

# PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT																				
NATURE OF CONVEYANCE:	SECURITY AGREEMENT																				
<b>CONVEYING PARTY DATA</b>																					
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<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Name:</td> <td>CID TECHNOLOGIES LLC</td> </tr> <tr> <td>Street Address:</td> <td>622F Rangeline Road</td> </tr> <tr> <td>City:</td> <td>Carmel</td> </tr> <tr> <td>State/Country:</td> <td>INDIANA</td> </tr> <tr> <td>Postal Code:</td> <td>46032</td> </tr> </table>	Name:	CID TECHNOLOGIES LLC	Street Address:	622F Rangeline Road	City:	Carmel	State/Country:	INDIANA	Postal Code:	46032											
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<b>CORRESPONDENCE DATA</b>																					
Fax Number:	(312)759-5646																				
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>																					
Phone:	312-357-1313																				
Email:	msweetin@btlaw.com																				
Correspondent Name:	J. Eric Guth																				
Address Line 1:	Barnes & Thornburg LLP																				

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**PATENT**  
**REEL: 025674 FRAME: 0390**

Address Line 2: P.O. Box 2786  
Address Line 4: Chicago, ILLINOIS 60690-2786

ATTORNEY DOCKET NUMBER:	48094-100
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NAME OF SUBMITTER:	J. Eric Guth
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**Total Attachments: 20**

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**SECURITY AGREEMENT**

**dated as of June 25, 2010**

**between**

**CID TECHNOLOGIES LLC, as Grantor**

**and**

**ALEXANDER C. CHRISTY,  
as Secured Party**

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## SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of June 25, 2010 (this "Agreement") is entered into among **CID TECHNOLOGIES LLC** (the "Grantor") in favor of **ALEXANDER C. CHRISTY**, an individual, as Secured Party (the "Secured Party").

Secured Party has agreed to extend credit to Grantor pursuant to the Promissory Note, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Note") by Grantor in favor of Secured Party. The Note is being executed and delivered as payment of the purchase price under that certain Asset Purchase Agreement, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Purchase Agreement"), by and between Grantor and Secured Party. It is a condition precedent to Secured Party's obligation to consummate its obligations under the Purchase Agreement and extend credit under the Note that Grantor shall have executed and delivered this Agreement to Secured Party.

In consideration of the premises and to induce Secured Party to enter into the Purchase Agreement and extend credit under the Note, Grantor hereby agrees with Secured Party, as follows:

### SECTION 1 DEFINITIONS.

1.1 Unless otherwise defined herein, terms defined in the Purchase Agreement or the Note and used herein shall have the meanings given to them in the Purchase Agreement or the Note as applicable.

1.2 When used herein the following terms shall have the following meanings:

Agreement has the meaning set forth in the preamble hereto.

Collateral means (a) the Assets (as defined in the Purchase Agreement), (b) all books and records pertaining to any of the foregoing and (c) all Proceeds and products of any of the foregoing.

Copyright means all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office, and the right to obtain all renewals of any of the foregoing.

Copyright License means all written agreements naming Grantor as licensor or licensee, granting any right under any Copyright, including the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright.

Intellectual Property means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks and Trademark Licenses, and all rights to sue at law or in equity for any

infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

Investment Property means the collective reference to (a) all "investment property" as such term is defined in Section 9-102(a)(49) of the UCC, and (b) all "financial assets" as such term is defined in Section 8-102(a)(9) of the UCC.

Lien means, with respect to any Person, any interest granted by such Person in any real or personal property, asset or other right owned or being purchased or acquired by such Person (including an interest in respect of a capital lease) which secures payment or performance of any obligation and shall include any mortgage, lien, encumbrance, title retention lien, charge or other security interest of any kind, wither arising by contract, as a matter of law, by judicial process or otherwise.

Paid in Full means the payment in full in cash and performance of all Secured Obligations.

Patents means (a) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof and all goodwill associated therewith, (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof and (c) all rights to obtain any reissues or extensions of the foregoing.

Patent Licenses means all agreements, whether written or oral, providing for the grant by or to Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent.

