

03-07-2008

J.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office

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103487304

To the Director of the U.S. Patent and Trademark Office. Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)

Redfern Integrated Optics Pty Ltd

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance/Execution Date(s):

Execution Date(s) 2/15/08

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Joint Research Agreement
☐ Government Interest Assignment
☐ Executive Order 9424, Confirmatory License
☐ Other

2. Name and address of receiving party(ies)

Name: Tallwood I, L.P., as Agent

Internal Address:

Street Address: 400 Hamilton Avenue, Suite 230

City: Palo Alto

State: California

Country: US

Zip: 94301

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application or patent number(s):

☐ This document is being filed together with a new application.

A. Patent Application No.(s)

60/649,620

B. Patent No.(s)

6,727,110; 6,528,338; 6,650,816; 6,549,688; 6,807,349

Additional numbers attached? ☐ Yes ☒ No

5. Name and address to whom correspondence concerning document should be mailed:

Name: Russell D. Pollock, Esq.

Internal Address:

Street Address: Four Embarcadero Center, Suite 4000

City: San Francisco

State: California

Zip: 94111

Phone Number: 415-981-1400

Fax Number: 415-777-4961

Email Address:

6. Total number of applications and patents involved: 6

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 240.00

- ☐ Authorized to be charged by credit card
☐ Authorized to be charged to deposit account
☒ Enclosed
☐ None required (government interest not affecting title)

8. Payment Information

a. Credit Card Last 4 Numbers

Expiration Date

b. Deposit Account Number

Authorized User Name

03/07/2008 NJAMA1
01 FC:8021

00000004 60649620

240.00 OP

9. Signature:

Signature

Russell D. Pollock

Name of Person Signing

3/3/08

Date

Total number of pages including cover sheet, attachments, and documents:

11

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of February 15, 2008 (as amended, supplemented or otherwise modified from time to time, this "Intellectual Property Security Agreement"), is entered into among Redfern Integrated Optics Pty Ltd, a company organized under the laws of Australia ("Grantor"), the persons or entities set forth on Exhibit A hereto (the "Purchasers") and Tallwood I, L.P., in its capacity as agent for the Purchasers (the "Agent"). Capitalized terms used and not defined herein have the meanings given such terms in the Purchase Agreement (as defined below).

WHEREAS, pursuant to that certain Secured Convertible Promissory Note and Warrant Purchase Agreement dated as of February 15, 2008, by and among Redfern Integrated Optics, Inc., a Delaware corporation (the "Company") and Purchasers (including all annexes, exhibits and schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Purchase Agreement"), the Company has agreed to sell to Purchasers, and Purchasers have agreed to purchase, the secured convertible promissory notes as set forth in the Purchase Agreement (the "Notes") and the warrants as set forth in the Purchase Agreement (the "Warrants") and, together with the Purchase Agreement and the Notes, the "Loan Documents");

WHEREAS, the Company owns 100% of the outstanding capital shares of Grantor, and it is a condition precedent to the obligation to enter into the transactions contemplated thereby that Grantor shall have granted a security interest in certain Proprietary Rights of the Grantor to Purchasers, and has agreed as a condition thereof to execute this Intellectual Property Security Agreement for recording with the United States Patent and Trademark Office, the United States Copyright Office, and other applicable Governmental Authorities.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees as follows:

1. Grant of Security. To the extent permitted by applicable law or contract, Grantor hereby grants to the Purchasers a continuing security interest in and to all of Grantor's right, title and interest, whether now owned or existing or hereafter acquired or arising, in and to the following (collectively referred to as, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all of the Company's obligations and indebtedness under the Loan Documents and Grantor's obligations under this Agreement (collectively, the "Obligations"):

(a) (i) all trademarks, service marks, trade names, corporate names, company names, business names, trade dress, trade styles, logos, or other indicia of origin or source identification, trademark and service mark registrations, and applications for trademark or service mark registrations and any renewals thereof in the U.S. or any foreign jurisdiction, including, without limitation, each registration and application identified in Schedule I; (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof; (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or

future infringements thereof); and (iv) all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each of the above (collectively, the "Trademarks");

