

01-09-2001



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RECORDATION FORM COVER SHEET  
PATENTS ONLY

U.S. Department of Commerce  
Patent and Trademark Office  
PATENT

12.20.00

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

☒ New  
☐ Resubmission (Non-Recordation)  
Document ID#   
☐ Correction of PTO Error  
Reel #  Frame #   
☐ Corrective Document  
Reel #  Frame #

Conveyance Type

☐ Assignment ☒ Security Agreement  
☐ License ☐ Change of Name  
☐ Merger ☐ Other   
**U.S. Government**  
(For Use ONLY by U.S. Government Agencies)  
☐ Departmental File ☐ Secret File

Conveying Party(ies)

☐ Mark if additional names of conveying parties attached  
Execution Date  
Month Day Year  
12 06 00

Name (line 1) LSP Technologies, Inc.

Name (line 2) an Ohio corporation

Second Party

Name (line 1)   
Name (line 2)   
Execution Date  
Month Day Year  
574/559

Receiving Party

☐ Mark if additional names of receiving parties attached

Name (line 1) National City Bank

Name (line 2) a national banking association

Address (line 1) 1900 East Ninth Street

Address (line 2)

Address (line 3) Cleveland

Ohio, USA

44114-3484

City

State/Country

Zip Code

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

PATENT

REEL: 011390 FRAME: 0674

**Correspondent Name and Address**

Area Code and Telephone Number (202) 467-8815

Name Ronald E. Shapiro, Esq.

Address (line 1) Vorys, Sater, Seymour and Pease LLP

Address (line 2) 1828 L Street N.W., 11th Floor

Address (line 3) Washington, D.C. 20036-5109

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

# 13

**Application Number(s) or Patent Number(s)**

☒ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

**Patent Application Number(s)**

**Patent Number(s)**

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If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor.

Month Day Year

**Patent Cooperation Treaty (PCT)**

Enter PCT application number  
only if a U.S. Application Number  
has not been assigned.

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**Number of Properties**

Enter the total number of properties involved. # 12

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41): \$ 480.00

Method of Payment:  
Deposit Account

Enclosed ☐ Deposit Account ☒

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

# 22-0585

Authorization to charge additional fees:

Yes ☒ No ☐

**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Ronald E. Shapiro



12/20/00

Name of Person Signing

Signature

Date

RECORDATION FORM COVER SHEET  
CONTINUATION  
PATENTS ONLY

U.S. Department of Commerce  
Patent and Trademark Office  
PATENT

Conveying Party(ies)

☐ Mark if additional names of conveying parties attached

Enter additional Conveying Parties

Name (line 1) LSP Technologies, Inc.

Execution Date  
Month Day Year

12 06 00

Name (line 2) an Ohio corporation

Execution Date  
Month Day Year

Name (line 1)

Name (line 2)

Execution Date  
Month Day Year

Name (line 1)

Name (line 2)

Receiving Party(ies)

☐ Mark if additional names of receiving parties attached

Enter additional Receiving Party(ies)

Name (line 1) National City Bank

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Name (line 2) a national banking association

Address (line 1) 1900 East Ninth Street

Address (line 2)

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44114-3484

Zip Code

Name (line 1)

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Application Number(s) or Patent Number(s)

☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

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## PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (this "Agreement") is made and entered into be effective as of December 6, 2000, by and between LSP TECHNOLOGIES, INC., an Ohio corporation having an address at 6145 Scherers Place, Dublin, Ohio 43016-1284 ("Borrower"), and NATIONAL CITY BANK, a national banking association having an address at 1900 East Ninth Street, Cleveland, Ohio 44114-3484 ("Secured Party").

### Background Information

Borrower agreed to execute and deliver this Agreement to Secured Party in order to induce (i) Secured Party to accept the Security Agreement All Personal Property Except Equipment Borrower Grantor executed and delivered by Borrower to Secured Party on June 16, 2000 (such agreement, as it may hereafter be amended or otherwise modified is hereinafter referred to as the "Underlying Security Agreement"), and (ii) Secured Party to make advances to Borrower pursuant to the terms of the Commercial Note: Term Multiple Advance/Prime (Ohio) executed by Borrower in favor of Secured Party on June 16, 2000 (the "Note").