Permitted Liens means:

(a) Liens for taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or being contested in good faith by appropriate proceedings and, in each case, for which it maintains adequate reserves;

(b) Liens arising in the ordinary course of business (such as (i) Liens of carriers, warehousemen, mechanics and materialmen and other similar Liens imposed by law and (ii) Liens in the form of deposits or pledges incurred in connection with worker's compensation, unemployment compensation and other types of social security (excluding Liens arising under ERISA) or in connection with surety bonds, bids, performance bonds and similar obligations) for sums not overdue or being contested in good faith by appropriate proceedings and not involving any advances or borrowed money or the deferred purchase price of property or services and, in each case, for which it maintains adequate reserves;

(c) attachments, appeal bonds, judgments and other similar Liens, for sums not exceeding \$10,000 arising in connection with court proceedings, provided the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are being actively contested in good faith and by appropriate proceedings;

(d) easements, rights of way, restrictions, minor defects or irregularities in title and other similar Liens not interfering in any material respect with the ordinary conduct of the business of Grantor; and

(e) Liens arising under the Note Documents.

Person means any natural person, corporation, partnership, trust, limited liability company, association, governmental authority or unit, or any other entity, whether acting in an individual, fiduciary or other capacity

Proceeds means all "proceeds" as such term is defined in Section 9-102(a)(64) of the UCC and, in any event, shall include all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

Secured Obligations means, collectively, the Liabilities of Grantor under the Purchase Agreement, the Note and the other Note Documents.

Trademarks means (a) all trademarks, trade names, corporate names, the Company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto, including any of the foregoing referred to in Schedule 5, and (b) the right to obtain all renewals thereof.

Trademark Licenses means, collectively, each agreement, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark, including any of the foregoing referred to in Schedule 5.

UCC means the Uniform Commercial Code as in effect on the date hereof and from time to time in the State of Indiana, provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interests in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect on or after the date hereof in any other jurisdiction, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy.

## SECTION 2 GRANT OF SECURITY INTEREST.

2.1 Grant. Grantor hereby assigns and transfers to Secured Party a continuing security interest in all of its Collateral, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Secured Obligations.

### SECTION 3 REPRESENTATIONS AND WARRANTIES.

To induce Secured Party to enter into the Purchase Agreement and to induce Secured Party to make its extension of credit to Grantor under the Note, Grantor hereby represents and warrants to Secured Party that:

3.1 Title; No Other Liens. Except for Permitted Liens, Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except filings evidencing Permitted Liens and filings for which termination statements have been delivered to Secured Party.

3.2 Perfected First Priority Liens. The security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 1 (which, in the case of all filings and other documents referred to on Schedule 1, have been delivered to Secured Party in completed and duly executed form) will constitute valid perfected security interests in all of the Collateral in favor of Secured Party as collateral security for the Secured Obligations, enforceable in accordance with the terms hereof against all creditors of Grantor and any Persons purporting to purchase any Collateral from Grantor and (b) are prior to all other Liens on the Collateral in existence on the date hereof except for Permitted Liens for which priority is accorded under applicable law. The filings and other actions specified on Schedule 1 constitute all of the filings and other actions necessary to perfect all security interests granted hereunder.

3.3 Grantor Information. Grantor is a limited liability company organized under the laws of the State of Indiana with a chief executive office located at 622F Rangeline Road, Carmel, Indiana 46032. Grantor's exact legal name is as it appears on the signature page hereto. Grantor's organizational identification number is 2009061917037 and its FEIN is 27-0435670.

### SECTION 4 COVENANTS.

Grantor covenants and agrees with Secured Party that, from and after the date of this Agreement until the Secured Obligations shall have been Paid in Full:

4.1 Delivery of Instruments, Certificated Securities and Chattel Paper. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any instrument, certificated security or chattel paper, such instrument, certificated security or chattel paper shall be immediately delivered to Secured Party, duly indorsed in a manner satisfactory to Secured Party, to be held as Collateral pursuant to this Agreement.

4.2 Maintenance of Perfected Security Interest; Further Documentation. (a) Grantor shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 3.2 and shall defend such security interest against the claims and demands of all Persons whomsoever.

(b) Grantor will furnish to Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection therewith as Secured Party may reasonably request, all in reasonable detail.

(c) At any time and from time to time, upon the written request of Secured Party, and at the sole expense of Grantor, Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as Secured Party may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including filing any financing or continuation statements under the UCC (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby.