(b) (i) all patents, patent applications and patentable inventions in the U.S. or any foreign jurisdiction, including, without limitation, each patent and patent application identified in Schedule I; (ii) all inventions and improvements described and claimed therein; (iii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof; (iv) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof); and (v) all reissues, divisions, continuations, continuations-in-part, substitutes, renewals, and extensions thereof, all improvements thereon and all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto (collectively, the "Patents");

(c) (i) all copyrights, whether or not the underlying works of authorship have been published, and all works of authorship and other intellectual property rights therein, all copyrights of works based on, incorporated in, derived from or relating to works covered by such copyrights, all right, title and interest to make and exploit all derivative works based on or adopted from works covered by such copyrights, and all copyright registrations and copyright applications in the U.S. or any foreign jurisdiction, and any renewals, restorations or extensions thereof, including, without limitation, each registration and application identified in Schedule I; (ii) the rights to reproduce, print, publish and distribute and to publicly display and perform any of the foregoing and to sell, rent, lease or lend copies of the foregoing and to sublicense to third parties the foregoing rights, including the right to sublicense to further third parties; (iii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof; (iv) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof); and (v) all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto (collectively, the "Copyrights");

(d) (i) all trade secrets and all confidential and proprietary information, including know-how, manufacturing and production processes and techniques, inventions, research and development information, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans, and customer and supplier lists and information, security procedures and devices; (ii) right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof; (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements or misappropriations thereof); and (iv) all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto (collectively, the "Trade Secrets");

(e) (i) all licenses or agreements, whether written or oral, providing for the grant by or to Grantor of: (A) any right to use any Trademark, (B) any right to manufacture, use or sell any invention covered in whole or in part by a Patent, (C) any right under any Copyright including, without limitation, the grant of rights to reproduce, manufacture, distribute, publicly display or perform, exploit and sell, rent, lease or lend any Copyrights or any derivative works of any Copyright including, without limitation, any of the foregoing identified in Schedule I, and (D) any right to use any Trade Secret; (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations of any of the foregoing; (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof); and (iv) all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto; and

(f) any and all proceeds of the foregoing.

2. Grant of Non-Exclusive License. Grantor hereby grants to Agent, on behalf of Purchasers, effective after and during the continuance of any event of default (defined in the Notes) which has not been cured within ten (10) business days after notice of such default (a "Default"), a non-exclusive royalty-free license or other right to use, without charge, Grantor's Proprietary Rights, labels and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral in exercising Purchasers' rights under the Security Agreement and the Purchase Agreement and in connection with such action, Grantor's rights under all licenses and all franchise agreements shall inure to the Purchasers' benefit.

3. Recordation; Further Assurances. Grantor authorizes and requests that the Register of Copyrights, the Commissioner of Patents, and the Commissioner of Trademarks and any other applicable government officer in the U.S. or any foreign jurisdiction record this Intellectual Property Security Agreement. Grantor shall execute all such instruments, documents, and papers and will do all such acts as Agent may reasonably request from time to time to carry into effect the provisions and intent of this Agreement, including, without limitation, (a) cooperation with Agent in obtaining control with respect to Collateral consisting of investment property, bank deposits or letter of credit rights; (b) the execution and delivery of such instruments as may be required to reflect the transfer of rights in patents and trademarks on the records of the U.S. Patent and Trademark Office, (c) the execution and delivery of such instruments and delivery of such documents or materials as may be necessary to reflect the transfer of security interests in copyrights in the U.S. Copyright Office; and (d) the prompt notification to Agent of any intellectual property hereafter acquired or created; and Grantor will do all such other acts as Agent may request with respect to the perfection and protection of the security interests granted herein. The Grantor expressly authorizes Agent to file financing statements with respect to the Collateral.

4. Absence of Liens, No Restricted or Control Securities; No Sale or Transfer. Grantor is the owner of the Collateral free from all encumbrances, and Grantor will defend the Collateral against the claims and demands of all other persons. Grantor will not pledge, mortgage or create or suffer to exist a lien, security interest or other encumbrance in the

Collateral in favor of any person. Further, Grantor will not sell, license or transfer the Collateral or any interest therein without the prior written consent of Agent, except in the ordinary course of business.

