration of this Agreement or any other Transaction Document or any public filing required under applicable law to perfect any of the Agent's Liens, for the benefit of the Purchasers and itself, in any of the Collateral. The Agent shall not be required to ascertain or inquire as to the performance by Balakin or any Grantor of any of its covenants or obligations hereunder or under any of the other Transaction Documents.

- c. The Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under the UCC or otherwise, shall be to deal with it in the same manner the Agent deals with similar property for its own account. Accordingly, Agent shall not be responsible for: (i) insuring any of the Collateral or for the payment of taxes, charges, fines, levies, assessments or for ensuring or protecting the validity, genuineness, correctness, perfection, or priority of any Lien upon any of the Collateral, and shall be indemnified therefor as provided under this Agreement, (ii) the maintenance or safeguarding of any Collateral, (iii) filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any security interest in the Collateral, (iv) or liable for any loss or diminution in the value of any of the Collateral, or (v) the validity or sufficiency of the Collateral or any agreement or assignment contained therein or for the validity of the title of Balakin or a Grantor to the Collateral.
- d. Nothing in this Agreement requires the Agent to expend or risk its own funds or otherwise incur any liability, financial or otherwise, in the performance of any of its duties under this Agreement (including, without limitation, in connection with the execution of an Account Control Agreement or any other security document). In no event will the Agent be liable for any amount in excess of the value of the Collateral or for any special, indirect, individual, consequential or punitive damages or lost profits or loss of business, arising in connection with this Agreement. Despite the foregoing, the Agent, in its individual capacity, waives any right

of setoff, banker's lien, liens or perfection rights as securities intermediary or any counterclaim with respect to any of the Collateral.

- e. The Agent is not responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including acts of God, earthquakes, fires, floods, wars, civil or military disturbances, sabotage, epidemics, riots, interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service, accidents, labor disputes, acts of civil or military authority, governmental actions, inability to obtain labor, material, equipment or transportation.
- f. Whenever in the administration of the provisions of this Agreement the Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action to be taken hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed or the Agent has been given written instructions by the Required Holders) may, in the absence of gross negligence, or willful misconduct on the part of the Agent, be deemed to be conclusively proved and established by a certificate delivered by Balakin or any Grantor and such certificate, in the absence of gross negligence, willful misconduct or bad faith on the part of the Agent, shall be full warrant to the Agent for any action taken, suffered or omitted by it under the provisions of this Agreement or any other Transaction Document; and the Agent shall be fully protected and may conclusively rely on such certificate.

5.10 Instructions of the Required Holders. Unless otherwise excused as provided herein, the Agent shall act on all written instructions received from the Required Holders, with respect to any action to be taken or not to be taken in connection with this Agreement or the Transaction Documents, including, without limitation, actions to be taken in connection with an insolvency proceeding in respect of any Grantor; provided, however, that the Agent shall act only on written instructions from all Purchasers with respect to the amendment or termination of this Agreement or, except as provided in any Transaction Document, any Lien on property of Balakin or the Grantors granted under this Agreement or any other Transaction Document. If the Agent shall request instructions from the Purchasers with respect to taking any particular action in connection with this Agreement, any of the Transaction Documents or any Lien, the Agent shall be entitled to refrain from taking such particular action unless and until it shall have received written instructions from the Required Holders, as the case may be (in which event it shall be required to act in accordance with such written instructions unless otherwise excused as provided herein), and the Agent shall not incur any liability to any Person for so refraining. Without limiting the foregoing, no Purchaser shall have any right of action whatsoever against the Agent as a result of the Agent taking or not taking any action hereunder or pursuant to or in accordance with the written instructions of such Required Holders, except for the Agent's own gross negligence or willful misconduct in connection with any action taken or not taken by it, as finally determined by a court of competent jurisdiction. Notwithstanding anything to the contrary contained in this Agreement or any of the

Transaction Documents, (a) the failure of the Agent to take any action shall not constitute gross negligence or willful misconduct by the Agent hereunder (i) following a request by the Agent for the Required Holders' consent to such action and the failure of the Required Holders to respond to such request or (ii) in the absence of written instructions from the Required Holders or all of the Purchasers, as the case may be and (b) the Agent shall not be required to take any action that is, in its opinion (which may be, but is not required to be, based on the advice of legal counsel), contrary to applicable law, this Agreement or the Transaction Documents or that would, in its reasonable opinion, subject it or any Agent professionals to liability or that would require it to expend or risk its own funds, or unless it has received an indemnity satisfactory to it.

