

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
Pallas Systems, LLC	03/22/2010
RECEIVING PARTY DATA	
Name:	The Director of Development of the State of Ohio
Street Address:	77 S. High St., PO Box 1001
City:	Columbus
State/Country:	OHIO
Postal Code:	43216-1001
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	12707031
CORRESPONDENCE DATA	
Fax Number:	(330)864-7986
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	330-864-5550
Email:	trademarks@hahnlaw.com
Correspondent Name:	Mark A. Watkins
Address Line 1:	One GOJO Plaza, Suite 300
Address Line 4:	Akron, OHIO 44311
ATTORNEY DOCKET NUMBER:	204369.00010
NAME OF SUBMITTER:	Mark A. Watkins
Total Attachments: 4 source=Page One#page1.tif source=Page One#page2.tif source=Signatory Page#page1.tif source=Pallas IP Schedule#page1.tif	

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (as the same may from time to time be amended, restated or otherwise modified, this "Agreement") is made as of the 22nd day of March, 2010 by PALLAS SYSTEMS, LLC, an Ohio limited liability company (the "Company"), in favor of the DIRECTOR OF THE DEPARTMENT OF DEVELOPMENT (the "Director") OF THE STATE OF OHIO (the "State").

1. Recitals.

The Company is entering into that certain Loan Agreement, dated as of the date hereof, with the Director (as the same may from time to time be amended, restated or otherwise modified, the "Loan Agreement") and that certain Security Agreement dated as of the date hereof with the Director (as the same may be amended, restated, or otherwise modified, the "Security Agreement"). The Company desires that the Director grant the financial accommodations as described in the Credit Agreement.

The Company deems it to be in the direct pecuniary and business interests of the Company that the Company obtain from the Director the Loan, as defined in the Loan Agreement, provided for in the Loan Agreement.

The Company understands that the Director is willing to grant such financial accommodations to the Company only upon certain terms and conditions, one of which is that the Company grant to the Director a security interest in the Collateral, as hereinafter defined, and this Agreement is being executed and delivered in consideration of the Director entering into the Loan Agreement, each financial accommodation granted to the Company by the Director and for other valuable consideration.

2. Definitions. Except as specifically defined herein, (a) capitalized terms used herein that are defined in the Credit Agreement shall have their respective meanings ascribed to them in the Loan Agreement or the Security Agreement, as applicable, and (b) unless otherwise defined in the Loan Agreement or the Security Agreement, as applicable, terms that are defined in the Commercial Code are used herein as so defined. As used in this Agreement, the following terms shall have the following meanings:

"Assignment" means an Assignment in the form of Exhibit A attached hereto.

"Collateral" means, collectively, all of the Company's existing and future right, title and interest in, to and under (a) industrial designs, patents, patent registrations, patent applications, provisional patent applications, trademarks, trademark registrations, trademark applications, service marks, trade names and copyright registrations, and other intellectual property or registrations, whether federal, state or foreign, including, but not limited to, those that are registered or pending as listed on Schedule 1 hereto (as such Schedule 1 may from time to time be amended, supplemented or otherwise modified); (b) common law trademark rights, copyrights, improvements, confidential information and inventions; (c) renewals, continuations,

extensions, reissues and divisions of any of the foregoing; (d) rights to sue for past, present and future infringements or any other commercial tort claims relating to any of the foregoing; (e) all licenses and all income, revenue and royalties with respect to any licenses, whether registered or unregistered and all other payments earned under contract rights relating to any of the foregoing; (f) all general intangibles and all intangible intellectual or similar property of the Company connected with and symbolized by any of the foregoing; (g) goodwill associated with any of the foregoing; (h) all payments under insurance covering the foregoing, including the returned premium upon any cancellation of insurance (whether or not the Director is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to any of the foregoing; and (i) all Proceeds and products of any of the foregoing.

“Event of Default” means an event or condition that constitutes an Event of Default, as defined in Section 8.1 hereof.

“Obligations” means, collectively, (a) all obligations now owing or hereafter incurred by the Company to the Director pursuant to the Loan Agreement and the other Loan Documents; (b) each renewal, extension, consolidation or refinancing of any of the foregoing, in whole or in part; (c) all interest from time to time accruing on any of the foregoing, and all fees and other amounts payable by the Company pursuant to the Loan Agreement or any other Loan Document; (d) every other liability, now or hereafter owing to the Director (or any affiliate of the Director) by the Company, and includes, without limitation, every liability, whether owing absolutely or contingently, whether created by note, overdraft, guaranty of payment or other contract or by a quasi-contract, tort, statute or other operation of law, whether incurred directly to the Director or acquired by the Director by purchase, pledge or otherwise and whether participated to or from the Director in whole or in part; and (f) advances and expenses incurred by the Director pursuant to Section 11 of this Agreement or pursuant to the other Loan Documents.

“Proceeds” means (a) any proceeds, and (b) whatever is received upon the sale, exchange, collection, or other disposition of Collateral or proceeds, whether cash or non-cash. Cash proceeds includes, without limitation, moneys, checks, and Deposit Accounts. Except as expressly authorized in this Agreement, the right of the Director to Proceeds specifically set forth herein or indicated in any financing statement shall never constitute an express or implied authorization on the part of the Director to the Company’s sale, exchange, collection, or other disposition of any or all of the Collateral.

“USCO” means the United States Copyright Office in Washington D.C.

“USPTO” means the United States Patent and Trademark Office in Washington D.C.

3. Grant of Assignment and Security Interest. In consideration of and as security for the full and complete payment of all of the Obligations, the Company hereby agrees that the Director shall at all times have, and hereby grants to the Director, a security interest in all of the Collateral, including (without limitation) all of the Company’s future Collateral, irrespective of any lack of knowledge by the Director of the creation or acquisition thereof.

IN WITNESS WHEREOF, the Director and the Company have executed this Intellectual Property Security Agreement as of the date first above written.

The Director of Development of the State of Ohio

By: 

Name: Candace M. Jones
Chief Legal Counsel and Ethics Officer

Title: _____

Pallas Systems, LLC, an Ohio limited liability the Company

By: 

Name: JOHN BERLEKAMP

Title: PRESIDENT

Schedule 1

Description of Intellectual Property

Patent	Country	App. No.	App. Date	Patent No.	Patent Date
Modular Test System for Severe Environments	USA	12/707,031	2/17/2010	Provisional	N/A