5. Default. Following a Default, Agent may declare all of the Obligations to be immediately due and payable, and Agent, on behalf of Purchasers, shall then have, in any jurisdiction where enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code of the State of California (the "Code"), including, without limitation, the right to take immediate possession of the Collateral, and for that purpose Agent may, insofar as Grantor can give authority therefor, enter upon any premises on which the Collateral, or any part thereof, may be situated and remove the same therefrom. Grantor will upon demand make the Collateral available to Agent at a place and time designated by Agent, which is reasonably convenient to all parties.

6. Execution in Counterparts. This Intellectual Property Security Agreement may be executed in any number of counterparts (including by telecopy), each 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.

7. GOVERNING LAW. THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW.

8. Conflict Provision. This Intellectual Property Security Agreement has been entered into in conjunction with the provisions of the Loan Documents. The rights and remedies of each party hereto with respect to the security interest in the Collateral granted herein are without prejudice to, and are in addition to those set forth in Loan Documents, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Intellectual Property Security Agreement are in conflict with any other Loan Document, the provisions of such other Loan Document shall govern.

9. Agent's Authority. In order to expedite the enforcement of the rights and remedies set forth in this Agreement, Agent is hereby appointed as the Agent for the Purchasers. The Agent is hereby authorized and directed to take such action on behalf of the Purchasers under the terms and provisions of this Agreement and to exercise such rights and remedies hereunder as are specifically delegated to or required of the Agent under the terms and provisions hereof. The Agent may resign and a successor may be appointed in accordance with the terms of the Purchase Agreement. The Agent is hereby expressly authorized to act as Agent on behalf of the Purchasers, without hereby limiting the foregoing, and subject to, and in accordance with, the terms and conditions of this Agreement:

(a) to receive on behalf of each of the Purchasers any payment of monies paid to the Agent in accordance with this Agreement or consisting of proceeds, and to distribute to each of the Purchasers its pro rata share of all payments so received in accordance with the terms of this Agreement;

(b) to receive all documents and items to be furnished under this Agreement;

(c) to the extent permitted by this Agreement, act on behalf of the Purchasers in and under this Agreement;

(d) to execute and deliver to Grantor and others requests, demands, notices, approvals, consents and other communications received from any of the Purchasers in connection with this Agreement, subject to the terms and conditions set forth herein;

(e) to the extent permitted by this Agreement, to exercise on behalf of each of the Purchasers all remedies of such Purchaser; and

(f) to take all such actions as may be requested by any of the Purchaser or as are reasonably incident to any powers granted to the Agent hereunder and not in conflict with applicable law or regulation or this Agreement.

10. Accommodation. Grantor acknowledges that this Agreement secures all Obligations of the Company under the Loan Documents, and Grantor is executing this Agreement as an accommodation to the Company. Therefore, Grantor agrees as follows:

Grantor waives any right to require the Agent to first proceed against the Company or any guarantor, or proceed against or exhaust any security held from the Company or any third party. Until all Obligations of the Company under the Purchase Agreement shall have been paid or satisfied in full, Grantor shall have no right of subrogation, and waives any right to enforce any remedy which Grantor now has or may hereafter have against the Company and waives any benefit of, and any right to participate in any security now or hereafter held by the Agent. Grantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of dishonor, and notices of acceptance of this Agreement and of the existence, creation, or incurring of new or additional indebtedness.

11. Termination. At such time as the earlier of (i) Grantor completely satisfying its obligations under this Agreement or (ii) the Company's obligations and indebtedness under the Purchase Agreement being completely satisfied, Purchasers and/or Agent, shall execute and deliver to Grantor all deeds, assignments and other instruments as may be necessary or proper to terminate Purchasers' security interest in the Collateral hereunder, subject to any disposition thereof which may have been made by Purchasers pursuant hereto, and, upon delivery of the above to Grantor, this Intellectual Property Security Agreement shall be terminated.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the undersigned has caused this Intellectual Property Security Agreement to be duly executed and delivered as of the date first above written.

GRANTOR:

REDFERN INTEGRATED OPTICS PTY
LTD

By: Name: EASON BARSANTitle: CEO**AGENT:**

TALLWOOD I, L.P.