4.3 Changes in Locations, Name, etc. Grantor shall not, except upon 30 days' prior written notice to Secured Party and delivery to Secured Party of all additional financing statements and other documents reasonably requested by Secured Party as to the validity, perfection and priority of the security interests provided for herein.

(i) change its jurisdiction of organization or the location of its chief executive office from that specified in Section 3.3 or in any subsequent notice delivered pursuant to this Section 4.3; or

(ii) change its name, identity or corporate structure.

4.4 Notices. Grantor will advise Secured Party promptly, in reasonable detail, of:

(a) any Lien (other than Permitted Liens) on any of the Collateral which would adversely affect the ability of Secured Party to exercise any of its remedies hereunder; and

(b) the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interest created hereby.

4.5 Intellectual Property. (a) Grantor (either itself or through licensees) will not do any act, or omit to do any act, whereby any Intellectual Property purchased from Secured Party or any other Intellectual Property included in the Collateral may become forfeited, abandoned or dedicated to the public.

(b) Grantor (either itself or through licensees) will not do any act that knowingly uses any Intellectual Property purchased from Secured Party or any other Intellectual Property material to its business to interfere with, infringe upon, misappropriate or otherwise conflict with the intellectual property rights of any other Person.

(c) Grantor will notify Secured Party immediately if it knows, or has reason to know, that any application or registration relating to Intellectual Property purchased from Secured Party or any other material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and

Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding, Grantor's ownership of, or the validity of, any such Intellectual Property or Grantor's right to register the same or to own and maintain the same.

(d) Whenever Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, Grantor shall report such filing to Secured Party promptly.

(e) Grantor will take all reasonable and necessary steps to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of all Intellectual Property purchased from Secured Party and all other material Intellectual Property owned by it.

(f) In the event that any Intellectual Property purchased from Secured Party or any other material Intellectual Property is infringed upon or misappropriated or diluted by a third party, Grantor shall (i) take such actions as Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify Secured Party after it learns thereof and, to the extent, in its reasonable judgment, Grantor determines it appropriate under the circumstances, sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution.

4.6 Asset Sales. Grantor shall at no time sell, transfer, lease, license, pledge, hypothecate, transfer or in any other way grant rights with respect to, the Collateral without the prior written consent of Secured Party.

4.7 Other Matters.

(a) Grantor authorizes Secured Party to, at any time and from time to time, file financing statements, continuation statements, and amendments thereto that describe the Collateral and which contain any other information required pursuant to the UCC for the sufficiency of filing office acceptance of any financing statement, continuation statement, or amendment, and Grantor agrees to furnish any such information to Secured Party promptly upon request. Any such financing statement, continuation statement, or amendment may be signed by Secured Party on behalf of Grantor and may be filed at any time in any jurisdiction.

(b) Grantor shall cause the Collateral not to become subject to any injunction, judgment, order decree, ruling or charge and shall take no action that could reasonably be expected to give rise to an action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand challenging the legality, validity, enforceability, use or ownership of Grantor or Secured Party thereof or therein.

(c) Grantor shall, at any time and from time and to time, take such steps as Secured Party may reasonably request for Secured Party to insure the continued perfection and priority of Secured Party's security interest in any of the Collateral and of the preservation of its rights therein.

## SECTION 5 REMEDIAL PROVISIONS.

5.1 Proceeds to be Turned Over to Secured Party. If an Event of Default shall occur and be continuing, all Proceeds received by Grantor consisting of cash, checks and other cash equivalent items shall be held by Grantor in trust for Secured Party, segregated from other funds of Grantor, and shall, forthwith upon receipt by Grantor, be turned over to Secured Party in the exact form received by Grantor (duly indorsed by Grantor to Secured Party, if required). All Proceeds received by Secured Party hereunder shall be held by Secured Party in a collateral account maintained under its sole dominion and control. All Proceeds, while held by Secured Party in any collateral account (or by Grantor in trust for Secured Party ) established pursuant hereto, shall continue to be held as collateral security for the Secured Obligations and shall not constitute payment thereof until applied as provided in Section 5.2.

