

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
SmartMotion Technologies, LLC	03/04/2010
RECEIVING PARTY DATA	
Name:	Woodcock Washburn LLP
Street Address:	2929 Arch Street
Internal Address:	Cira Centre, 12th Floor
City:	Philadelphia
State/Country:	PENNSYLVANIA
Postal Code:	19104
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	11919919
CORRESPONDENCE DATA	
Fax Number:	(215)568-3439
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	215-564-8388
Email:	mseebaran@woodcock.com
Correspondent Name:	Woodcock Washburn LLP
Address Line 1:	2929 Arch Street
Address Line 2:	Cira Centre, 12th Floor
Address Line 4:	Philadelphia, PENNSYLVANIA 19104
ATTORNEY DOCKET NUMBER:	MUSC-0010
NAME OF SUBMITTER:	Melissa Seebaran
<p>Total Attachments: 6</p> <p>source=1516500_1#page1.tif</p> <p>source=1516500_1#page2.tif</p>	

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement") is dated March 2, 2010, between SmartMotion Technologies, LLC, a Delaware limited liability company ("Debtor") and Woodcock Washburn, LLP, a Pennsylvania limited liability partnership (the "Secured Party").

Background

This Agreement is being entered into in connection with a Promissory Note in the principal amount of \$57,167.73 dated this date from Debtor to the Secured Party (the "Note").

Agreement

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Debtor agrees with the Secured Party as follows:

Section 1. **Defined Terms.** As used in this Agreement, the terms set forth in this Section 1 have the meanings set forth below. The singular use of any defined term includes the plural and the plural use includes the singular.

Section 1.1 **"Code"** means the Uniform Commercial Code as from time to time in effect in the State of Delaware.

Section 1.2 **"Event of Default"** means any event, condition, or omission, which, after the expiration of any applicable rights of notice or cure, constitutes a violation or default under the Note or pursuant to any other agreement executed from time to time by Debtor to or for the benefit of the Secured Party which evidences or relates or pertains to any of the Obligations.

Section 1.3 **"Intellectual Property"** means (i) U.S. Patent Application Serial No. 11/919,919, "Dielectric Elastomer Fiber Transducers", Publication No. 2009-0085444A1, published 2 April 2009; assigned to SmartMotion Technologies, LLC, USPTO Assignment recorded at Reel/Frame 021984/0764 on 16 December 2008, and any divisions, continuations, continuations-in-part, reissues or corresponding foreign patents and foreign patent applications, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto; (ii) all general intangibles and all intangible intellectual or other similar property of Debtor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above, and (iii) all proceeds of any and all of the foregoing Intellectual Property (including licensing royalties, rights to payment, accounts and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not the Secured Party is the loss payee thereof) or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Intellectual Property.

Section 1.4 “Obligations” means each and every debt, liability and obligation of every type and description arising under or in connection with the Note or otherwise which Debtor may now or at any time hereafter owe to the Secured Party, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, independent, joint, several or joint and several.

Section 2. Grant of Security Interest. As security for the complete and timely payment, performance and satisfaction of all of the Obligations, Debtor hereby mortgages, pledges, and hypothecates unto the Secured Party and the Secured Party's successors and assigns, and hereby grants to the Secured Party and the Secured Party's successors and assigns, a first priority lien and security interest in and to all of Debtor's right, title and interest in, under or by virtue of the Intellectual Property, whether now owned or existing or hereafter acquired, and in any products and proceeds thereof. All future advances are intended to be secured. The security interests granted pursuant to this Agreement will constitute perfected security interests in the Intellectual Property in favor of the Secured Party, as collateral security for the Obligations.

Section 5. Maintenance of Patents: Prosecution Of Applications And Proceedings. Debtor shall maintain the registration of the Intellectual Property, and shall take all actions necessary to maintain, preserve and continue the validity and enforceability of the Intellectual Property, including, but not limited to, the filing of applications for renewal, affidavits of use, affidavits of incontestability and institution and maintenance of opposition, concurrent use, interference and cancellation proceedings, and the payment of any and all application, renewal, extension or other fees. Debtor shall have the duty, through counsel acceptable to the Secured Party, to prosecute diligently any applications of the Intellectual Property pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full, to make federal application on registrable but unregistered Intellectual Property, to file and prosecute opposition, concurrent use and cancellation proceedings and to do any and all acts which are necessary or desirable to preserve and maintain all rights in the Intellectual Property. Debtor shall not, without the express written consent of the Secured Party, sell or assign its interest in, or grant any license under, any of the Intellectual Property. Debtor shall not, without the Secured Party's prior written consent, enter into any agreement (for example, a license agreement) which is inconsistent with Debtor's obligations under the Note, and Debtor further agrees that it shall not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would materially adversely affect the validity or enforcement of the rights transferred to the Secured Party under this Agreement. Debtor shall not abandon any Intellectual Property (including applications for such Intellectual Property) without the express written consent of the Secured Party. Any expenses incurred in connection with the Intellectual Property shall be borne by Debtor. Debtor hereby agrees to reimburse and indemnify the Secured Party for all damages, costs and expenses, including attorney's fees, incurred by the Secured Party in the fulfillment of the provisions of this Section 5.