By: _____

Name: _____

Title: _____

PURCHASERS:

TALLWOOD I, L.P.

By: _____

Name: _____

Title: _____

JOLIMONT CAPITAL PARTNERS PTY
LTD, in its capacity as Trustee for Jolimont
Secondaries II (GP) Unit Trust, as general
partner on behalf of Jolimont Secondaries
Fund II

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, each of the undersigned has caused this Intellectual Property Security Agreement to be duly executed and delivered as of the date first above written.

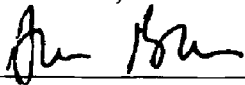
GRANTOR:

REDFERN INTEGRATED OPTICS PTY
LTD

By: _____
Name: _____
Title: _____

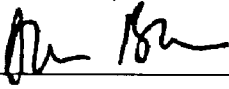
AGENT:

TALLWOOD I, L.P.

By: 
Name: _____
Title: _____

PURCHASERS:

TALLWOOD I, L.P.

By: 
Name: _____
Title: _____

JOLIMONT CAPITAL PARTNERS PTY
LTD, in its capacity as Trustee for Jolimont
Secondaries II (GP) Unit Trust, as general
partner on behalf of Jolimont Secondaries
Fund II

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, each of the undersigned has caused this Intellectual Property Security Agreement to be duly executed and delivered as of the date first above written.

GRANTOR:

REDFERN INTEGRATED OPTICS PTY
LTD

By: _____
Name: _____
Title: _____

AGENT:

TALLWOOD I, L.P.

By: _____
Name: _____
Title: _____

PURCHASERS:

TALLWOOD I, L.P.

By: _____
Name: _____
Title: _____

JOLIMONT CAPITAL PARTNERS PTY
LTD, in its capacity as Trustee for Jolimont
Secondaries II (GP) Unit Trust, as general
partner on behalf of Jolimont Secondaries
Fund II

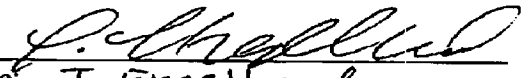
By: 
Name: T. Engelhard
Title: Partner

EXHIBIT A

PURCHASERS

Tallwood I, L.P.

Jolimont Capital Partners Pty Ltd, in its capacity as Trustee for Jolimont Secondaries II (GP)
Unit Trust, as general partner on behalf of Jolimont Secondaries Fund II

SCHEDULE I
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

A. Trademarks

Australian trademark #783239 for the words REDFERN PHOTONICS and logo.

B. Patents

RIO Ref. Number	SERIAL NO.	Ownership	Status
RIO-01-US	6,727,110	Grantor	Issued in US
RIO-06-US*	6,528,338	Grantor	Issued in US
RIO-07-US*	6,650,816	Grantor	Issued in US
RIO-08-US*	6,549,688	Grantor	Issued in US
RIO-18-US*	6,807,349 (09/946712)	Grantor	Issued in US
RIO-28	US 60/649,620	Grantor	PCT application
RIO-30	PCT.AU 2004/001131	Grantor	PCT application

* These patents were filed while Grantor was utilizing a research and development grant from the Australian government. These patents are subject to any transfer restrictions under Australian law or contract.

C. Copyrights

None.

March 5, 2008

VIA EXPRESS MAIL

Mail Stop Assignment Recordation Services
Director of the US Patent & Trademark Office
PO Box 1450
Alexandria, VA 22313-1450

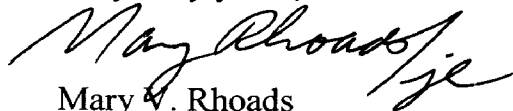
Re: Tallwood I, L.P., as Agent: Record the Assignment of Security
Interest in the Patents of Redfern Integrated Optics Pty Ltd

Dear Sir or Madam:

Enclosed please find Recordation Form Cover Sheets and related enclosures to record a security interest in the patents and trademarks of Redfern Integrated Optics Pty Ltd, in favor of Tallwood I, L.P., as Agent, along with a check to cover the filing fees.

If there are any questions or comments, please do not hesitate to contact me.

Very truly yours,



Mary W. Rhoads
Legal Assistant

MVR/jk/enclosures