5.11 Reliance by Agent. The Agent is entitled conclusively to rely, and shall be fully protected in acting or refraining from acting, upon any certification, order, judgment, opinion, notice or other communication (including any thereof by telephone or facsimile, provided that if made by telephone order such order is confirmed in writing within 24 hours) reasonably believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons (without being required to determine the correctness of any fact stated therein). The Agent may consult with counsel and advice and statements of legal counsel and other experts selected by the Agent shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel. As to any matters not expressly provided for by this Agreement, the Agent in all cases is fully protected in acting, or in refraining from acting, hereunder in accordance with instructions given by the Required Holders.

In the absence of bad faith on the part of the Agent, the Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Agent which conform to the requirements of this Agreement.

The Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document.

5.12 Rights in Other Capacities.

(a) The Agent and its affiliates may (without having to account therefor to any Purchaser) accept deposits from, lend money to, make their investments in and generally engage in any kind of banking, trust or other business with any Person as if it were not acting as the Agent, and the Agent and its affiliates may accept fees and other consideration from any Person without having to account for the same to any Purchaser.

(b) The Agent will not accept, receive or permit there to be created, other than as provided for herein, in favor of itself (and waives any right of set-off or banker's lien with respect to) and will take no affirmative action to permit: (x) there to be created in favor of any Person, any Lien in or upon the Collateral, or (y) the Collateral to be commingled with any other assets of any such Person.

5.13 Non-Reliance on Agent.

(a) The Agent is not required to keep itself informed as to or monitor the performance or observance by Balakin or any Grantor of this Agreement or any other document referred to or provided for herein or to inspect the properties or books of Balakin or any Grantor.

(b) The Agent does not have any duty or responsibility to provide any Purchaser with any credit or other information concerning the affairs, financial condition or business of any Grantor (or any of its respective subsidiaries or affiliates) that may come into the possession of the Agent or any of its affiliates other than as expressly required pursuant to this Agreement or any other document to which the Agent is a party.

5.14 Failure to Act. (a) In the event of any ambiguity in the provisions of this Agreement or any dispute between or conflicting claims or directions by or among the parties hereto or any other Person with respect to any funds or property in which there is purported to be granted a security interest hereunder, the Agent is entitled, after prompt notice to the Purchasers, at its sole option, to refuse to comply with any and all claims, demands, directions or instructions with respect to such property or funds so long as such dispute or conflict continues, and the Agent is not nor will it become liable in any way to any of the parties hereto for its failure or refusal to comply with such conflicting claims, demands, directions or instructions.

(b) The Agent is entitled to refuse to act until either:

- i. such conflicting or adverse claims or demands have been finally determined by a court of competent jurisdiction or settled by agreement between the conflicting parties as evidenced in a writing, satisfactory to the Agent; or
- ii. the Agent has received security or an indemnity satisfactory to the Agent sufficient to save the Agent harmless from and against any and all loss, liability and reasonable out-of-pocket expenses that the Agent may incur by reason of its acting without willful misconduct or gross negligence.

(c) The Agent may in its sole discretion elect to commence an interpleader action or seek other judicial relief or orders as the Agent may deem necessary.

(d) Nothing in this Agreement requires the Agent to take any action that is, in its opinion, contrary to any law or to the terms of this Agreement, or that would, in its opinion, subject it or any of its officers, employees or directors to liability.