5.2 Application of Proceeds. If an Event of Default shall have occurred and be continuing, at any time at Secured Party's election, Secured Party may apply all or any part of Proceeds from the sale of, or other realization upon, all or any part of the Collateral in payment of the Secured Obligations in such order as Secured Party shall determine in its discretion. Any part of such funds which Secured Party elects not so to apply and deems not required as collateral security for the Secured Obligations shall be paid over from time to time by Secured Party to Grantor or to whomsoever may be lawfully entitled to receive the same. Any balance of such Proceeds remaining after the Secured Obligations shall have been Paid in Full shall be paid over to Grantor or to whomsoever may be lawfully entitled to receive the same.

5.3 Code and Other Remedies. If an Event of Default shall occur and be continuing, Secured Party may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the UCC or any other applicable law, including without limitation, the right to accept the Collateral in full or partial satisfaction of the Secured Obligations pursuant to Section 9-620 of the UCC. Without limiting the generality of the foregoing, Secured Party, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived) and without acceptance or consent by Grantor or any other Person (all and each of which acceptances or consents are hereby granted or waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give options to purchase, keep for its own account, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales or any other methods permitted by the UCC, at any exchange, broker's board or office of Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery with assumption of any credit risk. Secured Party shall have the right (x) upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, and (y) in exercising its right to accept Collateral in full or partial satisfaction of the Secured Obligations under Section 9-620 of the UCC, accept such Collateral for its own account, in the case of each of clauses (x) and (y), free of any right or equity of redemption in Grantor, which right or equity is hereby waived and released. Grantor further

agrees, at Secured Party's request, to assemble the Collateral and make it available to Secured Party at places which Secured Party shall reasonably select, whether at Grantor's premises or elsewhere. Secured Party shall apply the net proceeds of any action taken by it pursuant to this Section 5.3, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of Secured Party hereunder, including reasonable attorneys fees to the payment in whole or in part of the Secured Obligations, in such order as Secured Party may elect, and only after such application and after the payment by Secured Party of any other amount required by any provision of law, need Secured Party account for the surplus, if any, to Grantor. To the extent permitted by applicable law, Grantor waives all claims, damages and demands it may acquire against Secured Party arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

5.4 Waiver; Deficiency. Grantor waives and agrees not to assert any rights or privileges which it may acquire under Section 9-626 of the UCC. Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Secured Obligations in full and the fees and disbursements of any attorneys employed by Secured Party to collect such deficiency.

## SECTION 6 SECURED PARTY.

6.1 Secured Party's Appointment as Attorney-in-Fact, etc. (a) Grantor hereby irrevocably constitutes and appoints Secured Party and any agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Grantor and in the name of Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, Grantor hereby gives Secured Party the power and right, on behalf of and at the expense of Grantor, without notice to or assent by Grantor, to do any or all of the following:

(i) in the case of any Collateral that constitutes Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as Secured Party may request to evidence Secured Party's security interest in such Collateral and the goodwill and general intangibles of Grantor relating thereto or represented thereby;

(ii) discharge Liens levied or placed on or threatened against the Collateral, and effect any repairs or insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iii) execute, in connection with any sale provided for in Section 5.3, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(iv) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to Secured Party or as Secured Party shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as Secured Party may deem appropriate; (7) assign any Intellectual Property that is Collateral throughout the world for such term or terms, on such conditions, and in such manner, as Secured Party shall in its sole discretion determine; (8) vote any right or interest with respect to any Investment Property; (9) order good standing certificates and conduct lien searches in respect of such jurisdictions or offices as Secured Party may deem appropriate; and (10) generally sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Secured Party were the absolute owner thereof for all purposes, and do, at Secured Party's option and Grantor's expense, at any time, or from time to time, all acts and things which Secured Party deems necessary to protect, preserve or realize upon the Collateral and Secured Party's security interests therein and to effect the intent of this Agreement, all as fully and effectively as Grantor might do.

Anything in this Section 6.1(a) to the contrary notwithstanding, Secured Party agrees that it will not exercise any rights under the power of attorney provided for in this Section 6.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If Grantor fails to perform or comply with any of its agreements contained herein, Secured Party, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) Grantor hereby ratifies all that such attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

6.2 Duty of Secured Party. Secured Party's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession shall be to deal with it in the same manner as Secured Party deals with similar property for its own account. Neither Secured Party nor any of their respective officers, directors, employees or agents shall be liable for any failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on Secured Party hereunder are solely to

protect Secured Party's interests in the Collateral and shall not impose any duty upon Secured Party to exercise any such powers. Secured Party shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to Grantor for any act or failure to act hereunder.

6.3 Authority of Secured Party. Grantor acknowledges that the rights and responsibilities of Secured Party under this Agreement with respect to any action taken by Secured Party or the exercise or non-exercise by Secured Party of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between Secured Party, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between Secured Party and Grantors, Secured Party shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

## SECTION 7 MISCELLANEOUS.

7.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except as agreed in writing by the parties hereto.

7.2 Notices. All notices, requests and demands to or upon Secured Party or Grantor hereunder shall be addressed to the Company at its address specified in Section 3.3 or to Secured Party at his home address or as each may otherwise specify.

7.3 Indemnification by Grantor. **GRANTOR HEREBY AGREES TO INDEMNIFY, EXONERATE AND HOLD SECURED PARTY AND ANY AGENTS OF SECURED PARTY FREE AND HARMLESS FROM AND AGAINST ANY AND ALL ACTIONS, SUITS, CAUSES OF ACTION, LOSSES, LIABILITIES, DAMAGES AND EXPENSES, INCLUDING ATTORNEYS COSTS (COLLECTIVELY, "INDEMNIFIED LIABILITIES"), INCURRED BY ANY INDEMNIFIED PARTY AS A RESULT OF, OR ARISING OUT OF, OR RELATING TO THE EXECUTION, DELIVERY, PERFORMANCE OR ENFORCEMENT OF THIS AGREEMENT, THE NOTE OR ANY OTHER NOTE DOCUMENT, EXCEPT FOR ANY SUCH INDEMNIFIED LIABILITIES ARISING ON ACCOUNT OF THE APPLICABLE INDEMNIFIED PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS DETERMINED BY A FINAL, NONAPPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION. IF AND TO THE EXTENT THAT THE FOREGOING UNDERTAKING MAY BE UNENFORCEABLE FOR ANY REASON, GRANTOR HEREBY AGREES TO MAKE THE MAXIMUM CONTRIBUTION TO THE PAYMENT AND SATISFACTION OF EACH OF THE INDEMNIFIED LIABILITIES WHICH IS PERMISSIBLE UNDER APPLICABLE LAW. ALL OBLIGATIONS PROVIDED FOR IN THIS SECTION 7.3 SHALL SURVIVE REPAYMENT OF ALL (AND SHALL BE) SECURED OBLIGATIONS, ANY FORECLOSURE UNDER, OR ANY MODIFICATION,**

**RELEASE OR DISCHARGE OF, ANY OR ALL OF THE NOTE DOCUMENTS AND TERMINATION OF THIS AGREEMENT.**

7.4 Enforcement Expenses. (a) Grantor agrees to pay or reimburse on demand Secured Party for all reasonable out-of-pocket costs and expenses (including attorney fees) incurred in enforcing or preserving any rights under this Agreement and the other Note Documents.

(b) Grantor agrees to pay, and to save Secured Party harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) The agreements in this Section 7.4 shall survive repayment of all (and shall be) Secured Obligations (and termination of all commitments between Grantor and Secured Party), any foreclosure under, or any modification, release or discharge of, any or all of the Note Documents and termination of this Agreement.

7.5 Captions. Section captions used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

7.6 Nature of Remedies. All Secured Obligations of Grantor and rights of Secured Party expressed herein or in any other Loan Document shall be in addition to and not in limitation of those provided by applicable law. No failure to exercise and no delay in exercising, on the part of Secured Party, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

7.7 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement. Receipt by telecopy of any executed signature page to this Agreement or any other Loan Document shall constitute effective delivery of such signature page.

7.8 Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

7.9 Entire Agreement. This Agreement, together with the other Note Documents, embodies the entire agreement and understanding among the parties hereto and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof and any prior arrangements made with respect to the payment by Grantor of (or any indemnification for) any fees, costs or expenses payable to or incurred (or to be incurred) by or on behalf of Secured Party Lenders.

7.10 Successors; Assigns. This Agreement shall be binding upon Grantor, Secured Party and their respective successors and assigns, and shall inure to the benefit of Grantor and Secured Party and the successors and assigns of Secured Party. No other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Note Documents. Grantor may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Secured Party.

7.11 Governing Law. THIS AGREEMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF INDIANA APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

7.12 Forum Selection; Consent to Jurisdiction. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF INDIANA OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF INDIANA; PROVIDED THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE SECURED PARTY FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION. GRANTOR HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF INDIANA AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF INDIANA FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. GRANTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF INDIANA. GRANTOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

7.13 Waiver of Jury Trial. GRANTOR AND SECURED PARTY HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

7.14 Set-off. Grantor agrees that Secured Party has all rights of set-off provided by applicable law, and in addition thereto, Grantor agrees that at any time any Event of Default exists, Secured Party may apply to the payment of any Secured Obligations, whether or not then due, any and all balances, credits, deposits, accounts or moneys of Grantor then or thereafter with Secured Party or such Lender.

7.15 Acknowledgements. Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Note Documents to which it is a party;

(b) Secured Party has no fiduciary relationship with or duty to Grantor arising out of or in connection with this Agreement or any of the other Note Documents, and the relationship between Grantor, on the one hand, and Secured Party, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Note Documents or otherwise exists by virtue of the transactions contemplated hereby.

7.16 Releases. At such time as the Secured Obligations have been Paid in Full, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of Secured Party and Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to Grantor. At the request and sole expense of Grantor following any such termination, Secured Party shall deliver to Grantors any Collateral held by Secured Party hereunder, and execute and deliver to Grantors such documents as Grantors shall reasonably request to evidence such termination.

7.17 Obligations and Liens Absolute and Unconditional. Grantor understands and agrees that the obligations of Grantor under this Agreement shall be construed as a continuing, absolute and unconditional without regard to (a) the validity or enforceability of any Note Document, any of the Secured Obligations or any other collateral security therefor or guaranty or right of offset with respect thereto at any time or from time to time held by Secured Party, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by Grantor or any other Person against Secured Party, or (c) any other circumstance whatsoever (with or without notice to or knowledge of Grantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of Grantor for the Secured Obligations, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against Grantor, Secured Party may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against any other Grantor or any other Person or against any collateral security or guaranty for the Secured Obligations or any right of offset with respect thereto, and any failure by Secured Party to make any such demand, to pursue such other rights or remedies or to collect any payments from any other Grantor or any other Person or to realize upon any such collateral security or guaranty or to exercise any such right of offset, or any release of any other Grantor or any other Person or any such collateral security, guaranty or right of offset, shall not relieve Grantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of Secured Party against Grantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

7.18 Reinstatement. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor or any Issuer for

liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference", "fraudulent conveyance", or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

[signature page[s] follow[s]]

Each of the undersigned has caused this Guaranty and Collateral Agreement to be duly executed and delivered as of the date first above written.

**CID TECHNOLOGIES LLC**

By: Jason L. Farmer  
Name: Jason L. Farmer  
Title: President

**ALEXANDER C. CHRISTY**

Alexander C. Christy  
an individual

**Asset Purchase Agreement, dated as of June 25, 2010, by and between  
Alexander C. Christy and CID Technologies Ltd.**

**(attached)**

**(Includes only pages 1, 8 and 9; all other pages intentionally omitted)**

## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") is made as of June 25, 2010, by and between Alexander C. Christy, an individual (the "Seller"), and CID Technologies LLC, an Indiana limited liability company (the "Purchaser"), pursuant to the following terms and conditions. Together, Seller and Purchaser are "Parties" and each is a "Party."

### RECITALS

**WHEREAS**, Seller now owns and wishes to sell to Purchaser on the terms set forth herein the assets in **Exhibit A** (collectively, the "Assets"); and

**WHEREAS**, Purchaser wishes to purchase the Assets.

**NOW, THEREFORE**, in consideration of the foregoing premises, the mutual covenants and agreements contained herein, and such other good and valuable consideration, Purchaser and Seller agree as follows:

#### 1. Sale of Assets.

(a) In consideration of the Purchase Price set forth in Section 6 below, Seller hereby transfers and sells to Purchaser on an "as is" and "where is" basis any and all of Seller's right, title and interest in and to all of the Assets.

(b) The Assets will be transferred concurrently with the payment described below in Section 6 but in any case no later than three (3) business days following the execution of this Agreement (the "Closing" and/or "Closing Date.")

