

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Performance Designed Products Limited	03/24/2009
RECEIVING PARTY DATA	
Name:	Patriarch Partners Agency Services, LLC
Street Address:	32 Avenue of the Americas
Internal Address:	17th Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10013
PROPERTY NUMBERS Total: 3	
Property Type	Number
Patent Number:	6697760
Application Number:	12294880
Application Number:	12358006
CORRESPONDENCE DATA	
Fax Number:	(404)581-8330
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	4045818052
Email:	rcampbell@jonesday.com
Correspondent Name:	Richard U. Campbell
Address Line 1:	1420 Peachtree St. NE
Address Line 2:	Suite 800
Address Line 4:	Atlanta, GEORGIA 30309
ATTORNEY DOCKET NUMBER:	223194-615036
NAME OF SUBMITTER:	Richard U. Campbell

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PATENT
REEL: 026038 FRAME: 0013

Total Attachments: 21

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (as may be amended, supplemented or otherwise modified from time to time, this "Agreement") dated March 24, 2009, is made by Performance Designed Products Limited, a private company incorporated and registered in England and Wales with company number 06305276 ("Grantor"), in favor of Patriarch Partners Agency Services, LLC ("PPAS"), as agent (the "Agent") for the lenders (collectively, the "Lenders") party to the Credit Agreement (as defined below).

WHEREAS, Performance Designed Products, LLC (formerly known as Electro Source, LLC), a California limited liability company (the "Borrower"), the Agent (as successor to First Source Financial, Inc., as agent), and the Lenders are parties to a Second Amended and Restated Loan and Security Agreement dated as of April 4, 2002 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined are used herein as defined in the Credit Agreement.

WHEREAS, as required by the terms of the Credit Agreement, pursuant to a Debenture dated October 8, 2008, between Grantor and the Agent (as amended, supplemented or otherwise modified, the "Debenture"), Grantor has granted a security interest in, among other things, certain intellectual property of Grantor to the Agent for the ratable benefit of the Lenders, and has agreed in furtherance thereof to execute this Agreement for recording with the U.S. Patent and Trademark Office and any other governmental authority.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

Section 1. Grant of Security. Grantor hereby grants to the Agent for the ratable benefit of the Lenders a security interest in and to all of Grantor's right, title and interest in and to the following (the "Intellectual Property Collateral"):

(a) all United States, international and foreign patent, patent application, utility models, and statutory invention registrations, including, without limitation, the patents and patent applications set forth in Schedule I hereto (as such Schedule I may be modified from time to time by supplements to this Agreement in the form of Annex A attached hereto (each, an "IP Security Agreement Supplement") executed and delivered by Grantor to the Agent from time to time), together with all reissues, divisions, continuations, continuations-in-part, extensions and reexaminations thereof, all inventions therein, all rights therein provided by international treaties or conventions and all improvements thereto, and all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto (collectively, the "Patents");

(b) all trademarks (including, without limitation, service marks), certification marks, collective marks, trade dress, logos, product configurations, trade names, business names, corporate names and other source identifiers, whether or not registered, whether currently in use or not, including, without limitation, all common law rights and registrations and application for registration thereof, including, without limitation, the trademark registrations and trademark applications set forth in Schedule II hereto (as such Schedule II may be modified from time to time by an IP Security Agreement Supplement executed and delivered by Grantor to the Agent

from time to time), and all other marks registered in the U.S. Patent and Trademark Office or in any office or agency of any state or territory of the United States or any foreign country (but excluding any United States intent-to-use trademark application prior to the filing and acceptance of a statement of use or an amendment to allege use in connection therewith to the extent that a valid security interest may not be taken in such an intent-to-use trademark application under applicable law), and all rights therein provided by international treaties or conventions, all renewals of any of the foregoing, together in each case with the goodwill of the business connected therewith and symbolized thereby, and all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto (collectively, the "Trademarks");

(c) all copyrights, copyright applications, copyright registrations and like protections in each work of authorship, whether statutory or common law, whether published or unpublished, any renewals or extensions thereof, all copyrights of works based on, incorporated in, derived from, or relating to works covered by such copyrights, including, without limitation, the copyright registrations and copyright applications set forth in Schedule III hereto (as such Schedule III may be modified from time to time by an IP Security Agreement Supplement executed and delivered by Grantor to the Agent from time to time), together with all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto (collectively, the "Copyrights");