5.15 Resignation or Removal of Agent. (a) Subject to the appointment and acceptance of a successor Agent as provided below:

- i. the Agent may resign at any time by giving notice thereof to Balakin, the Grantors and the Purchasers; and
 - ii. the Agent may be removed by written notice at any time by the Required Holders and the retiring Agent shall be paid by the Company all amounts then due and owing to it.
- (b) Upon any resignation or removal of the Agent, the Required Holders have the right to appoint a successor Agent. If no successor Agent has been so appointed and has accepted such appointment within 30 days after the date of receipt of notice of the resignation or removal of the Agent, then the retiring Agent, may at the Company's expense petition any court of competent jurisdiction for the appointment of a successor Agent. The Agent must be a bank that has an office in New York, New York with a combined capital and surplus of at least \$100,000,000.
- (c) Upon the acceptance of any appointment as Agent under this Agreement by a successor Agent, the successor will thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent upon payment to it of any amounts owed to it, shall take all appropriate action to transfer any money and property held by it hereunder (including the Collateral) to such successor. The retiring Agent, upon such succession shall be discharged from all of its duties and obligations as Agent under this Agreement.
- (d) After any retiring Agent's resignation under this Agreement as Agent, the provisions of Sections 5.09 to 5.15 will continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Agent.

5.16 Survival. The provisions of Sections 5.09 to 5.17 will survive termination of this Agreement and the resignation or removal of the Agent.

5.17 Exculpation. The Agent and its officers, directors, employees, representatives and agents shall not be liable for any Losses arising out of or relating to any of its actions or omissions to act hereunder, except to the extent any such Losses are caused by the Agent's gross negligence, or willful misconduct (upon a final non-appealable determination of a court of competent jurisdiction); provided, however, that in no event shall the Agent and its officers, directors, employees, representatives and agents be liable for any lost profits arising out of or relating to any of its actions or omissions to act hereunder.

5.18 Identity of Purchasers. (a) The Company, Balakin and each Purchaser agrees, as of the date of this Agreement, that the Initial Purchasers are the registered owners of the Bridge Notes and the unpaid principal amount Purchaser Obligations owed to such Initial Purchaser shall be as set forth in Schedule 5.18 to this Agreement (the "Original Register").

- (b) The Company agrees to update the Original Register, from time to time,

if required, to take account of any assignment or transfer of a Bridge Note or any prepayment of such Bridge Note (the "Updated Register") and deliver such Updated Register to the Agent. The Updated Register shall indicate the registered owner of each Bridge Note, the unpaid principal amount of such Bridge Note and the date of any transfer of all or any portion of such Bridge Note.

(c) The Agent may deem and treat the Original Register or any Updated Register (if applicable), once delivered to it as conclusive evidence of the identity of any Purchaser and the unpaid principal amount owed to such Purchaser for all purposes under this Agreement and the other Transaction Documents (including, without limitation, for the calculation of Required Holders and the amount of any Secured Obligations) and the Agent shall not be required to verify, check or make any determination as to the contents of the Original Register or any Updated Register.

(d) The Company, Balakin and each Purchaser agrees that the Agent in determining the amount of any Secured For the purposes of this Section 5.18, Purchaser Obligation may rely on the Original Register or any Updated Register (as applicable), together with a certificate shall mean and include all present and future indebtedness, obligations and liabilities of every kind and nature of any Grantor from time to time owed to any Purchaser in respect of any expenses, indemnification payments or any other amounts owed to such Purchaser under this Agreement arising from, evidenced by or relating to the Bridge Notes, this Agreement or any other Transaction Document.

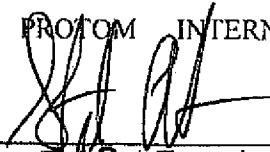
5.19 Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Purchasers in order to carry out the intentions of the parties hereto as nearly as may be possible and (b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

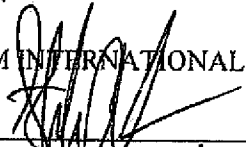
5.20 Post-Closing Covenant. Each of the Parties hereto covenant and agree that they shall use their best efforts to promptly execute an Account Control Agreement following the final closing of the Bridge Note Offering with the Company's depository banking institutions. The Purchasers and the Agent acknowledge that such Account Control Agreement will not be effective as of the date of the initial closing of the Bridge Note Offering and that the security interest in any cash granted pursuant to this Agreement will not be perfected until such Account Control Agreement is duly executed by the parties thereto.


[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be signed, by their respective duly authorized officers or directly, as of the date first written above.

GRANTORS:
INC.

