

PATENT ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Ikomed Technologies Inc.	05/31/2011
RECEIVING PARTY DATA	
Name:	Advanced Applied Physics Solutions Inc.
Street Address:	4004 Wesbrook Mall
City:	Vancouver, BC
State/Country:	CANADA
Postal Code:	V6T 2A3
PROPERTY NUMBERS Total: 2	
Property Type	Number
Application Number:	12386895
Application Number:	12926717
CORRESPONDENCE DATA	
Fax Number:	(919)286-8199
Email:	maryelizabethduncan@mvalaw.com
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>	
Correspondent Name:	Moore & Van Allen PLLC
Address Line 1:	PO Box 13706
Address Line 4:	Research Triangle Pk, NORTH CAROLINA 27709
ATTORNEY DOCKET NUMBER:	012861-000011
NAME OF SUBMITTER:	Michael G. Johnston
Total Attachments: 8 source=Security_Agreement#page1.tif source=Security_Agreement#page2.tif source=Security_Agreement#page3.tif	

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT is dated with effect as of May 31, 2011 and granted by **IKOMED TECHNOLOGIES INC.** (the "**Borrower**") to and in favour of **ADVANCED APPLIED PHYSICS SOLUTIONS INC.** (the "**Lender**").

WHEREAS pursuant to an investment agreement dated with effect as of the date hereof (as amended, replaced, restated or supplemented from time to time, the "**Investment Agreement**"), made between, inter alia, the Borrower and the Lender, the Lender has agreed to loan to the Borrower the amount of \$900,000.00 (the "**Loan**"), on the terms and conditions set out in the Investment Agreement;

AND WHEREAS, as security for the payment and performance of the Obligations (as hereinafter defined) of the Borrower to the Lender under the aforesaid Investment Agreement, the Borrower has agreed to grant a specific security interest in the Founder Technology and the AAPS Technology, as those terms are defined in the Investment Agreement, and such other intellectual property of the Borrower;

NOW THEREFORE, for good and valuable consideration, including the extension of credit provided under the Investment Agreement, the receipt and sufficiency of which are hereby acknowledged, the Borrower hereby covenants and agrees, for the benefit of the Lender, as follows:

1. **Defined Terms**

Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement have the meanings provided in the Investment Agreement.

The following terms shall have the respective meanings:

- (a) "Copyright License" means any oral or written agreement now or hereafter in existence granting to Borrower any right to use any copyright, as the same may be amended and in effect from time to time.
- (b) "Copyrights" means collectively all of the following now owned or hereafter created or acquired by Borrower: (a) all copyrights, rights and interests in copyrights, works protectable by copyright, copyright registrations and copyright applications; (b) all renewals of any of the foregoing; (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing (including the renewals thereof), including, without limitation, damages and/or payments for past, present or future infringements of any of the foregoing; (d) the right to sue for past, present and future infringements of any of the foregoing (including the renewals thereof); (e) all rights corresponding to any of the foregoing throughout the world; and (f) all goodwill associated with and symbolized by any of the foregoing.

- (c) "Patent License" means any oral or written agreement now or hereafter in existence granting to Borrower any right to use any invention on which a patent is in existence, as the same may be amended and in effect from time to time, including without limitation, those referred to in **Item B of Schedule "A"** attached hereto.
- (d) "Patents" means collectively all of the following now owned or hereafter created or acquired by Borrower: (a) all patents and patent applications including, without limitation, those listed referred to in **Item A of Schedule "A"** attached hereto and the inventions and improvements described and claimed therein, and patentable inventions; (b) the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing; (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing (including the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof) or with respect to any of the foregoing (including the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof), including, without limitation, damages and payments for past, present and future infringements of any of the foregoing; (d) the right to sue for past, present and future infringements of any of the foregoing; (e) all rights corresponding to any of the foregoing throughout the world; and (f) all goodwill associated with any of the foregoing.
- (e) "Trademark License" means any oral or written agreement now or hereafter in existence granting to Borrower any right to use any trademark, as the same may be amended and in effect from time to time.
- (f) "Trademarks" means collectively all of the following now owned or hereafter created or acquired by Borrower: (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications in connection therewith; (b) all renewals thereof; (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing (including the renewals thereof) or with respect to any of the foregoing (including the renewals thereof) including, without limitation, damages and payments for past, present and future infringements of any of the foregoing; (d) the right to sue for past, present and future infringements of any of the foregoing; (e) all rights corresponding to any of the foregoing throughout the world; and (f) all goodwill associated with and symbolized by any of the foregoing.

2. Grant of Security Interests

The Borrower hereby assigns, pledges, hypothecates, charges, mortgages, delivers, and transfers to the Lender, and hereby grants to the Lender, a continuing general security interest all of the

following property, whether now or hereafter existing or acquired by the Borrower (the “**Collateral**”) as security for the Obligations in connection with the Investment Agreement:

- (a) all of its Patents and Patent Licenses;
- (b) all of its Copyright and Copyright Licenses; and
- (c) all of its Trademarks and Trademark Licenses.