(d) all proprietary information, including, without limitation, know-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, technical data, plans, blueprints, designs, models, recorded knowledge, surveys, architectural, structural, mechanical and engineering plans and specifications, studies, reports and drawing, test reports, manuals, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information (collectively, the "Trade Secrets");

(e) all software, including, without limitation, computer software programs and databases (including, without limitation, source code, object code and all related applications and data files), firmware, and documentations and materials relating thereto, and all rights with respect to the foregoing, together with any and all options, warranties, service contracts, program services, test rights, maintenance rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, additions or model conversions of any of the foregoing (collectively, the "Computer Software");

(f) all names, including, without limitation, combinations of words and abbreviations, that represent a uniquely identifiable internet protocol address of a World Wide Web internet location and all registrations thereof, including, without limitation, those names set forth in Schedule IV hereto (as such Schedule IV may be modified from time to time by an IP Security Agreement Supplement executed and delivered by Grantor to the Agent from time to time), together with all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto (collectively, the "Domain Names");

(g) all license agreements, permits, authorizations and franchises, whether with respect to the Patents, Trademarks, Copyrights, Trade Secrets, Computer Software or Domain Names, or with respect to the patents, trademarks, copyrights, trade secrets, computer software or other proprietary right of any other Person, including, without limitation, those license agreements set forth in Schedule V hereto (as such Schedule V may be modified from time to time by an IP Security Agreement Supplement executed and delivered by Grantor to the Agent from time to time), and all income, royalties and other payments now or hereafter due and/or payable to Grantor with respect thereto, subject, in each case, to the terms of such license agreements, permits, authorizations and franchises (collectively, the "Licenses");

(h) any and all claims for damages for past, present and future infringement, misappropriation or breach with respect to the Patents, Trademarks, Copyrights, Trade Secrets, Computer Software, Domain Names or Licenses, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(i) all proceeds (as such term is defined in the UCC), products, offspring, rents, profits, royalties, revenues, issues, income, benefits, accessions, additions, substitutions and replacements of and to any of the property of Grantor described in the preceding clause (a) through (h) of this Section (including, without limitation, all causes of action, claims, warranties and guaranties now or hereafter held by Grantor in respect of any of the items listed above).

Notwithstanding anything herein to the contrary, in no event shall the Intellectual Property Collateral include or the security interest granted under Section 1 hereof attach to any lease, license, contract, property rights or agreement to which Grantor is a party or any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in (i) the abandonment, invalidation or unenforceability of any right, title or interest of Grantor therein or (ii) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract property rights or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity), provided, however, that the Intellectual Property Collateral shall include and such security interest shall attach immediately at such time as the condition causing such abandonment, invalidation or unenforceability shall be remedied and to the extent severable, shall attach immediately to any portion of such lease, license, contract, property rights or agreement that does not result in any of the consequences specified in (i) or (ii) above.

Section 2. Obligations Secured. The Intellectual Property Collateral hereunder constitutes and will constitute continuing security for all of the indebtedness, obligations and liabilities of Grantor and the Borrower to the Agent and/or the Lenders and their permitted successors and assigns under the Credit Agreement, the Debenture and the other Related Documents, in each case as such instrument is originally executed on the date hereof or as modified, amended, restated, supplemented or extended hereafter, whether such obligations are now existing or hereafter arising, direct or indirect, absolute or contingent, due or to become due, matured or unmatured, liquidated or unliquidated, arising by contract, operation of law or otherwise, whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to Grantor or the Borrower, would have accrued on any obligation,

whether or not a claim is allowed against Grantor for such interest in the related bankruptcy proceeding), fees, expenses, indemnification or otherwise and all obligations of Grantor and the Borrower to the Agent and/or the Lenders arising out of any extension, refinancing or refunding of any of the foregoing obligations (collectively, the "Obligations").

Section 3. Representations and Warranties of Grantor. Grantor hereby represents and warrants to the Agent and the Lenders that:

(a) The rights of Grantor in or to any material Intellectual Property Collateral do not conflict with, misappropriate or infringe the intellectual property rights or any third party, and no claim has been asserted that the use of such Intellectual Property Collateral does or may infringe the intellectual property rights of any third party.