NOW, THEREFORE, for valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. All capitalized terms used herein and not otherwise defined herein shall have the meaning attributed to them in the Underlying Security Agreement.
2. Grant of Security Interest. To secure the full, prompt and complete payment and performance of the Subject Debt (as defined in the Underlying Security Agreement) and the performance of the obligations under the Underlying Security Agreement and the Note, as such obligations may be modified, amended, renewed, consolidated, replaced, or extended (collectively, the "Obligations"), Borrower hereby grants to, and creates in favor of, Secured Party a continuing security interest in, and lien on, all of the Patent Collateral. As used in this Agreement, "Patent Collateral" means, collectively, (i) all of Borrower's now or in the future owned or existing and filed patents and patent applications, including the inventions and improvements described and claimed in those patents listed on Schedule I, as may be amended from time to time, which is attached and made a part of this Agreement (the property in this item (i) being collectively, the "Patents"); (ii) the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any and all of the Patents; (iii) all income, royalties, damages and payments now and in the future due or payable under and with respect to any and all of the Patents, including damages and payments for past or future infringements of any and all of the Patents and all rights to payments on Patent Licenses (as hereafter defined); (iv) the right

to sue for past, present and future infringements of any and all of the Patents; (v) all rights of Borrower as licensor or, to the extent the license rights are transferable, licensee under, and with respect to, any patents and patent applications, including the licenses listed on **Schedule I**, as may be amended from time to time, and the Patent Licenses (as defined in Section 3) (Borrower's rights as licensor or licensee sometimes referred to in this Agreement collectively as "Patent License Rights").

3. **Licenses.** Borrower shall be permitted to license, as licensor, any patent application or patent (a "Patent License") included in the Patent Collateral without the prior written consent of Secured Party, provided that (i) the terms of any Patent License shall be commercially reasonable, and (ii) each such Patent License so granted shall be subject to the terms and conditions of this Agreement.

4. **Representations and Warranties.** Borrower hereby represents and warrants to Secured Party (with respect to the Patent Collateral currently in existence, and with respect to any Patent Collateral subsequently acquired at the time such Patent Collateral is acquired), until the Obligations are paid in full and performed in full, and this Agreement is terminated, that:

(a) to the best of Borrower's knowledge, Borrower is the sole, legal and beneficial owner of the entire right, title and interest in and to the Patent Collateral except for interests of other co-owners or co-assignees of certain patent applications that are part of the Patent Collateral, free and clear of any lien, security interest, option, charge, pledge, license, assignment (whether conditional or not) or covenant, or any other encumbrance, except as otherwise permitted by this Agreement or as otherwise set forth on **Schedule I**, as may be amended from time to time;

(b) set forth on **Schedule I** (as may be amended from time to time) is a complete and accurate list of all patents and Patent License Rights owned by Borrower;

(c) to the best of Borrower's knowledge, each patent identified on **Schedule I**, as may be amended from time to time, is subsisting and has not been adjudged invalid, unpatentable or unenforceable, in whole or in part, and is fully valid, patentable and enforceable, except as otherwise set forth on **Schedule I**, as may be amended from time to time;

(d) Borrower has not granted any license, release, covenant not to sue, or non-assertion assurance of any kind to any Person with respect to any part of the Patent Collateral, except as otherwise set forth on **Schedule I**, as may be amended from time to time;

(e) to the best of Borrower's knowledge, the current conduct of Borrower's business does not conflict with or infringe any proprietary right enforceable at law of any third party in any way which adversely affects the business, financial condition or business prospects of Borrower, and no Person has asserted to or against Borrower that such conduct conflicts with or infringes any valid proprietary right of any third party in any way which adversely affects the business, financial condition or business prospects of Borrower;

