## 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
Energy Management Athletics, LLC	08/21/2009

### **RECEIVING PARTY DATA**

Name:	Neal, Gerber & Eisenberg LLP	
Street Address:	Two North LaSalle Street	
Internal Address:	Suite 1700	
City:	Chicago	
State/Country:	ILLINOIS	
Postal Code:	60602	

#### PROPERTY NUMBERS Total: 1

Property Type	Number	
Patent Number:	7334351	

#### **CORRESPONDENCE DATA**

Fax Number: (312)980-0728

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 3122698000

Email: mhall@ngelaw.com

Correspondent Name: James P. Muraff

Address Line 1: Two North LaSalle Street
Address Line 4: Chicago, ILLINOIS 60602

ATTORNEY DOCKET NUMBER: 095000.1000

NAME OF SUBMITTER: James P. Muraff

**Total Attachments: 8** 

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### PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT ("Agreement") made as of 8-21-2009, 2009 by and between ENERGY MANAGEMENT ATHLETICS, LLC, an Illinois limited liability company (the "Grantor"), and NEAL, GERBER & EISENBERG LLP, an Illinois limited liability partnership (the "Grantee").

## WITNESSETH:

WHEREAS, the Grantor and the Grantee are parties to that certain Promissory Note of even date herewith (the "Note"), made payable by the Grantor to the Grantee in the original principal amount of Twenty-Five Thousand and N0/100ths Dollars (\$25,000.00);

WHEREAS, Grantor has agreed to execute and deliver this Agreement in order to secure the prompt and complete (a) payment of all amounts due under the Note and (b) observance and performance of all of Grantor's covenants and obligations under the Note (items (a) and (b) collectively, the "Liabilities");

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

## 1. Defined Terms.

- (a) Unless otherwise defined herein, each capitalized term used herein that is defined in the Note shall have the meaning specified for such term in the Note.
- (b) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section references are to this Agreement unless otherwise specified.
- (c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and <u>vice versa</u>, unless otherwise specified.
- 2. <u>Incorporation of Premises</u>. The premises set forth above are incorporated into this Agreement by this reference hereto and are made a part hereof
- 3. <u>Security Interest in Patent</u>. To secure the complete and timely payment, performance and satisfaction of all of the Liabilities, the Grantor hereby grants to Grantee, a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of the Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired:

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- (a) that certain patent and patent application owned by the Grantor identified by United States Patent No. US 7,334,351 B2 dated February 26, 2008, and U.S. Patent Application Publication No. 2007/0175066 published August 2, 2007 and any patents issuing therefrom together with all reissuances, continuations, continuations-in-part, divisionals, revisions, extensions, and reexaminations thereof and the right to sue and recover damages for past and future infringements of such patents and applications; and
- (b) all products and proceeds of the foregoing, including, without limitation, any claim by the Grantor against third parties for past, present or future infringement of the patent identified above (items (a) and (b) being herein collectively referred to as the "Patent Collateral").
- 4. <u>Restrictions on Future Agreements</u>. The Grantor will not, without Grantee's prior written consent, take any action, and will use its commercially reasonable efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any material respect affect the validity or enforcement of the Grantee's security interest in the Patent Collateral.
- 5. <u>Patent Collateral</u>. The Grantor represents and warrants as of the date hereof that (a) the Grantor is the owner of the Patent Collateral, free and clear of all liens and encumbrances, (b) the Grantor has legal power and authority to encumber and grant security interests in the Patent Collateral and (c) no other liens, claims or security interests have been granted by the Grantor to any other person or entity in such Patent Collateral.
- 6. <u>Royalties</u>. The Grantor hereby agrees that the use by the Grantee of the Patent Collateral as authorized hereunder in connection with the exercise of its remedies under <u>paragraph 15</u> shall be coextensive with the Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Grantee to the Grantor.
- 7. <u>Right to Inspect; Further Assignments and Security Interests</u>. The Grantee may at all reasonable times upon reasonable prior notice to the Grantor (and at any time when an Event of Default exists) have access to, examine, audit, make copies (at the Grantor's expense) and extracts from and inspect the Grantor's premises and examine the Grantor's books, records and operations relating to the Patent Collateral.
- 8. <u>Termination of Grantee's Security Interest</u>. This Agreement is made for collateral security purposes only. Upon payment in full of all of the Liabilities, this Agreement shall terminate and the Grantee shall promptly execute and deliver to the Grantor, at the Grantor's expense, all termination statements and other instruments as may be necessary or proper to terminate the Grantee's security interest in the Patent Collateral.