(b) Grantor is the exclusive owner of the entire and unencumbered right, title and interest in and to any material Intellectual Property Collateral and is entitled to use all such Intellectual Property Collateral without limitation, subject only to the license terms of the Licenses.

(c) Set forth in Schedule I hereto is a complete and accurate list of all of the patents and patent applications owned by Grantor. Set forth in Schedule II hereto is a complete and accurate list of all of the trademark and service mark registrations, all trademark and service mark applications and all other material trademarks service marks, trade names and other indicia of origin owned by Grantor. Set forth in Schedule III hereto is a complete and accurate list of all copyright registration, copyright applications and all material common law copyrights and works of authorship owned by Grantor. Set forth in Schedule IV hereto is a complete and accurate list of all internet domain names and all internet domain name registrations owned by Grantor. Set forth in Schedule V hereto is a complete and accurate list of all patent, trademark and copyright license agreements under which Grantor is a licensee. Grantor has made all necessary filings and recordations to protect and maintain its interest in the patents, patent applications, trademark and service mark recordations, material trademarks, service marks, trade names and other indicia of origin, copyright registrations and copyrights applications, material common law copyrights and works of authorship, internet domain names, interest domain name registrations and Licenses set forth in Schedules I, II, III, IV and V hereto (collectively, the "Scheduled IP Assets").

(d) Each of the Scheduled IP Assets (except for Licenses, which are addressed below) is subsisting and has not been adjudged invalid, unregistrable or unenforceable, in whole or in part, and is valid and enforceable. Each License of Grantor is, to the best of Grantor's Knowledge, subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and is, to the best of Grantor's Knowledge, valid and enforceable. Grantor is not aware of any uses of any item of Intellectual Property Collateral which would be expected to lead to such item becoming invalid or unenforceable, including unauthorized uses by third parties and uses which were not supported by the goodwill of the business connected with such Intellectual Property Collateral.

(e) Grantor has used the applicable proper statutory notice in connection with its use of the patents, registered trademarks and service marks, copyrights and internet domain names set forth in Schedules I, II, III and IV.

(f) No claim has been made and is continuing against Grantor that any item of Intellectual Property Collateral is invalid or unenforceable or that the use by Grantor of any Intellectual Property Collateral does or may violate the rights of any Person, and to Grantor's knowledge, no such claim has been threatened and not resolved. There is currently no infringement or unauthorized use of any item of Intellectual Property Collateral. There is currently no use of Intellectual Property Collateral that violates the rights of any Person.

(g) Grantor has taken all reasonable steps to use consistent standards of quality in the manufacture, distribution and sale of all products sold and the provision of all services provided under or in connection with any of the Intellectual Property Collateral, and has taken all commercially reasonable steps to ensure that all licensed users of any of the Intellectual Property Collateral, use such consistent standards of quality.

Section 4. Covenants and Further Assurances of Grantor.

(a) Grantor agrees that it shall not (i) sell, assign (by operation of law or otherwise), transfer or otherwise dispose of, or grant any option with respect to, any of the Intellectual Property Collateral, or any portion thereof, or any interest therein, except as expressly permitted by the Credit Agreement, or (ii) create or suffer to exist any Lien upon or with respect to any of the Intellectual Property Collateral, except for the pledge, assignment and security interest created by this Agreement and except for Liens expressly permitted by the Credit Agreement.

(b) Grantor will, upon the reasonable request of the Agent, with respect to the Intellectual Property Collateral, execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be reasonably necessary, or as the Agent may reasonably request, in order to perfect and preserve the pledge, assignment, Lien, priority and security interest granted or purported to be granted in this Agreement.

(c) Grantor acknowledges and agrees that, if it obtains an ownership interest in any patent, patent application, patentable invention, trademark, service mark, trade name, trade dress, other indicia of trade origin, trademark or service mark registration, trademark or service mark application, copyright, copyright registration, copyright application, work of authorship, internet domain name, internet domain name registration or any interest in a License or other intellectual property, which is not now a part of the Intellectual Property Collateral (the "New IP Collateral"), (i) the provisions of Section 1 will automatically apply thereto, and (ii) any such New IP Collateral (together with the goodwill of the business connected with the use of any trademark, service mark, trade name, trade dress, other indicia of trade origin and symbolized by same that is included in the New IP Collateral) will automatically become part of the Intellectual Property Collateral; provided, however, that to the extent the consent of any other party to any such License is required, under the terms thereof, for the collateral assignment thereof, then this Agreement shall not affect any collateral assignment of (or otherwise be applied so as to cause a default under) such License for so long as (but only for so long as) such consent would be required and has not been obtained. Within ten (10) days of acquisition by Grantor of a new patent, patent application, trademark or service mark registration, trademark or service mark application, material trademark, service mark, trade name or other indicia of origin, copyright registration or copyright application, material common law copyright and work of authorship, internet domain name, internet domain name registration, License or other New IP Collateral,