(f) to the best of Borrower's knowledge, all of the Patent License Rights are in full force and effect, Borrower is not in default under any of the Patent License Rights and no event has occurred which, with notice or the passage of time or both, would constitute a default by Borrower under any of the Patent License Rights; and

(g) except for the recording of this Agreement with the United States Patent and Trademark Office and the filing of Uniform Commercial Code financing statements naming Borrower as "debtor" and Secured Party as "secured party" in the appropriate filing offices describing therein "general intangibles" (as defined under the UCC), no authorization, consent, approval or other action by, and no notice to or filing or recording with, any Governmental Authority is currently, or is reasonably expected to be, required either (i) for the making by Borrower of the assignments and the granting by Borrower of the lien and security interest made and granted hereby, or for the execution, delivery or performance of this Agreement by Borrower and the consummation of the transactions contemplated hereby, or (ii) for the perfection of or the exercise by Secured Party of its rights and remedies hereunder or thereunder.

5. Covenants. Borrower agrees and covenants to Secured Party that, until the Obligations have been paid and performed in full, and this Agreement is terminated, Borrower shall:

(a) at its cost and expense, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Secured Party may reasonably request, in order (i) to continue, perfect and protect the lien and security interest granted to Secured Party hereunder, and (ii) to enable Secured Party to exercise and enforce any or all of its rights and remedies hereunder with respect to all or any part of the Patent Collateral. Without limiting the generality of the foregoing, Borrower shall execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as Secured Party may reasonably request, in order to perfect and preserve the lien and security interest granted hereby to Secured Party. Borrower hereby authorizes Secured Party to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Patent Collateral without the signature of Borrower where permitted by law. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Patent Collateral or any part thereof shall be sufficient as a financing statement where permitted by law;

(b) furnish to Secured Party from time to time statements and schedules further identifying and describing the Patent Collateral, including without limitation any licensing of Patent Collateral by Borrower, and such other reports in connection with the Patent Collateral as Secured Party may reasonably request, all in reasonable detail;

(c) in the event that Borrower obtains an ownership interest that Borrower is not prevented from transferring in any patent, patent application or Patent License Rights which is not now identified in Schedule I, as may be amended from time to time, give prompt written notice thereof to Secured Party. The provisions of Section 2 shall automatically apply to any such patent, patent application and Patent License Rights, and any such patent, patent application

and Patent License Rights shall automatically become part of the Patent Collateral. Borrower expressly authorizes Secured Party to amend this Agreement and/or **Schedule I**, as may be amended from time to time, to include any such patents, patent applications and Patent License Rights which become part of the Patent Collateral pursuant to this Section 5(c). Borrower expressly agrees to give Secured Party its full cooperation with respect to amending this Agreement or **Schedule I**, as may be amended from time to time, and/or filing any amended agreements or amended schedules reflecting the Borrower's acquisition of any ownership interest in any patents, patent applications or Patent License Rights subsequent to the original execution of this Agreement. Notwithstanding anything herein to the contrary, Secured Party shall not make any public filing with respect to patent applications unless such filing is made pursuant to a separate security agreement limited to patent applications and is designated as "Confidential".

(d) with respect to any patent, patent application or Patent License Rights necessary to the conduct of Borrower's business, take all necessary steps in any proceeding before the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, or in any court, to maintain and pursue such patent application now or hereafter included in the Patent Collateral, and to maintain each patent now or hereafter included in the Patent Collateral, including the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for reissue, renewal or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition and infringement proceedings. Any and all costs and expenses incurred in connection with such activities shall be borne by Borrower. Borrower shall not abandon any right to file a patent application, or abandon any pending patent application or patent, unless the invention which is the subject of such patent application or patent is not necessary or desirable in the conduct of Borrower's business or becomes finally rejected;