PROTOM INTERNATIONAL,
By: 
Name: STEPHEN L. SPOTTS
Title: CEO
Address: 1100 PARKER SQ, SUITE 230
FLOWER MOUND, TX 75028
Fax:
Attention: 972-534-1299

PROTOM INTERNATIONAL, LLC
By: 
Name: STEPHEN L. SPOTTS
Title: MANAGING MEMBER
Address: 1100 PARKER SQ, SUITE 230
FLOWER MOUND, TX
Fax:
Attention: 972-534-1299 75028

VLADIMIR BALAKIN
By: 
Print Name: VLADIMIR BALAKIN
Address: 142281, PROTAVINO, MO
Fax: MOSKOVSKAYA ST. 3-23,
+7 4967 341778 RUSSIA
WILMINGTON TRUST, NATIONAL
ASSOCIATION

AGENT:

By: _____
Name:
Title:
Address:
Fax:
Attention:

[PURCHASER SIGNATURE PAGES TO FOLLOW]

PURCHASERS:

(type name of Purchaser)

By: _____

Name:

Title:

Address:

Fax:

Attention:

ANNEX 1

CAPITAL STOCK PLEDGED BY PII/PILLC AND OFFICERS OF EACH GRANTOR

None.

EXCLUDED COLLATERAL

1. \$1,000,000 being held in escrow—subject to the placement of a purchase order under that certain Purchase Agreement, dated February 15, 2012, by and between PII and Atlantic Health System, Inc., a New Jersey not-for-profit corporation—in an interest-bearing account, Bank of America Account Number 4880-2310-7434.

PATENTS, COPYRIGHTS AND TRADEMARKS

List of U.S. Patents

	Title	Application Number	Patent Number	Filed	Issued
1	CHARGED PARTICLE BEAM EXTRACTION METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	12/425683	7939809	4/17/2009	5/10/2011
2	CHARGED PARTICLE CANCER THERAPY PATIENT POSITIONING METHOD AND APPARATUS	12/558504	--	09/12/2009	-- (Issue fee paid 5/28)
3	MULTI-FIELD CHARGED PARTICLE CANCER THERAPY METHOD AND APPARATUS COORDINATED WITH PATIENT RESPIRATION	12/464,816	8129699	05/12/2009	3/6/2012
4	CHARGED PARTICLE BEAM ACCELERATION AND EXTRACTION METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	12/499,669	8089054	07/08/2009	1/3/2012
5	MULTI-AXIS / MULTI-FIELD CHARGED PARTICLE CANCER THERAPY METHOD AND APPARATUS	12/714,504	--	02/28/2010	--
6	MULTI-AXIS / MULTI-FIELD CHARGED PARTICLE CANCER THERAPY METHOD AND APPARATUS	12/985,039	--	01/05/2011	--
7	CHARGED PARTICLE BEAM ACCELERATION AND EXTRACTION METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE	12/497,829	8067748	07/06/2009	11/29/2011

	CANCER THERAPY SYSTEM				
8	MAGNETIC FIELD CONTROL METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	12/545,815	--	08/22/2009	--
9	METHOD AND APPARATUS COORDINATING SYNCHROTRON ACCELERATION PERIODS WITH PATIENT RESPIRATION PERIODS	12/707,533	--	02/17/2010	--
10	MULTI-FIELD CHARGED PARTICLE CANCER THERAPY METHOD AND APPARATUS	12/636,745	--	12/13/2009	--
11	INTENSITY MODULATED THREE-DIMENSIONAL RADIATION SCANNING METHOD AND APPARATUS	12/711,609	--	02/24/2010	--
12	CHARGED PARTICLE CANCER THERAPY DOSE DISTRIBUTION METHOD AND APPARATUS	12/687,387	--	01/14/2010	--
13	CHARGED PARTICLE CANCER THERAPY X-RAY MATHOD AND APPARATUS	12/492,216	8045679	06/26/2009	10/25/2011
14	ELONGATED LIFETIME X-RAY METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	12/492,515	7940894	06/26/2009	5/10/2011
15	SYNCHRONIZED X-RAY / BREATHING METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	12/637,918	7953205	12/15/2009	5/31/2011
16	X-RAY TOMOGRAPY METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	12/606,913	8144832	10/27/2009	3/27/2012
17	SEMI-VERTICAL POSITIONING METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE	12/493,205	--	06/28/2009	--