Grantor shall deliver to the Agent (i) a copy of said patent, patent application, trademark or service mark registration, trademark or service mark application, material trademark, service mark, trade name or other indicia of origin, copyright registration or copyright application, material common law copyright and work of authorship, internet domain name, internet domain name registration, License or other New IP Collateral, as the case may be and (z) an updated Schedule I, II, III, IV or V that includes any patent, patent application, trademark or service mark registration, trademark or service mark application, material trademark, service mark, trade name and other indicia of origin, copyright registration and copyright application, material common law copyright and work of authorship, internet domain name, internet domain name registration, License or other New IP Collateral which becomes part of the Intellectual Property Collateral.

(d) With respect to each material patent, patent application, trademark or service mark registration, trademark or service mark application, copyright registration or copyright application, internet domain name or internet domain name registration set forth in Schedule I, II, III or IV hereto (as amended from time to time), Grantor agrees to take all reasonably necessary steps, including, without limitation, in the United States Patent and Trademark Office and the United States Copyright Office or in any court, to (i) maintain each such patent, trademark or service mark registration, copyright registration, or internet domain name registration and (ii) pursue each such patent application, trademark or service mark application or copyright application now or hereafter included in the Intellectual Property Collateral, including, without limitation, the filing of responses to office actions issued by the United States Patent and Trademark Office, the filing of affidavits under Sections 8 and 15 of the United States Trademark Act, the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for re-issue, renewal or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings. Grantor agrees to take corresponding steps with respect to each new or acquired material patent, patent application, trademark or service mark registration, trademark or service mark application, material trademark, service mark, trade name and other indicia of origin, copyright registration and copyright application, material common law copyright, work of authorship, internet domain name and internet domain name registration, to which it is now or later becomes entitled. Any and all expenses incurred in connection with such activities will be borne by Grantor. Grantor shall not discontinue use of or otherwise abandon any patent, patent application, trademark or service mark registration, material trademark, service mark, trade name and other indicia of origin, copyright registration and copyright application, material common law copyright, work of authorship, internet domain name and internet domain name registration now or hereafter included in the Intellectual Property Collateral, unless Grantor shall have first (x) determined in its sound and reasonable business judgment that such use or pursuit or maintenance of same is no longer desirable in the conduct of Grantor's business and that such Intellectual Property Collateral is not material to Grantor's business, (y) provided the Agent written notice of its intent to abandon or discontinue use of such Intellectual Property Collateral, and (z) obtained the express prior written consent of the Required Lenders.

(e) Grantor agrees to notify the Agent promptly and in writing if it learns (i) that any item of material Intellectual Property Collateral has been determined to have become abandoned or dedicated to the public, (ii) of the institution of any proceeding by or against Grantor (including, without limitation, the institution of any proceeding in the United States Patent and

Trademark Office, the Copyright Office or any court) regarding any infringement or unauthorized use of (or similar claim with respect to) an item of material Intellectual Property Collateral or (iii) of any adverse determination in any such proceeding.

(f) In the event that any item of material Intellectual Property Collateral is infringed or misappropriated by a third party, Grantor shall promptly notify the Agent and will take such actions as Grantor or, following the occurrence and during the continuance of a Default of an Event of Default, the Agent deems reasonable and appropriate under the circumstances to protect such Intellectual Property Collateral, including, without limitation, suing for infringement or misappropriation and for an injunction against such infringement or misappropriation. Any expense incurred in connection with such activities will be borne by Grantor.

(g) Grantor shall use the applicable proper statutory notice in connection with its use of each of its patents, registered trademarks and service marks, copyrights and internet domain names contained in Schedule I, II, III and/or IV.

Section 5. Power of Attorney.