3. **Obligations**

This Agreement and the security interests hereby created will be continuing security for the payment of all indebtedness, both present and future, and whether arising on current account or otherwise, together with interest thereon and all liabilities, present and future, direct or indirect, absolute or contingent of the Borrower to the Lender, under a promissory note in the principal amount of \$900,000.00 dated May 31, 2011 (“Promissory Note”) granted by the Borrower in favour of the Lender including without limitation any fees payable to the Lender and any costs or expenses incurred by the Lender including enforcement costs and for the performance of all present and future obligations of the Borrower to the Lender, whether or not contained in this Agreement or the Investment Agreement (which indebtedness, liabilities and obligations are collectively “Obligations”).

4. **Security Agreement**

The security interest granted hereby has been granted as a supplement to, and not in limitation of, any other security interests granted to the Lender pursuant to the Investment Agreement. The Investment Agreement (and all rights and remedies of the Lender thereunder) shall remain in full force and effect in accordance with its terms.

5. **Representations and Warranties**

Except as otherwise disclosed to the Lender in writing, the Borrower represents and warrants, with respect to the Collateral:

- (a) to the best of the Borrower’s knowledge, after due inquiry and investigation, such Collateral is valid, subsisting, unexpired and enforceable and has not been abandoned or adjudged invalid or unenforceable, in whole or in part;
- (b) the Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to such Collateral and to the best of the knowledge of the Borrower no claim has been made that the use of such Collateral does or may, conflict with, infringe, misappropriate, dilute, misuse or otherwise violate any of the rights of any third party;
- (c) the Collateral described in **Schedule “A”** constitutes all of the registered Patents, pending Patent applications and Patent applications in preparation owned by the

Borrower and all Patent licenses that have been granted to or by the Borrower as of the date hereof;

- (d) the Borrower has made all filings and recordations that it considers necessary or desirable to protect its interest in such Collateral, including recordations of all of its interests in the Canadian Intellectual Property Office and the applicable US intellectual property office;
- (e) to the best of the Borrower's knowledge, no third party is infringing upon any Collateral owned or used by the Borrower in any material respect, or any of its respective licensees;
- (f) no settlement or consents, covenants not to sue, nonassertion assurances, or releases have been entered into by the Borrower or to which the Borrower is bound that adversely affects its rights to own or use any Collateral except as would not result in a material impairment of any of the Collateral, in any case individually or in the aggregate;
- (g) the Borrower has not made any previous assignment, sale, transfer or agreement constituting a present or future assignment, sale or transfer of any Collateral for purposes of granting a Security interest or as Collateral that has not been terminated or released; or
- (h) the consummation of the transactions contemplated by the Financing Agreements will not result in the termination or material impairment of any of the Collateral.

6. Covenants

The Borrower covenants and agrees that, until the indefeasible payment in full of the Obligations, the Borrower will perform and comply with the following provisions:

- (a) the Borrower shall pursue the registration and maintenance of each material patent now or hereinafter included in the Collateral (other than licensed patents), including the payment of required fees and taxes, the filing of responses to office actions issued by the Canadian Intellectual Property Office or other governmental authorities or intellectual property filing offices, the filing of applications for renewal or extension, the filing of divisional, continuation, continuation-in-part, reissue and renewal applications or extensions, the payment of maintenance fees and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings;
- (b) the Borrower shall not, without the written consent of the Lender, abandon any right to file an application for patent unless the Borrower shall have previously determined that such use or the pursuit or maintenance of such Collateral is no longer desirable in the conduct of the Borrower's business and that the loss thereof is of negligible economic value to the Borrower; and

- (c) upon obtaining rights to any material new registered Patents, material pending Patent applications, material Patent applications in preparation or upon granting material rights to or being granted material rights under any Patent licenses, the Borrower shall provide to the Lender an updated **Schedule "A"** including such new Collateral.

7. Release of Security Interest

Upon (i) a disposition of Collateral permitted in accordance with the Investment Agreement or (ii) the payment and satisfaction in full of all of the Obligations in connection with the Promissory Note and the Investment Agreement, the security interest granted herein shall automatically terminate with respect to (A) such Collateral (in the case of clause (i)) or (B) all Collateral (in the case of clause (ii)). Upon any such disposition or termination, the Lender will, at the Borrower's sole expense, deliver to the Borrower, without any representations, warranties or recourse of any kind whatsoever, all Collateral held by the Lender hereunder, and execute and deliver to the Borrower such documents and instruments as the Borrower shall reasonably request to evidence such termination.

8. Acknowledgment

The Borrower hereby confirms that value has been given, that the Borrower has rights in the Collateral, and that the parties have not agreed to postpone the time for attachment of the security interest constituted hereby in favour of the Lender in any of the Collateral.

9. Investment Agreement

This Agreement is ancillary to, and executed in connection with, the Investment Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

10. Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the Investment Agreement, the provisions of the Investment Agreement shall prevail and be paramount.

11. Successors and Assigns, etc.

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective participants, successors and assigns.

12. Counterparts

This Agreement may be executed by the parties hereto in several counterparts and by facsimile transmission (or other similar electronic method), each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed and delivered by its duly authorized signing officers under seal as of the date first above written.

IKOMED TECHNOLOGIES INC.

By: 

Name:

c/s

Authorized Signing Officer

SCHEDULE "A"
TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

Item A. Patents

Canadian Patents

	Patent #
1.	

US Patents

	Application #
1.	Patent Application number 12/386,895 filed by Daniel Gelbart on April 27, 2009
2.	Patent Application number 12/926,717 filed by Daniel Gelbart on April 27, 2009

Item B. Patent Licenses

1. Ikomed Technologies Inc. has not licensed patents from any third party