(d) No liabilities of Seller incurred with respect to the Assets prior to the Closing are assumed by Purchaser, except that from and after the Closing Purchaser shall assume any and all liabilities associated with or arising out of the Assets.

(e) Seller will do all things that are deemed necessary by Purchaser for the valid transfer of the Assets after the Closing, including signing all necessary assignments as may be requested. If Seller does not so execute same promptly upon Purchaser's demand, Seller hereby irrevocably appoints Purchaser as Seller's attorney in fact for the limited purpose of executing all such documents and taking all such actions as are appropriate to effect transfer of title, the same as if Seller had itself signed same. Notwithstanding the foregoing, and without limiting the obligations in Section 13.10, Seller has no obligation to perform consulting or development work for Purchaser as of the Effective Date of this Agreement.

(f) Seller acknowledges that Purchaser is not purchasing or assuming any liabilities, obligations or indebtedness of Seller relating to the Assets, arising out of any event or circumstance prior to the Closing Date (the "Excluded Liabilities."); provided, however, that Purchaser shall pay all attorney's fees owed to Barnes & Thornburg LLP (whether incurred by Seller or otherwise) for all services performed before or after August 1, 2009, in connection with

**Exhibit A**

**List of Assets**

**A. Utility Patents Filed**

Thermal Energy Dissipation Structure:

**Title: APPARATUS FOR DISSIPATING THERMAL ENERGY GENERATED BY CURRENT FLOW IN SEMICONDUCTOR CIRCUITS**

Serial No.: 12/727,990

Filing Date: March 19, 2010

**Title: THERMAL ENERGY DISSIPATING AND LIGHT EMITTING DIODE MOUNTING ARRANGEMENT**

Serial No.: 12/727,994

Filing Date: March 19, 2010

**Title: FLEXIBLE THERMAL ENERGY DISSIPATING AND LIGHT EMITTING DIODE MOUNTING ARRANGEMENT**

Serial No.: 12/728,006

Filing Date: March 19, 2010

**Title: THERMAL ENERGY DISSIPATING ARRANGEMENT FOR A LIGHT EMITTING DIODE**

Serial No.: 12/728,011

Filing Date: March 19, 2010

**Title: ARRANGEMENT FOR DISSIPATING THERMAL ENERGY GENERATED BY A LIGHT EMITTING DIODE**

Serial No.: 12/728,016

Filing Date: March 19, 2010

**B. Foreign Patents Filed (PCT International Patent Application)**

Thermal Energy Dissipation Structure (Includes specification and claims of all 5 utility patent applications listed on p. 1):

**Title: APPARATUS FOR DISSIPATING THERMAL ENERGY GENERATED BY CURRENT FLOW IN SEMICONDUCTOR CIRCUITS**

Serial No.: PCT/US2010/028008

Filing Date: March 19, 2010

**C. Provisional Patents Filed**

**Title:**           **APPARATUS FOR DISSIPATING THERMAL ENERGY GENERATED  
BY CURRENT FLOW IN SEMICONDUCTOR CIRCUITS**

**Serial No.:**   61/161,611

**Filing Date:**   March 19, 2009

**Driver Circuit:**

**Title:**           **AC-TO-DC CONVERTER CIRCUIT FOR DRIVING A GROUP OF  
ILLUMINATION ELEMENTS**

**Serial No.:**   61/224,247

**Filing Date:**   July 9, 2009

**Streetlamp Patent Application:**

**Title:**           **LED-BASED LAMP WITH DIRECTIONAL ILLUMINATION**

**Serial No.:**   61/287,936

**Filing Date:**   December 18, 2009

**Streetlamp Patent Application Further Including Complete TED Description and 60W Starfish  
Design:**

**Title:**           **LED-BASED LAMP**

**Serial No.:**   61/315,844

**Filing Date:**   March 19, 2010

**D.     Other**

To the extent in existence on the date hereof, any and all documents, including hand-sketched drawings, computer-generated drawings, notes, graphs, test data, and the like, and all prototypes, molds, test equipment purchased or reimbursed by Purchaser, raw materials and the like, that relate to the design and/or testing of all current and previous generation designs of LED-based lamps and lamp assemblies covered by one or more of the patent applications that are transferred to Purchaser hereunder.