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- 9. <u>Duties of the Grantor</u>. The Grantor agrees (i) not to abandon the Patent Collateral without the prior written consent of the Grantee and (ii) to use its best efforts to maintain in full force and effect the Patent Collateral. Any expenses incurred in connection with the foregoing shall be borne by the Grantor.
- 10. <u>Grantee's Right to Sue</u>. From and after the occurrence of an Event of Default, the Grantee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patent Collateral and, if the Grantee shall commence any such suit, the Grantor shall, at the request of Grantee, do any and all lawful acts and execute any and all proper documents required by the Grantee in aid of such enforcement. The Grantor shall, upon demand, promptly reimburse the Grantee for all costs and expenses incurred by Grantee in the exercise of its rights under this <u>paragraph 10</u> (including, without limitation, reasonable fees and expenses of attorneys and paralegals for Grantee).
- 11. <u>Waivers</u>. Grantee's failure, at any time or times hereafter, to require strict performance by the Grantor of any provision of this Agreement shall not waive, affect or diminish any right of Grantee thereafter to demand strict compliance and performance therewith nor shall any course of dealing between the Grantor and Grantee have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of the Grantor contained in this Agreement shall be deemed to have been suspended or waived by Grantee unless such suspension or waiver is in writing signed by an officer of Grantee and directed to the Grantor specifying such suspension or waiver.
- 12. <u>Grantee's Exercise of Rights and Remedies Upon an Event of Default.</u> Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence of an Event of Default, Grantee may exercise any of the rights and remedies provided in this Agreement, the Note and applicable law.
- 13. <u>Severability</u>. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part hereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.
- 14. <u>Modification</u>. This Agreement cannot be altered, amended or modified in any way, except by a writing signed by the parties hereto.
- 15. <u>Cumulative Remedies</u>; <u>Power of Attorney</u>. All of the Grantee's rights and remedies with respect to the Patent Collateral, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or

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concurrently. From and after an uncured Event of Default and the giving of written notice to the Grantor, the Grantor hereby irrevocably designates, constitutes and appoints the Grantee as the Grantor's true and lawful attorneyinfact, and authorizes the Grantee and any of the Grantee's designees, in the Grantor's or the Grantee's name, from and after the occurrence of an Event of Default, to (a) endorse the Grantor's name on all applications, documents, papers and instruments necessary or desirable for the Grantee in the use of the Patent Collateral, (b) assign, pledge, convey or otherwise transfer title in or dispose of the Patent Collateral to anyone on commercially reasonable terms, (c) grant or issue any exclusive or nonexclusive license under the Patent Collateral, to anyone on commercially reasonable terms, and (d) take any other actions with respect to the Patent Collateral as the Grantee deems in its best interest. The Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the Liabilities shall have been paid in full. The Grantee shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patent Collateral may be located or deemed located.

- 16. <u>Successors and Assigns</u>. This Agreement shall be binding upon the Grantor and its successors and assigns, and shall inure to the benefit of the Grantee and its successors and assigns. The Grantor's successors and assigns shall include, without limitation, a receiver, trustee or debtorinpossession to the extent that any of the foregoing are considered to be a successor or assign of or for the Grantor; <u>provided</u>, <u>however</u> that the Grantor shall not voluntarily assign or transfer its rights or obligations hereunder without the Grantee's prior written consent.
- 17. <u>Governing Law</u>. This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the internal laws of the State of Illinois.
- 18. <u>Waiver of Jury Trial</u>. **GRANTOR HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING RELATING TO THIS AGREEMENT.**
- 19. <u>Venue</u>. GRANTOR IRREVOCABLY AGREES THAT, SUBJECT TO GRANTEE'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THIS AGREEMENT WILL BE LITIGATED IN COURTS HAVING SITUS IN CHICAGO, ILLINOIS. GRANTOR HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN CHICAGO, ILLINOIS.
- 20. <u>Notices</u>. All notices or other communications hereunder shall be delivered in the manner and to the addresses set forth in the Note.

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- 21. <u>Grantee's Duty</u>. The Grantee shall not have any duty with respect to the Patent Collateral. Without limiting the generality of the foregoing, the Grantee shall not be under any obligation to take any steps necessary to preserve rights in the Patent Collateral against any other parties, but may do so at its option, and all expenses incurred in connection therewith shall be for the sole account of the Borrower and added to the Liabilities secured hereby.
- 22. <u>Section Titles</u>. The section titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

[signature page follows]

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date set forth above.

> ENERGY MANAGEMENT ATHLETICS, LLC, an Illinois limited liability company

By:

Name: LENN 1-1ANN

Title: MOMOSE, ENALLC

NEAL, GERBER & EISENBERG LLP, an Illinois limited liability partnership

By: Muranda K. Mandel
Name: Miranda K. Mandel
Title: fartner and Coo

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STATE OF		
COUNTY OF <u>Dupose</u> ) SS		·
The foregoing Patent Security A	Agreement was executed and acknown, 2009, by	wledged before me this
personally known to me to be  MANAGEMENT ATHLETICS, LLC	the <u>Manager</u>	of ENERGY
"OFFICIAL SEAL" Kelly D. Dillon Notary Public, State of Illinols Kendall County My Commission Expires August 22, 2012	Notary Public	
(SEAL)		
My commission expires: August	33,3013	

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# **EXHIBIT A**

STATE OF	
COUNTY OF	
The foregoing Patent Security Agreement w day of August, 2009,	as executed and acknowledged before me this by <i>Miranda K. Mondu</i> ,
personally known to me to be the <b>Partne EISENBERG LLP</b> , on behalf of such corporation.	rand COO of NEAL, GERBER &
Shu	ly Surdyk
Notary	Public
(SEAL)	
My commission expires: Mach 3, 2017	<u> </u>
	OFFICIAL SEAL SHELLY SURDYK NOTARY PUBLIC, STATE OF ILLINOIS MY COMMISSION EXPIRES 3-3-2011

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**RECORDED: 09/03/2009**