Section 6. Rights Upon The Occurrence Of An Event Of Default. Upon the occurrence of an Event of Default, in addition to all other rights and remedies available under the

Note or under applicable law, the Secured Party shall have the right at any time (but shall have no obligation), in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code.

Section 7. No Duty Imposed Upon Secured Party. The powers conferred upon the Secured Party hereunder are solely to protect the interest of the Secured Party in the Intellectual Property and shall not impose any duty upon the Secured Party to exercise any such powers.

Section 8. Recordation. Debtor authorizes and requests that the Register of Copyrights, the Commissioner for Patents and the Commissioner for Trademarks and any other applicable government officer record this Agreement.

Section 9. Notices. Notices that are required or permitted to be delivered hereunder shall be sufficient if in writing and sent to the addresses and in the manner set forth in the Note.

Section 10. No Further Assignment. Debtor shall not assign, transfer, sell license, convey or otherwise dispose of the Intellectual Property or Debtor's interests therein without the prior written consent of the Secured Party.

Section 11. Further Assurances. Debtor shall promptly do, make, execute and deliver all such further and additional acts, things, deeds, assurances, instruments and documents considered reasonably necessary, appropriate or proper by the Secured Party to vest in, effectuate and assure to the Secured Party its rights under this Agreement or in any of the Intellectual Property. Debtor hereby constitutes the Secured Party its attorney-in-fact to execute and file all such additional instruments and documents for the foregoing purposes, all lawful acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable until the Obligations have been satisfied in full and there exists no contingent or no contingent commitment which could give rise to any Obligations.

Section 12. Amendment. The terms and conditions of this Agreement may be modified, altered, waived, or amended only by a writing executed by the Secured Party consenting to the modification, alteration, waiver, or amendment.

Section 13. Choice of Law. This Agreement shall be construed according to the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws principles thereof that would result in the application of any laws other than the laws of the Commonwealth of Pennsylvania), except to the extent that the Code governs. All parties hereto consent to the sole and exclusive jurisdiction and venue of the United States District Court for the Eastern District of Pennsylvania in any action to enforce, construe or interpret this Agreement.

Section 14. Severability. If any of the provisions of this Agreement are judicially determined to be in conflict with any law of the Commonwealth of Pennsylvania or otherwise judicially determined to be unenforceable for any reason whatsoever, such provision shall be deemed null and void to the extent of such unenforceability but shall be deemed separable from and shall not invalidate any other provision of this Agreement.

Section 15. Successors And Assigns. The terms, covenants and conditions contained in this Agreement shall inure to the benefit of the Secured Party and its successors and assigns, and shall be binding upon Debtor and its successors and assigns. Debtor may not assign this Agreement.

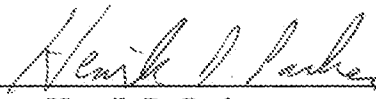
[signature page follows]

IN WITNESS WHEREOF, Debtor and the Secured Party have executed this Agreement as of the date first above written with the specific intention of creating an instrument under seal.

SMART MOTION TECHNOLOGIES LLC

By: 
Name: Rahul Kothari
Title: Chief Executive Officer

WOODCOCK WASHBURN LLP

By: 
Name: Henrik D. Parker
Title: Partner

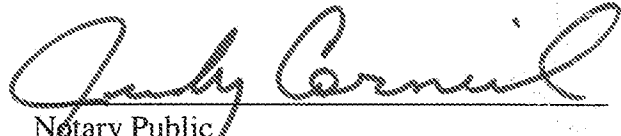
ACKNOWLEDGEMENT

DEBTOR

STATE OF New York
COUNTY OF New York

On the 2 day of March in the year 2010 before me the undersigned, a Notary Public in and for said state, personally appeared Rahul Kothari, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

JUDY CORNIEL
Notary Public, State of New York
No. 01CO6165321
Qualified in New York County
Commission Expires May 7, 20 11


Notary Public

SECURED PARTY

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF Philadelphia

On the 24th day of March in the year 2010 before me the undersigned, a Notary Public in and for said state, personally appeared Henrik D. Parker, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.


Notary Public

