

# PATENT ASSIGNMENT

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SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY AGREEMENT		
CONVEYING PARTY DATA			
Name			Execution Date
Ferndale Laboratories, Inc.			07/17/2006
RECEIVING PARTY DATA			
Name:	National City Bank of the Midwest		
Street Address:	755 West Big Beaver Road		
Internal Address:	Suite 2500		
City:	Troy		
State/Country:	MICHIGAN		
Postal Code:	48084		
PROPERTY NUMBERS Total: 2			
Property Type	Number		
Application Number:	10770091		
Application Number:	29191917		
CORRESPONDENCE DATA			
Fax Number:	(313)496-8454		
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>			
Phone:	313-963-6420		
Email:	schultz@millercanfield.com		
Correspondent Name:	Kristin A. Hermann		
Address Line 1:	150 West Jefferson		
Address Line 2:	Suite 2500		
Address Line 4:	Detroit, MICHIGAN 48226		
ATTORNEY DOCKET NUMBER:	11803-103		
NAME OF SUBMITTER:	Kristin A. Hermann		
Total Attachments: 2			
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CH \$80.00 10770091

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**PATENT**  
**REEL: 018006 FRAME: 0433**



## GRANT OF SECURITY INTEREST IN PATENTS

FOR VALUABLE CONSIDERATION, the receipt and adequacy of which is acknowledged, FERNDAL LABORATORIES, INC., a Michigan corporation ("Grantor") grants to NATIONAL CITY BANK OF THE MIDWEST, a national banking association ("Secured Party") with its principal place of business at 755 West Big Beaver Road, Suite 2500, Troy, Michigan 48084 ("Secured Party") a security interest and all of Grantor's right, title in interest in and to the following whether existing now or later or in which Grantor now has or later acquires an interest, and wherever the same may be located ("Patent Collateral"):

1. All rights, title and interest (including rights acquired pursuant to a license or otherwise, but only to the extent permitted by the agreements governing such license or other use) in and to all patents, patent applications and like protections including, without limitation, improvements, divisions, continuations, renewals, re-issues, extensions and continuations-in-part of the same, including without limitation the patents and patent applications set forth on attached Schedule A (collectively, the "Patents"); and
2. All Proceeds, products, rents and profits of or from any and all the foregoing Patent Collateral and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise in respect of any of the foregoing Patent Collateral. For these purposes, the term "Proceeds" includes whatever is received or receivable when any Patent Collateral or other proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.

Grantor has granted the security interest under this instrument pursuant to the terms of a Intellectual Property Security Agreement of even date, as amended and/or supplemented ("Security Agreement") made by Grantor for the purposes of security as provided in the Security Agreement. Grantor acknowledges and affirms that the rights, privileges and remedies of Secured Party with respect to the security interest in the Patent Collateral granted in this instrument are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated in this instrument by this reference.

Grantor has executed and delivered this Grant of Security Interest in Patents as of July 17, 2006.

Principal Place of Business:

780 West Eight Mile Road  
Ferndale, Michigan 48220

FERNDAL LABORATORIES, INC.

By:   
James T. McMillan II  
Its: Chairman and Chief Executive Officer

Schedule A to Grant of Security Interest in Patents

GRANTOR FILE NO.	TITLE/ STATUS ISSUE DATE	INVENTORS	SERIAL NO./ FILING DATE	PATENT or REG. NO./
Grantor File: FLI-14402/03	MATERIAL AND METHOD FOR TREATING MICROBIAL MEDIATED DERMATOLOGICAL CONDITIONS Country: US File Type: Patent Status: PENDING	Richard A. Hamer, Craig G. Burkhardt and Craig N. Burkhardt	10/770,091 2/2/2004	
Grantor File: FLI-15317/03	DISPENSER TIP ASSEMBLY FOR APPLYING A MEDICATION TO MUCOSAL TISSUE Country: US File Type: Design Patent Status: PENDING	Mike Knickerbocker, Katina Krambeck and Dean Gibson	29/191,917 10/17/2003	