	CANCER THERAPY SYSTEM				
18	PATIENT POSITIONING METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	12/550,379	--	08/30/2009	--
19	CHARGED PARTICLE CANCER THERAPY AND PATIENT POSITIONING METHOD AND APPARATUS	12/554,913	--	09/06/2009	--
20	CHARGED PARTICLE CANCER THERAPY AND PATIENT BREATH MONITORING METHOD AND APPARATUS	12/561,675	--	09/17/2009	--
21	PATIENT IMMOBILIZATION AND REPOSITIONING METHOD AND APPARATUS USED IN CONJUNCTION WITH CHARGED PARTICLE CANCER THERAPY	12/636,725	--	12/12/2009	--
22	METHOD AND APPARATUS FOR INTENSITY CONTROL OF A CHARGED PARTICLE BEAM EXTRACTED FROM A SYNCHROTRON	12/552,079	--	09/01/2009	--
23	CHARGED PARTICLE CANCER THERAPY SYSTEM MAGNET CONTROL METHOD AND APPARATUS	12/542,155	--	08/17/2009	--
24	NEGATIVE ION SOURCE METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	12/567,901	7943913	09/28/2009	05/17/2011
25	NEGATIVE ION BEAM SOURCE VACUUM METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	12/571,589	8129694	10/01/2009	3/6/2012
26	ION BEAM FOCUSING LENS METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	12/564,367	8093564	09/22/2009	1/10/2012
27	TANDEM ACCELERATOR METHOD AND APPARATUS USED IN CONJUNCTION	12/614,733	Pending – Projected 8198607	11/09/2009	Pending – Projected 6/12/2012

	WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM				
28	PROTON BEAM POSITIONING VERIFICATION METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	12/618,718	8178859	11/14/2009	5/15/2012
29	RF ACCELERATOR METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYTEM	12/619,278	--	11/16/2009	--
30	CHARGED PARTICLE CANCER THERAPY BEAM PATH CONTROL METHOD AND APPARATUS	12/785,434	--	05/22/2010	--
31	CHARGED PARTICLE BEAM ACCELERATION AND EXTRACTION METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	13/290068	--	11/5/2011	--
32	CHARGED PARTICLE CANCER THERAPY X-RAY METHOD AND APPARATUS	13/214065	--	8/9/2011	--
33	MULTI-FIELD CHARGED PARTICLE CANCER THERAPY METHOD AND APPARATUS	13/254431	--	9/1/2011	--
34	CHARGED PARTICLE EXTRACTION APPARATUS AND METHOD OF USE THEREOF	13/197480	--	8/3/2011	--
35	SYNCHROTRON POWER SUPPLY APPARATUS AND METHOD OF USE THEREOF	13/196720	--	8/2/2011	--
36	SYNCHROTRON POWER CYCLING APPARATUS AND METHOD OF USE THEREOF	13/196395	--	8/2/2011	--
37	SYNCHRONIZED X-RAY / BREATHING METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE	13/100102	--	5/3/2011	--


	CANCER THERAPY SYSTEM				
38	CHARGED PARTICLE BEAM EXTRACTION METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	12/994126	--	2/25/2011	--
39	MULTI-FIELD CHARGED PARTICLE CANCER THERAPY METHOD AND APPARATUS	12/994130	--	6/15/2011	--
40	CHARGED PARTICLE CANCER THERAPY PATIENT POSITIONING METHOD AND APPARATUS	12/994125	--	5/25/2011	--
41	PROTON TOMOGRAPHY APPARATUS AND METHOD OF OPERATION THEREFOR	12/087096	--	4/14/2011	--
42	ELONGATED LIFETIME X-RAY METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	13/041365	--	3/5/2011	--
43	CHARGED PARTICLE CANCER THERAPY BEAM PATH CONTROL METHOD AND APPARATUS	12/994132	--	4/19/2011	--
44	CHARGED PARTICLE BEAM ACCELERATION METHOD AND APPARATUS AS PART OF A CHARGED PARTICLE CANCER THERAPY SYSTEM	12/994117	--	2/25/2011	--
45	CHARGED PARTICLE BEAM EXTRACTION METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	13/023394	--	2/8/2011	--
46	X-RAY METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	12/994129	--	1/31/2011	--

47	CHARGED PARTICLE CANCER THERAPY IMAGING METHOD AND APPARATUS	13/033293	--	2/23/2011	--
48	MULTI-AXIS CHARGED PARTICLE CANCER THERAPY METHOD AND APPARATUS	12/994120	--	1/26/2011	--
49	CHARGED PARTICLE BEAM INJECTION METHOD AND APPARATUS USED IN CONJUNCTION WITH A CHARGED PARTICLE CANCER THERAPY SYSTEM	12/994106	--	1/13/2011	--

List of U.S. Copyrights

None.

List of U.S. Trademarks

	Mark	Serial No.	Reg. No.	Goods/Services
1	PROTOM	--	--	Unregistered common law mark used in association with ProTom International, Inc.'s offerings of goods services relating to proton therapy technologies used in cancer treatment.
		--	--	Unregistered common law mark used in association with ProTom International, Inc.'s offerings of goods services relating to proton therapy technologies used in cancer treatment.
2	RADIANCE 330	85/343266	--	Proton therapy system, namely, a machine that produces and delivers high energy proton beams to treat cancer patients

3	FIDELITY BEAM SCANNING	--	--	Unregistered common law mark used in association with ProTom International, Inc.'s offerings of goods and services relating to scanned proton beam delivery.
4	PROTOM TOMOGRAPHY	--	--	Unregistered common law mark used in association with ProTom International, Inc.'s offerings of goods and services relating to proton radiography and proton CT.

ADDITIONAL COLLATERAL LOCATIONS

None.

PERMITTED INDEBTEDNESS

The following listed items, together with trade accounts payable, constitute all outstanding indebtedness of PII:

1. Parker Square Office Space Lease Obligation – American National Bank
2. Konica Minolta Copier Lease – Navitas Lease Finance Corp.

Removed and reserved.

ANNEX 7

ACCOUNT CONTROL AGREEMENT

To be attached as soon as practicable following the final closing the Bridge Note Offering.

**ANNEX 8
to
SECURITY AGREEMENT**

FORM OF SECURED PARTY JOINDER

WHEREAS, this Secured Party Joinder is being executed in connection with the Security Agreement dated as of June __, 2012 is by and among Protom International, Inc., Protom International, LLC and Vladimir Balakin to and in favor of the Purchasers and the Agent as defined therein (the "Security Agreement").

Reference is made to the Security Agreement as defined above; capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in, or by reference in, the Security Agreement.

The undersigned hereby confirms that it is the holder of a Bridge Note and agrees that, effective as of the date set forth below the undersigned's signature to this Secured Party Joinder, the undersigned shall (a) be a New Purchaser and a secured party under the Security Agreement, and (b) have all the rights and obligations of a Purchaser as a secured party under the Security Agreement as fully and to the same extent as if the undersigned was an original signatory thereto.

An executed copy of this Secured Party Joinder shall be delivered to the Agent, and the Agent may rely on the matters set forth herein on or after the date hereof.

This Joinder may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Joinder by telecopy or other electronic means shall be effective as delivery of a manually executed counterpart of this Joinder.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CHOICE OF LAW RULE THEREOF.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the undersigned has caused this Secured Party Joinder to be executed in the name and on behalf of the undersigned.

NEW PURCHASER:

By: _____

Name:

Title:

Date of Joinder: _____

Mailing Address: _____

Tel: _____

Fax: _____

PROTOM INTERNATIONAL, INC.

By: _____

Name:

Title:

PROTOM INTERNATIONAL, LLC

By: _____

Name:

Title:

VLADIMIR BALAKIN

By: _____

Name:

Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION

By: _____

Name:

Title:

SCHEDULE 2(a)

OWNERSHIP OF COLLATERAL

None.

SCHEDULE 5.18
ORIGINAL REGISTER

Initial Purchaser Name

**Principal Amount of Note held
(US\$)**