(e) notify Secured Party immediately and in writing if Borrower learns (i) that any of the Patent Collateral may become abandoned or dedicated, (ii) of any adverse determination or any development (including without limitation the institution of any proceeding in the United States Patent and Trademark Office or any other U.S. or foreign court or tribunal of any kind) regarding any material item of the Patent Collateral, or (iii) that Borrower is or potentially could be in default of any of the Patent License Rights;

(f) if Borrower becomes aware that any item of the Patent Collateral is materially infringed or misappropriated by a third party, promptly notify Secured Party in writing, and, if necessary under the circumstances, promptly sue for infringement or misappropriation and for recovery of all damages caused by such infringement or misappropriation, and take such other actions as Borrower shall deem appropriate under the circumstances to protect such Patent Collateral. Any and all costs and expenses incurred in connection with such activities shall be paid by Borrower;

(g) enter into written agreements with Borrower's present and future employees, agents and consultants which will enable Borrower to comply with the covenants set forth in this Agreement; and

(h) continue to mark Borrower's products with the numbers of appropriate patents in accordance with the existing practices of Borrower.

6. Transfers and Other Liens. Borrower shall not, without the prior written consent of Secured Party:

(a) sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Patent Collateral, except as permitted by the provisions of this Agreement;

(b) create or suffer to exist any lien, security interest or other charge or encumbrance upon or with respect to any of the Patent Collateral, except as otherwise set forth in Schedule I, as may be amended from time to time, or as otherwise permitted by this Agreement; or

(c) take any other action in connection with any of the Patent Collateral that would impair the value of the interests or rights of Borrower thereunder, or the value of the rights, lien and security interest granted to Secured Party hereunder, except as permitted by the provisions of this Agreement.

7. Power of Attorney. Borrower hereby irrevocably and unconditionally appoints Secured Party as its attorney-in-fact with full power of substitution to perform in the name of Borrower each of Borrower's obligations under this Agreement. This power of attorney is coupled with an interest in favor of Secured Party, and thus is irrevocable. This power of attorney grants Secured Party full authority in Borrower's place, stead and behalf and in Borrower's name or otherwise, from time to time in Secured Party's sole and absolute discretion, to take any action and to execute any instrument that Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation:

(a) after an Event of Default (as defined in the Note), to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Patent Collateral;

(b) after an Event of Default (as defined in the Note), to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with subparagraph (a) above; and

(c) after an Event of Default (as defined in the Note), to file any claims or take any action or institute any proceedings that Secured Party may deem necessary or desirable for the collection of any of the Patent Collateral or otherwise to enforce the rights of Secured Party with respect to any of the Patent Collateral; and

(d) to prepare, execute, and file any amendments to this Agreement or Schedule I, as may be amended from time to time, on behalf of Borrower pursuant to Section 5(c) herein. The power of attorney granted by this subsection (d) may be exercised at any time, and does not require an Event of Default (as defined in the Note).



8. Rights of Secured Party.

(a) If Borrower fails to perform any of its obligations set forth in this Agreement, Secured Party may itself perform, or cause performance of, such obligation, and all of the costs and expenses incurred by Secured Party in connection therewith shall be payable by Borrower under Section 11(b) hereof.

(b) Secured Party, or its designated representatives, shall have the right, at all reasonable times, to inspect Borrower's premises and to examine books, records and operations relating to the Patent Collateral.

(c) Upon an Event of Default (as defined in the Note), Secured Party shall have the right, but in no way shall be obligated, to bring suit in its own name or in the name of Borrower to enforce any part of the Patent Collateral. Borrower shall, at the reasonable request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement. Upon demand, Borrower shall promptly reimburse and indemnify and hold Secured Party harmless from and against any and all costs and expenses incurred by Secured Party (including without limitation attorneys' fees and expenses) in the exercise of its rights and under this Section 8(c).

9. Duties of Secured Party. The powers conferred on Secured Party hereunder are solely to protect its lien and security interest granted hereunder in the Patent Collateral, and shall not impose any duty upon Secured Party to exercise any such powers.

10. Remedies. If any Event of Default shall have occurred and be continuing, then:

(a) Secured Party may exercise in respect of all or any part of the Patent Collateral, in addition to other rights and remedies provided for herein or otherwise available to Secured Party at law, in equity or otherwise, all of the rights and remedies of a secured party under the UCC (whether or not the UCC applies to the affected Patent Collateral), and also may (i) exercise any and all rights and remedies of Borrower under or in connection with the Patent Licenses or otherwise in respect of all or any part of the Patent Collateral, (ii) require Borrower to, and Borrower hereby agrees that it will at its sole cost and expense and upon request of Secured Party forthwith, assemble all or any part of the documents embodying the Patent Collateral as directed by Secured Party, and make the same available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both Secured Party and Borrower, (iii) occupy at reasonable times any premises owned or leased by Borrower where documents embodying all or any part of the Patent Collateral are assembled for a reasonable period in order to effectuate Secured Party's rights and remedies hereunder, or otherwise available to Secured Party at law or in equity, without any obligation to Borrower in respect of such occupation, (iv) license the Patent Collateral or any part thereof, or assign its rights to the Patent License Rights to any Person, and (v) without notice except as specified below, sell all or any part of the Patent Collateral in one or more parcels at public or private sale, at any of Secured Party's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as Secured Party may deem commercially reasonable. Borrower agrees that, to the extent notice of sale shall be

required by law, at least ten (10) days' notice to Borrower of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification.

Secured Party shall not be obligated to make any sale of Patent Collateral regardless of notice of sale having been given. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All payments received by Borrower under or in connection with any of the Patent Collateral shall be received in trust for the benefit of Secured Party, shall be segregated from other funds of Borrower and shall be forthwith paid over to Secured Party in the same form as so received (with any necessary indorsement).

(c) All payments made under or in connection with or otherwise in respect of the Patent Collateral, and all cash proceeds received by Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Patent Collateral may, in the discretion of Secured Party, be held by Secured Party, as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to Secured Party pursuant to Section 11 hereof) in whole or in part by Secured Party against, all or any part of the Obligations, in such order as set forth in the Underlying Security Agreement and the Note. Any surplus of such cash or cash proceeds held by Secured Party and remaining after payment in full of the Obligations shall be paid over to Borrower or to whomsoever may be lawfully entitled to receive such surplus.

#### 11. Indemnity and Expenses.

(a) Borrower agrees to and does hereby indemnify and hold Secured Party harmless from and against any and all claims, losses and liabilities arising out of or resulting from this Agreement or the transactions contemplated hereby (including without limitation enforcement of any of Secured Party's rights and remedies under this Agreement), except claims, losses or liabilities resulting from Secured Party's bad faith or willful misconduct as determined by a final judgment of a court of competent jurisdiction.

(b) Borrower will upon demand pay to Secured Party the amount of any and all costs and expenses, including without limitation the reasonable fees and disbursements of its counsel and of any experts and agents, which Secured Party may incur in connection with any and all of (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, all or any part of the Patent Collateral, (iii) the exercise or enforcement of any of Secured Party's rights or remedies hereunder or otherwise available to Secured Party under the Underlying Security Agreement, the Note, or at law or in equity, or (iv) the failure by Borrower to perform or observe any of the provisions hereof, all of which constitute part of the Obligations and are secured by the Patent Collateral.

12. Amendments, Waivers, Consents. Except as otherwise provided herein, no amendment or waiver of any provision of this Agreement, nor consent to any departure by Borrower herefrom, shall in any event be effective unless such amendment or waiver shall be in

writing and signed by Secured Party, and then any such amendment or waiver shall be effective only in the specific instance and for the specific purpose for which it was given.

13. Notices. Any notice or notification required, permitted or contemplated hereunder shall be in writing, shall be addressed and given to the party to be notified at the address set forth in, and in the manner required by, the Underlying Security Agreement.