(a) Grantor acknowledges the Agent's right, to the extent permitted by applicable law, singly to execute and/or file financing or continuation statements and similar notices required by applicable law, and amendments thereto, concerning the Intellectual Property Collateral without execution by Grantor. A copy of this Agreement or any financing statement covering the Intellectual Property Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(b) Grantor hereby irrevocably appoints the Agent as Grantor's attorney-in-fact, effective at all times subsequent to the occurrence of an Event of Default, and during the continuance thereof, with full authority in the place and stead of Grantor and in the name of Grantor or otherwise, to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purpose of this Agreement, including, without limitation, the power and right (i) to endorse Grantor's name on any checks, notes, acceptances, money orders, drafts, filings or other forms of payment or security of Grantor that may come into the Agent's possession and (ii) to do all other things which Agent then determines to be necessary to carry out the terms of this Agreement. Grantor ratifies and approves all acts of such attorney-in-fact. The power conferred on the Agent hereunder is solely to protect the Agent's and the Lenders' interests in the Intellectual Property Collateral and shall not impose any duty upon the Agent to exercise such power. This power of attorney is coupled with an interest and may not be revoked by Grantor while any Obligations are owing to the Agent or Lenders.

(c) For the purpose of enabling the Agent to exercise rights and remedies under Section 6 of this Agreement at such time as the Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, Grantor hereby grants to the Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to Grantor) to use, assign, license or sublicense any of the Intellectual Property now owned or hereafter acquired by 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.

Section 6. Events of Default; Remedies.

(a) Upon the occurrence of an Event of Default and during the continuation thereof, whether or not the Obligations are due, the Agent may (on behalf of itself and the Lenders) demand, sue for, collect, or make any settlement or compromise it deems desirable with respect to the Intellectual Property Collateral.

(b) An "Event of Default" hereunder shall mean an Event of Default as such term is defined in the Credit Agreement.

(c) Upon the occurrence and during the continuance of an Event of Default, to the fullest extent permitted by applicable law, in addition to the remedies set forth elsewhere in this Agreement:

(i) the Agent shall have (on behalf of itself and the Lenders), in addition to all other rights and remedies given it by any instrument or other agreement evidencing, or executed and delivered in connection with, any of the Obligations and otherwise allowed by law, the rights and remedies of a secured party under the UCC and without limiting the generality of the foregoing, the Agent may immediately, without (to the fullest extent permitted by law) demand of performance or advertisement or notice of intention to sell or of time or place of sale or of redemption or other notice or demand whatsoever (except that the Agent shall give to Grantor at least ten (10) days' notice of the time and place of any proposed sale or other disposition), all of which are hereby expressly waived to the fullest extent permitted by law, sell at public or private sale or otherwise realize upon the whole or from time to time any part of the Intellectual Property Collateral in or upon which the Agent and/or the Lenders shall have a security interest or Lien hereunder, or any interest which Grantor may have therein, and after deducting from the proceeds of sale or other disposition of the Intellectual Property Collateral all expenses (including all reasonable expenses for legal services), shall apply the residue of such proceeds toward the payment of the Obligations in accordance with Grantor remaining liable for any deficiency remaining unpaid after such application. If notice of any sale or other disposition is required by law to be given to Grantor, then Grantor, the Agent and the Lenders hereby agree that a notice given as provided in this Agreement shall be reasonable notice of such sale or other disposition. Grantor also agrees to assemble the Intellectual Property Collateral at such place or places as the Agent reasonably designates by written notice. At any such sale or other disposition the Agent and/or any Lender may itself, and any other person or entity owed any Obligation may itself, to the extent permitted by applicable law, purchase the whole or any part of the Intellectual Property Collateral sold, free from any right of redemption on the part of Grantor, which right is hereby waived and released to the fullest extent permitted by law.

(ii) Furthermore, without limiting the generality of any of the rights and remedies conferred upon the Agent and/or any Lender under Section 6(c)(i) hereof, the Agent, to the fullest extent permitted by law, may enter upon the premises of Grantor, exclude Grantor or any guarantor therefrom and take immediate possession of the Intellectual Property Collateral, either personally or by means of a receiver appointed by a court therefor, and may, at its option, use, operate, manage and control the Intellectual

Property Collateral in any lawful manner and may collect and receive all rents, income, revenue, earnings, issues and profits therefrom, and any such monies so collected or received by such Person shall be remitted to the Agent and shall be applied to, or may be accumulated for application upon, the Obligations in accordance with the Credit Agreement.

(iii) Each of the Agent and the Lenders agrees that such Person will give notice to Grantor of any enforcement action taken by it pursuant to this Section 6 promptly after commencing such action.

Section 7. Consents, Amendments and Waivers. Any term of this Agreement may be amended, and the performance or observance by Grantor of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only in accordance with the terms of Section 14.1 of the Credit Agreement all of which are incorporated herein by reference.

Section 8. Agent's Duties. The powers conferred on the Agent hereunder are solely to protect the Agent's and the Lenders' interest in the Intellectual Property Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Intellectual Property Collateral in its possession and the accounting for moneys actually received by it hereunder, the Agent shall have no duty as to any Intellectual Property Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Intellectual Property Collateral, whether or not the Agent or any Lender has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Intellectual Property Collateral. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Intellectual Property Collateral in its possession if such Intellectual Property Collateral is accorded treatment substantially equal to that which it accords its own property.

Section 9. Governing Law. This Agreement and all claims, disputes and matters arising hereunder or related hereto shall be governed by and construed under the laws of the State of Illinois without reference to conflict of laws provisions.

Section 10. Parties in Interest. All terms of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; provided that Grantor may not assign or transfer its rights hereunder without the prior written consent of the Agent and the Required Lenders. Any assignment or transfer by Grantor of its rights hereunder in violation of this Agreement shall be void ab initio.

Section 11. Submission to Jurisdiction. Each of the Lenders, Agent and Grantor hereby (a) agrees that any action with respect to this Agreement may be brought in any state or federal court having subject matter jurisdiction and located in Chicago, Illinois, (b) accepts for itself and in respect of its property, generally and unconditionally, the exclusive jurisdiction of such courts, (c) irrevocably waives any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any action in those jurisdictions, and (d) irrevocably consents to

the service of process of any of the courts referred to above in any action by the mailing of copies of the process to the parties hereto as provided in the Credit Agreement. Service effected as provided in this manner will become effective ten (10) days after the mailing of the process.

Section 12. Waiver of Jury Trial. Each of the Lenders, the Agent and Grantor hereby waives any right to a trial by jury in any action to enforce or defend any right under this Agreement or any amendment, instrument, document or agreement delivered or to be delivered in connection with this Agreement and agrees that any action will be tried before a court and not before a jury.


Section 13. Recordation. Grantor authorizes and requests that the Commissioner of Patents and Trademarks and any other applicable government officer record this Agreement.

Section 14. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

Section 15. Conflict Provision. This Agreement has been entered into in conjunction with the provisions of the Credit Agreement. The rights and remedies of each party hereto with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Credit Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Agreement are in conflict with the Credit Agreement, the provisions of the Credit Agreement shall govern.

IN WITNESS WHEREOF, Grantor has caused this Agreement to be duly executed and delivered by its manager thereunto duly authorized as of the date first above written.

PERFORMANCE DESIGNED PRODUCTS
LIMITED

By: 
Name: Nicholas Simmons
Title: Director

Schedule I: Patents

Title	Application No.	Jurisdiction	Applicant
Position Transducer	Patent No 6,697,760	US	PDP Ltd.
Ultrasonic positioning	PCT/GB07/001101	PCT	PDP Ltd.
Ultrasonic positioning	N/A	Canada	PDP Ltd.
Ultrasonic positioning	200780011856.7	China	PDP Ltd.
Ultrasonic positioning	07732162.8	Europe	PDP Ltd.
Ultrasonic positioning	2009-502204	Japan	PDP Ltd.
Ultrasonic positioning	12/294,880	US	PDP Ltd.
Wireless position sensing in three dimensions using ultrasound.	PCT/GB07/003126	PCT	PDP Ltd.
Sensor averaging	0801641.2	UK	PDP Ltd.
Sensor averaging	N/A	PCT	PDP Ltd.
Hybrid sensor.	0801126.4	UK	PDP Ltd.
Wireless position sensing in three dimensions using ultrasound.	12358006	US	PDP LLC (being corrected to PDP Ltd.)
Wireless position sensing in three dimensions using ultrasound.	PCT/GB2009/000167	PCT	PDP Ltd.
Pointing device.	0804603.9	UK	PDP Ltd.
Method for dynamic threshold adjustment	0810976.1	UK	PDP Ltd.
Bridging ultrasonic position with accelerometer/gyroscope inertial guidance.	0808081.4	UK	PDP Ltd.