14. Miscellaneous.

(a) This Agreement shall create a continuing lien and security interest in the Patent Collateral and shall (i) remain in full force and effect until payment and performance of the Obligations in full, (ii) be binding upon Borrower, its successors and assigns, and (iii) inure, together with the rights and remedies of Secured Party hereunder, to the benefit of Secured Party, its successors, transferees and assigns; subject to Section 14(c) below.

(b) Subject to Section 15(c) below, upon the payment and performance of the Obligations in full, the security interest and lien granted hereby shall terminate, and all rights to the Patent Collateral shall revert to Borrower. Upon any such termination, Secured Party will, at Borrower's sole cost and expense, execute and deliver to Borrower such documents as Borrower shall reasonably request to evidence such termination.

(c) Secured Party shall have the continuing right, but not the obligation, to apply or reverse and reapply any payments to any portion of the Obligations. To the extent Borrower makes a payment or payments to Secured Party or Secured Party receives any payment or proceeds of the Patent Collateral or any other security for Borrower's benefit, which payment(s) or proceeds or any part thereof are subsequently voided, invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy act, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the Obligations or part thereof intended to be satisfied shall be revived and shall continue in full force and effect, as if such payment or proceeds had not been received by Secured Party.

(d) If any term or provision of this Agreement is or shall become illegal, invalid or unenforceable in any jurisdiction, all other terms and provisions of this Agreement shall remain legal, valid and enforceable in such jurisdiction and such illegal, invalid or unenforceable provision shall be legal, valid and enforceable in any other jurisdiction.

(e) This Agreement shall be governed by, and construed in accordance with, the local laws of the State of Ohio, except to the extent that the validity or perfection of the lien and security interest hereunder, or rights or remedies hereunder, in respect of any particular Patent Collateral, are governed by the laws of the United States or any other jurisdiction other than the State of Ohio.

(f) The captions in this Agreement are for reference purposes only and shall not relate to or affect in any way the construction or interpretation hereof.

(g) The representations, warranties, covenants and agreements contained herein or in any Schedule attached hereto shall survive the execution hereof.

AS A SPECIFICALLY BARGAINED INDUCEMENT FOR SECURED PARTY TO ENTER INTO THIS AGREEMENT AND FOR SECURED PARTY TO EXTEND CREDIT TO BORROWER, BORROWER AGREES THAT ANY ACTION, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS AGREEMENT, ITS VALIDITY OR PERFORMANCE, AT THE SOLE OPTION OF SECURED PARTY, ITS SUCCESSORS AND ASSIGNS, SHALL BE INITIATED AND PROSECUTED AS TO ALL PARTIES AND THEIR SUCCESSORS AND ASSIGNS AT COLUMBUS, OHIO. SECURED PARTY AND BORROWER EACH CONSENTS TO AND SUBMITS TO THE EXERCISE OF JURISDICTION OVER ITS PERSON BY ANY COURT SITUATED AT COLUMBUS, OHIO HAVING JURISDICTION OVER THE SUBJECT MATTER, WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO BORROWER AND SECURED PARTY AT THEIR RESPECTIVE ADDRESSES AS SET FORTH IN THE UNDERLYING SECURITY AGREEMENT AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE (5) BUSINESS DAYS AFTER SUCH PROCESS SHALL HAVE BEEN DEPOSITED IN THE U.S. MAIL, POSTAGE PREPAID. BORROWER HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER, AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT.

AS A SPECIFICALLY BARGAINED INDUCEMENT FOR SECURED PARTY TO ENTER INTO THIS AGREEMENT AND EXTEND CREDIT TO BORROWER, BORROWER AND SECURED PARTY EACH WAIVES TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREBY.

IN WITNESS WHEREOF, the parties hereto have, by their duly authorized officers, signed this Agreement to be effective as of the date and year first above written.

BORROWER:

LSP TECHNOLOGIES, INC.

By: [Signature]  
Name: Jeff Dulaney  
Its: President

SECURED PARTY:

NATIONAL CITY BANK

By: [Signature]  
Name: Robert P Anderson  
Its: VICE President

STATE OF OHIO                    )  
  ) SS:  
COUNTY OF Franklin        )

The foregoing Patent Assignment and Security Agreement was executed and acknowledged before me this 6<sup>th</sup> day of December, 2000 by Jeff Dulaney the/a President of LSP Technologies, Inc., an Ohio corporation, on behalf of such corporation.

[Signature]  
Notary Public  
My Commission Expires:                       
KENNETH E. JONES  
NOTARY PUBLIC, STATE OF OHIO  
MY COMMISSION EXPIRES AUGUST 7, 2001

STATE OF OHIO                    )  
  ) SS:  
COUNTY OF Franklin        )

The foregoing Patent Assignment and Security Agreement was executed and acknowledged before me this 6th day of December, 2000 by Robert P. Anderson the/a Vice President of National City Bank, a national banking association, on behalf of such national banking association.

George J. Fedeczko  
Notary Public

My Commission Expires: 10/27/04



GEORGE J. FEDECZKO  
Notary Public, State of Ohio  
My Commission Expires 10-20-04

**SCHEDULE I TO PATENT ASSIGNMENT AND SECURITY AGREEMENT**

| LSPT Ref # | Title/Description                                      | File Date | U.S. Patent #<br>or Status | Issue Date | Expiration Date |
|------------|--|-----------|----------------------------|------------|-----------------|
| LSP-01     | Rapid laser peening process and apparatus              | 23-Oct-95 | 5,741,559                  | 21-Apr-98  | 23-Oct-15       |
| LSP-04     | Oblique angle laser peening                            | 25-Feb-97 | 5,911,890                  | 15-Jun-99  | 25-Feb-17       |
| LSP-06     | Laser peening with tailored multiple laser beams       | 11-Sep-97 | 5,911,891                  | 15-Jun-99  | 11-Sep-17       |
| LSP-13     | Using diffractive optics with laser peening            | 11-Sep-97 | 5,935,464                  | 10-Aug-99  | 11-Sep-17       |
| LSP-11     | Shifting vibrational modes using laser peening         | 10-Sep-97 | 5,988,982                  | 23-Nov-99  | 10-Sep-17       |
| LSP-05     | Hidden surface laser peening                           | 25-Feb-97 | 6,002,102                  | 14-Dec-99  | 25-Feb-17       |
| LSP-02.2   | Uniform laser peening process                          | 15-Dec-98 | 6,049,058                  | 11-Apr-00  | 15-Dec-18       |
| LSP-03     | Reduction of dielectric breakdown during laser peening | 13-Jun-97 | 6,057,003                  | 02-May-00  | 13-Jun-17       |
| LSP-16     | Process chamber for laser peening                      | 30-Dec-97 | 6,064,035                  | 16-May-00  | 30-Dec-17       |
| LSP-15     | Laser Peening Hollow-Core Gas Turbine Engine Blades    | 30-Dec-97 | 6,078,022                  | 20-Jun-00  | 30-Dec-17       |
| LSP-16C    | Process Chamber for Laser Peening                      | 08-Dec-99 | 6,127,649                  | 03-Oct-00  | 30-Dec-17       |

**SCHEDULE I TO PATENT ASSIGNMENT AND SECURITY AGREEMENT, CONTINUED**

| LSPT Ref # | Title/Description       | File Date | U.S. Patent #<br>or Status | Issue Date | Expiration Date |
|------------|-------------------------|-----------|----------------------------|------------|-----------------|
| LSP-07     | Efficient Laser Peening | 05-Nov-97 | 6,144,012                  | 07-Nov-00  | 05-Nov-17       |

Licenses:

|          |            |                |                         |
|----------|------------|----------------|-------------------------|
| Licensee | Field      | Effective Date | Status                  |
| AMP      | Automotive | 01-Jan-00      | Terminated on 01-Jul-00 |