Motion Smoothing in 3-D Position Sensing Apparatus	0812533.8	UK	PDP Ltd.
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Schedule II: Trademarks

Mark	No.	Jurisdiction	Applicant
GAMETRAK	2260524	UK	PDP Ltd.
GAMETRAK	3568185	Community Trade Mark	PDP Ltd.
GAMETRAK	3012944	US	PDP Ltd.
GAMETRAK	2352375	UK	PDP Ltd.
IN2GAMES	2461368	UK	PDP Ltd.

Schedule III: Copyrights

None

Schedule IV: Domain Names

gametrakfreedom.com
gametrakfreedom.net
squeeballs.com
squeeballs.net
myrealplay.com
squeeballs.info
squeeballs.org

Schedule V: Licenses

None.

INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT (this "IP Security Agreement Supplement") dated as of _____, 20__, is made by the Person listed on the signature page hereof ("Grantor") in favor of Patriarch Partners Agency Services, LLC, as agent (the "Agent") for the Lenders.

WHEREAS, Grantor has executed and delivered to the Agent that certain Intellectual Property Security Agreement dated as of March 23, 2009 (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"). Terms defined in the Security Agreement and not otherwise defined herein are used herein as defined in the Security Agreement.

WHEREAS, under the terms of the Security Agreement, Grantor has granted to the Agent, for the benefit of the Lenders, a security interest in the Additional Collateral (as defined in Section 1 below) of the Grantor and has agreed as a condition thereof to execute this IP Security Agreement Supplement for recording with the U.S. Patent and Trademark Office, the United States Copyright Office and other governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees as follows:

SECTION 1. Grant of Security. Grantor hereby grants to the Agent, for the benefit of the Lenders, a security interest in all of such Grantor's right, title and interest in and to the following (the "Additional Collateral"):

- (i) the patents and patent applications set forth in Schedule A hereto (the "Patents");
- (ii) the trademark and service mark registrations and applications set forth in Schedule B hereto, together with the goodwill symbolized thereby (the "Trademarks");
- (iii) the copyright registrations and applications and copyright licenses set forth in Schedule C hereto (the "Copyrights");
- (iv) the domain names set forth in Schedule D hereto (the "Domain Names");
- (v) the patent, trademark and copyright license agreements set forth in Schedule E hereto (the "Licenses");

(vi) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the foregoing, all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto;

(vii) all any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(viii) any and all proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and supporting obligations relating to, any and all of the foregoing or arising from any of the foregoing.

SECTION 2. Supplement to Security Agreement. Schedule I to the Security Agreement is, effective as of the date hereof, hereby supplemented to add to such Schedule the Patents described in Schedule A hereto. Schedule II to the Security Agreement is, effective as of the date hereof, hereby supplemented to add to such Schedule the Trademarks described in Schedule B hereto. Schedule III to the Security Agreement is, effective as of the date hereof, hereby supplemented to add to such Schedule the Copyrights described in Schedule C hereto. Schedule IV to the Security Agreement is, effective as of the date hereof, hereby supplemented to add to such Schedule the Domain Names described in Schedule D hereto. Schedule V to the Security Agreement is, effective as of the date hereof, hereby supplemented to add to such Schedule the Licenses described in Schedule E hereto.

SECTION 3. Security for Obligations. The grant of a security interest in the Additional Collateral by Grantor under this IP Security Agreement Supplement secures the prompt and complete payment and performance when due of all Obligations, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise.

SECTION 4. Recordation. Grantor authorizes and requests that the Register of Copyrights, the Commissioner for Patents and the Commissioner for Trademarks and any other applicable governmental authority to record this IP Security Agreement Supplement.

SECTION 5. Grants, Rights and Remedies. This IP Security Agreement Supplement has been entered into in conjunction with the provisions of the Security Agreement. Grantor does hereby acknowledge and confirm that the grant of the security interest hereunder to, and the rights and remedies of, the Agent with respect to the

Additional Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated herein by reference as if fully set forth herein.

SECTION 6. Governing Law. This IP Security Agreement Supplement shall be governed by, and construed in accordance with, the laws of the State of Illinois.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Grantor has caused this IP Security Agreement Supplement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

[NAME OF GRANTOR]

By

Name: _____

Title: _____

Address for Notices: