OP \$1000.00 120169

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
SNTech, INC.	08/17/2011

RECEIVING PARTY DATA

Name:	SAIL Venture Partners II, L.P.
Street Address:	3161 Michelson Drive, Suite 750
City:	Irvine
State/Country:	CALIFORNIA
Postal Code:	92612

Name:	SAIL 2010 Co-Investment Partners, L.P.
Street Address:	3161 Michelson Drive, Suite 750
City:	Irvine
State/Country:	CALIFORNIA
Postal Code:	92612

Name:	SAIL 2011 Co-Investment Partners, L.P.
Street Address:	3161 Michelson Drive, Suite 750
City:	Irvine
State/Country:	CALIFORNIA
Postal Code:	92612

Name:	SAIL Holdings, LLC
Street Address:	3161 Michelson Drive, Suite 750
City:	Irvine
State/Country:	CALIFORNIA
Postal Code:	92612

Name:	Louisiana Sustainability Fund
Street Address:	201 St. Charles Avenue, 48th floor

City:	New Orleans
State/Country:	LOUISIANA
Postal Code:	70170
Name:	Municipal Employees' Retirement System of Louisiana
Street Address:	7937 Office Park Blvd.
City:	Baton Rouge
State/Country:	LOUISIANA
Postal Code:	70809
Name:	Navitas Capital I, LP
Street Address:	2920 Domingo Avenue, Suite 207
City:	Berkeley
State/Country:	CALIFORNIA
Postal Code:	94705
Name:	Ergo Strategic Partners II, LLC
Street Address:	3720 S. Susan Street, Suite 100
City:	Santa Ana
State/Country:	CALIFORNIA
Postal Code:	92704
Name:	Robert Marshall Family Limited Partnership
Street Address:	158 Sunkist Lane
City:	Los Altos
State/Country:	CALIFORNIA
Postal Code:	94022
Name:	Forever 7 LLC
Street Address:	1725 S. Country Club Dr.
City:	Mesa
State/Country:	ARIZONA
Postal Code:	85210
Name:	Don J. Carnegie
Street Address:	5405 Alton Parkway Suite 5A #540
City:	Irvine
State/Country:	CALIFORNIA
Postal Code:	92604

Name:	Ardelle C. St.George
Street Address:	5405 Alton Parkway Suite 5A #540
City:	Irvine
State/Country:	CALIFORNIA
Postal Code:	92604

PROPERTY NUMBERS Total: 25

Property Type	Number
Application Number:	12016924
Application Number:	12016849
Application Number:	12016894
Application Number:	12016872
Application Number:	12016878
Application Number:	12016850
Application Number:	12041580
Application Number:	11210886
Application Number:	12192059
Application Number:	12192054
Application Number:	12490225
Application Number:	12490208
Application Number:	12490229
Application Number:	12405094
Application Number:	12397227
Application Number:	12901412
Application Number:	12192011
Application Number:	12397196
Application Number:	12490206
Application Number:	12417506
Application Number:	12416882
Application Number:	12416880
Application Number:	12966968
Application Number:	13012647
Application Number:	13092505

CORRESPONDENCE DATA

 Fax Number:
 (949)760-9502

 Phone:
 949-760-0404

 Email:
 efiling@knobbe.com

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent

via US Mail.

Correspondent Name: Knobbe Martens Olson & Bear LLP

Address Line 1: 2040 Main Street
Address Line 2: Fourteenth Floor

Address Line 4: Irvine, CALIFORNIA 92614

ATTORNEY DOCKET NUMBER: SNTEC.000GEN

NAME OF SUBMITTER: Mincheol Kim

Total Attachments: 48

source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page1.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page2.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page3.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page4.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page5.tif source=2011-08-17 SNTech Patent Security Agreement with 2 Amendments#page6.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page7.tif source=2011-08-17 SNTech Patent Security Agreement with 2 Amendments#page8.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page9.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page10.tif source=2011-08-17 SNTech Patent Security Agreement with 2 Amendments#page11.tif source=2011-08-17 SNTech Patent Security Agreement with 2 Amendments#page12.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page13.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page14.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page15.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page16.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page17.tif source=2011-08-17 SNTech Patent Security Agreement with 2 Amendments#page18.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page19.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page20.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page21.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page22.tif source=2011-08-17 SNTech Patent Security Agreement with 2 Amendments#page23.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page24.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page25.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page26.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page27.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page28.tif source=2011-08-17 SNTech Patent Security Agreement with 2 Amendments#page29.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page30.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page31.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page32.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page33.tif source=2011-08-17 SNTech Patent Security Agreement with 2 Amendments#page34.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page35.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page36.tif source=2011-08-17 SNTech Patent Security Agreement with 2 Amendments#page37.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page38.tif

REEL: 028170 FRAME: 0004

source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page39.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page40.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page41.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page42.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page43.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page44.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page45.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page46.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page47.tif source=2011-08-17_SNTech_Patent Security Agreement_with_2_Amendments#page48.tif

Patent Security Agreement dated August 17, 2011 – Pages 1-25

Amendment to Patent Security Agreement dated December 23, 2011-Pages 26 – 36

Second Amendment to Patent Security Agreement dated February 3, 2012 – Pages 37 - 47

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (this "Agreement"), is made as of August 17, 2011, by SNTech, Inc., a Delaware corporation ("Debtor") in favor of SAIL Venture Partners II, L.P., a Delaware limited partnership, SAIL 2010 Co-Investment Partners, L.P., a Delaware limited partnership, SAIL 2011 Co-Investment Partners, L.P., a Delaware limited partnership; SAIL Holdings, LLC, a Delaware limited liability company; Louisiana Sustainability Fund, a Louisiana Limited Partnership; Municipal Employees' Retirement System of Louisiana; Navitas Capital I, LP, a Delaware limited partnership; Ergo Strategic Partners II, LLC, a California limited liability company; Robert Marshall Family Limited Partnership, a Family Limited Partnership; Forever 7 LLC, a limited liability company; and Don J. Carnegie and Ardelle C. St.George (collectively, the "Secured Party").

RECITALS

- A. Secured Party has lent to Debtor certain amounts (the "Loan"), as more fully described in those certain Convertible Senior Secured Promissory Notes by Debtor in favor of Secured Party, with various effective dates (the "Notes").
- B. One of the conditions to Secured Party's obligations to make the Loan is Debtor's grant to Secured Party of a security interest in the "Patent Collateral," as defined in Section 2, to secure Debtor's obligations to Secured Party.
- C. To induce Secured Party to provide the Loan pursuant to the terms of the Notes, Debtor has agreed to enter into this Agreement.
- D. Debtor has agreed to execute and deliver to Secured Party this Agreement for filing with the relevant domestic and foreign governmental authorities such as the U.S. Patent and Trademark Office, and with any other relevant recording systems in any domestic or foreign jurisdictions.

AGREEMENTS

For valuable consideration, the receipt and adequacy of which is hereby acknowledged, Debtor hereby agrees as follows:

- 1. <u>Definitions: Interpretation.</u>
- (a) <u>Certain Defined Terms</u>. As used in this Agreement, the following terms shall have the following meanings:
 - "Bankruptcy Code" means the United States Bankruptcy Code (11 U.S.C. § 101 et seq.), as amended, and any successor statute.

"Event of Default" means any Event of Default under the Notes.

"Patent Collateral" has the meaning set forth in Section 2.

"Patents" has the meaning set forth in Section 2,

"Proceeds" means whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any Patent Collateral, including "proceeds" as such term is defined in the UCC, and all proceeds of proceeds. Proceeds shall include (i) any and all accounts, chattel paper, instruments, general intangibles, cash and other proceeds, payable to or for the account of Debtor, from time to time with respect to any of the Patent Collateral, (ii) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of Debtor from time to time with respect to any of the Patent Collateral, (iii) any and all claims and payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Patent Collateral by any Person acting under color of governmental authority, and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the Patent Collateral or for or on account of any damage or injury to or conversion of any Patent Collateral by any Person.

"Secured Obligations" shall mean all liabilities, obligations, or undertakings owing by Debtor of any kind or description arising out of or outstanding under, advanced or issued pursuant to, or evidenced by the Notes, this Agreement, or any of the other loan documents contemplated by the Notes, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, voluntary or involuntary, whether now existing or hereafter arising, and including all interest (including interest that accrues after the filing of a case under the Bankruptcy Code) and any and all costs, fees (including attorneys fees), and expenses which Debtor is required to pay pursuant to any of the foregoing, by law, or otherwise.

"<u>UCC</u>" means the Uniform Commercial Code as in effect from time to time in the State of Delaware.

"United States" and "U.S." each mean the United States of America.

- (b) <u>Terms Defined in UCC</u> Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings ascribed to them in the UCC.
- (c) <u>Interpretation</u>. In this Agreement, except to the extent the context otherwise requires:
 - (i) Any reference to a Section or a Schedule is a reference to a section hereof, or a schedule hereto, respectively, and to a subsection or a clause is, unless otherwise stated, a reference to a subsection or a clause of the section or subsection in which the reference appears.
 - (ii) The words "hereof," "herein," "hereto," "hereunder" and the like mean and refer to this Agreement as a whole and not merely to the specific section, subsection, paragraph or clause in which the respective word appears.
 - (iii) The meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined.

- (iv) The words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation."
- (v) References to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto.
- (vi) References to statutes or regulations are to be construed as including all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation referred to.
- (vii) Capitalized words not otherwise defined herein shall have the respective meanings assigned to them in the Notes.
- (viii) Any captions and headings are for convenience of reference only and shall not affect the construction of this Agreement.
- (ix) In the event of a direct conflict between the terms and provisions of this Agreement and the Notes, it is the intention of the parties hereto that such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict between this Agreement and the Notes that cannot be resolved as aforesaid, the terms and provisions of this Agreement shall control and govern; provided, however, that the inclusion herein of additional obligations on the part of Debtor and supplemental rights and remedies in favor of the Secured Party (whether under Delaware law or applicable federal law), in each case in respect of the Patent Collateral, shall not be deemed a conflict with the Notes.

2. <u>Security Interest</u>.

- (a) Assignment and Grant of Security in Respect of the Secured Obligations. As security for the prompt payment and performance of the Secured Obligations, Debtor hereby grants, assigns, transfers, and conveys to the Secured Party, continuing first priority security interests, pro rata and pari passu with all existing first priority security interests in favor of any of the Secured Parties, in all of Debtor's right, title and interest in, to and under the following property, whether now existing or hereafter acquired or arising (collectively, the "Patent Collateral"), subject, however, to subordination to "Senior Indebtedness" as expressly provided for in the Notes:
 - (i) all letters patent of the U.S., the Republic of Korea or any other country, all registrations and recordings thereof, and all provisional applications or applications for letters patent of the U.S., the Republic of Korea or any other country, including national and regional stage applications of any applications, owned and/or licensed by Debtor in whole or in part, including, but not limited to, all patents set forth in <u>Schedule A</u> hereto, as the same may be amended or supplemented pursuant hereto from time to time, together with all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and the inventions disclosed therein, and all rights corresponding thereto throughout the world (collectively, the "Patents");

- (ii) all claims, causes of action and rights to sue for past, present and future infringement or unconsented use of any of the Patents and all rights arising therefrom and pertaining thereto;
- (iii) all general intangibles (as defined in the UCC) and all intangible intellectual or other similar property of Debtor of any kind or nature, whether now owned or hereafter acquired or developed, associated with or arising out of any of the Patents and not otherwise described above; and
 - (iv) all products and Proceeds of any and all of the foregoing.
- (b) <u>Continuing Security Interests</u>. Debtor hereby agrees that this Agreement shall create continuing security interests in the Patent Collateral which shall remain in effect until terminated in accordance with Section 17.
- 3. Further Assurances: Appointment of Secured Party as Attorney-in-Fact. Debtor at its expense shall execute and deliver, or cause to be executed and delivered, to the Secured Party any and all documents and instruments, in form and substance reasonably satisfactory to the Secured Party, in its discretion, and take any and all action, which the Secured Party may request from time to time, to perfect and continue perfected, maintain the priority of or provide notice of the security interests in the Patent Collateral and to accomplish the purposes of this Agreement. If Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Secured Party in accordance with the foregoing, the Secured Party shall have the right to, in the name of Debtor, or in the name of Secured Party or otherwise, without notice to or assent by Debtor, and Debtor hereby irrevocably constitutes and appoints Secured Party (and any of Secured Party's officers or employees or agents designated by Secured Party) as Debtor's true and lawful attorney-in-fact with full power and authority, (i) to sign the name of Debtor on all or any of such documents or instruments, and perform all other acts, that Secured Party deems necessary or advisable in order to perfect or continue perfected, maintain the priority or enforceability of or provide notice of the security interests in the Patent Collateral held by Secured Party, and (ii) to execute any and all other documents and instruments, and to perform any and all acts and things for and on behalf of Debtor, which Secured Party may deem necessary or advisable to maintain, preserve and protect the Patent Collateral and to accomplish the purposes of this Agreement, including (A) upon the occurrence and during the continuance of any Event of Default, to defend, settle, adjust or institute any action, suit or proceeding with respect to the Patent Collateral, (B) upon the occurrence and during the continuance of any Event of Default, to assert or retain any rights under any license agreement for any of the Patent Collateral, including any rights of Debtor arising under Section 365(n) of the Bankruptcy Code, and (C) upon the occurrence and during the continuance of any Event of Default, to execute any and all applications, documents, papers and instruments for Secured Party to use the Patent Collateral, to grant or issue any exclusive or non-exclusive license with respect to any Patent Collateral, and to assign, convey or otherwise transfer title in or dispose of the Patent Collateral. The power of attorney set forth in this Section 3, being coupled with an interest, is irrevocable so long as this Agreement shall not have terminated in accordance with Section 17.

4

3786600v3

- 4. <u>Representations and Warranties.</u> Debtor represents and warrants to Secured Party as follows:
- (a) <u>No Other Patents</u>. A true and correct list of all material Patents owned by or licensed by Debtor and/or by any subsidiary of Debtor, in whole or in part, is set forth in Schedule A.
- (b) <u>Validity</u>. To Debtor's knowledge, each of the Patents listed on <u>Schedule A</u> is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, all maintenance fees required to be paid on account of any such Patents have been paid for maintaining such Patents in force, and, to Debtor's knowledge, each of such Patents is valid and enforceable.
- Patent Collateral, (ii) Debtor has rights in and good and defensible title to the existing Patent Collateral, (ii) Debtor is the sole and exclusive owner thereof, free and clear of any Liens (other than interest created hereunder and other than Permitted Liens), and (iii) with respect to any Patent set forth in Schedule A for which Debtor is either a licensor or licensee pursuant to a license agreement regarding Patent, each such license agreement is in full force and effect, Debtor is not in default of any of its material obligations thereunder and, other than (A) the parties to such licenses or licensing agreements, or (B) in the case of any non-exclusive license or license agreement entered into by Debtor regarding such Patent Collateral, the parties to any other such non-exclusive licenses or license agreements entered into by Debtor with any other Person, no other Person is known by Debtor to have any rights in or to any such Patent Collateral. To the best of Debtor's knowledge, the past, present and contemplated future use of the Patent Collateral by Debtor has not, does not and will not infringe upon or violate any right or privilege of any other Person or give any such Person the right to terminate any such right or privilege.
- (d) <u>No Infringement</u>. To the best of knowledge of Debtor, (i) no material infringement or unauthorized use presently is being made of any of the Patent Collateral by any Person, and (ii) the past, present and contemplated future use of Patent Collateral by Debtor has not, does not and will not infringe upon or violate any right or privilege of any other Person.
- (e) <u>Powers</u>. Debtor has the unqualified right, power and authority to pledge and to grant to Secured Party security interests in all of the Patent Collateral pursuant to this Agreement, and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person except as already obtained.
- 5. <u>Covenants</u>. Debtor covenants that so long as this Agreement shall be in effect, Debtor shall:
- (a) comply with all of the covenants, terms and provisions of this Agreement, the Notes and the other loan documents to which Debtor is a party;
- (b) promptly give Secured Party written notice of the occurrence of any event that could have a material adverse effect on any of the Patents or the Patent Collateral;

- (c) on a continuing basis, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, including appropriate financing and continuation statements and security agreements, and take all such action as may be necessary or may be requested by Secured Party, in its discretion, to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interests granted or purported to be granted hereby, to ensure Debtor's compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Patent Collateral. Without limiting the generality of the foregoing sentence, Debtor:
 - (i) hereby authorizes Secured Party, in its discretion, if Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Secured Party, to modify this Agreement without first obtaining Debtor's approval of or signature to such modification by amending Schedule A hereof to include a reference to any right, title or interest in any existing material Patent Collateral or Patent Collateral acquired or developed by Debtor after the execution hereof, or to delete any reference to any right, title or interest in any Patent Collateral in which Debtor no longer has or claims any right, title or interest; and
 - (ii) hereby authorizes Secured Party, in its sole discretion, to file one or more financing or continuation statements, if Debtor refuses to execute and deliver, or fails timely to execute and deliver, any such amendment thereto it is requested to execute and deliver by Secured Party, any amendments thereto, relative to all or any portion of the Patent Collateral, without the signature of Debtor where permitted by law;
- (d) comply, in all material respects, with all applicable statutory and regulatory requirements in connection with any and all of the Patent Collateral, the failure to comply with which could reasonably be expected to have a material adverse effect, and give such notice of patent, prosecute such material claims, and do all other acts and take all other measures which, in Debtor's reasonable business judgment, may be necessary to preserve, protect and maintain the Patent Collateral and all of Debtor's rights therein, including diligently prosecute any material patent application pending as of the date of this Agreement or thereafter;
- (e) comply with each of the terms and provisions of this Agreement and the Notes, and not enter into any agreement (for example, a license agreement) which is inconsistent with the obligations of Debtor under this Agreement and the Notes without Secured Party's prior written consent; and
- (f) not permit the inclusion in any contract to which Debtor becomes a party of any provision that could or might impair or prevent the creation of a security interest in favor of Secured Party, in Debtor's rights and interest in any property included within the definition of Patent Collateral acquired under such contracts.
- 6. <u>Future Rights</u>. If and when Debtor (or any subsidiary of Debtor) shall obtain rights to any new patentable inventions other than as a licensee, or any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or Patent Collateral or any improvement thereof, the provisions of this Agreement shall automatically apply thereto and Debtor shall give to Secured Party notice thereof in accordance with the notice provisions of the

Notes. Debtor shall do all things deemed necessary or advisable by Secured Party, in its discretion, to ensure the validity, perfection, priority and enforceability of the security interests of Secured Party in such future acquired Patent Collateral. If Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Secured Party in connection herewith, Debtor hereby authorizes Secured Party to modify, amend or supplement the Schedules hereto and to re-execute this Agreement from time to time on Debtor behalf and as its attorney-in-fact to include any future Patents which are or become Patent Collateral and to cause such re-executed Agreement or such modified, amended or supplemented Schedules to be filed with the U.S. Patent and Trademark Office.

- 7. <u>No Duties of Secured Party</u>. Notwithstanding any provision contained in this Agreement, Secured Party shall have no duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to Debtor or any other Person for any failure to do so or delay in doing so.
- 8. <u>Events of Default</u>. The occurrence of any "Event of Default" under the Notes shall constitute an Event of Default hereunder.
- 9. Remedies. Upon the occurrence and during the continuance of an Event of Default, the Secured Party shall have all rights and remedies available to it under the Notes and applicable law (which rights and remedies are cumulative) with respect to the security interests in any of the Patent Collateral or any other Collateral, subject to the subordination provisions under the Notes with respect to "Senior Indebtedness". Debtor agrees that such rights and remedies include the right of Secured Party to sell or otherwise dispose of its Collateral after default, pursuant to UCC. Debtor agrees that Secured Party shall at all times have such royalty free licenses, to the extent permitted by law, for any Patent Collateral that is reasonably necessary to permit the exercise of any of Secured Party's rights or remedies upon or after the occurrence and during the continuation of an Event of Default with respect to (among other things) any tangible asset of Debtor in which Secured Party has a security interest. In addition to and without limiting any of the foregoing, upon the occurrence and during the continuance of an Event of Default, Secured Party shall have the right but shall in no way be obligated to bring suit, or to take such other action as Secured Party deems necessary or advisable, in the name of Debtor or Secured Party, to enforce or protect any of the Patent Collateral, in which event Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all documents required by Secured Party in aid of such enforcement. To the extent that Secured Party shall elect not to bring suit to enforce such Patent Collateral, Debtor, in the exercise of its reasonable business judgment, agrees to use all reasonable measures and its diligent efforts, whether by action, suit, proceeding or otherwise, to prevent the infringement, misappropriation or violation thereof by others and for that purpose agrees diligently to maintain any action, suit or proceeding against any Person necessary to prevent such infringement, misappropriation or violation.
- 10. <u>Binding Effect</u>. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor and Secured Party and any permitted transferees of Secured Party under the Notes.

- 11. <u>Notices</u>. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the notice provisions of the Notes.
- 12. <u>Governing Law</u>. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, except to the extent that the validity or perfection of the security interests hereunder in respect of the Patent Collateral are governed by federal law, in which case such choice of Delaware law shall not be deemed to deprive Secured Party of such rights and remedies as may be available under federal law.

13. Disputes.

- Arbitration. Except as otherwise provided in Section 13(b), any dispute, (a) claim, question, or disagreement involving the interpretation or enforcement of any provision of this Agreement or breach hereof or otherwise arising under or in connection with this Agreement shall be submitted to binding arbitration in Costa Mesa, California, in accordance with the Commercial Arbitration Rules of the American Arbitration Association (expedited procedures) then in effect. There shall be three (3) arbitrators, all of whom shall be neutral, and at least one (1) of whom shall be an attorney licensed to practice law in the State of California for at least ten (10) years. The arbitrators shall have the authority to exclude evidence found to be irrelevant, redundant, or prejudicial beyond its probative value, and are instructed to exercise that authority consistently with reasonably expediting the proceeding. The arbitrators may order specific performance, preliminary and final injunctive relief, and other equitable relief. The award of the arbitrators may be entered and enforced in any court of competent jurisdiction. In all cases where there is a dispute over the fair market value of either of the Companies or the value of any securities thereof, the arbitration shall be conducted as a "baseball style" arbitration where each party or side will submit one and only one proposed fair market value to the arbitrators and the arbitrators shall then be instructed and shall determine that the fair market value is exactly equal to one of the proposed valuations.
- (b) <u>Injunctive Relief.</u> The parties agree that damages cannot reasonably compensate the parties in the event of a violation of the covenants and restrictions in this Agreement and that it may be difficult to ascertain the damages which would be suffered by the parties in such cases. By reason thereof, the parties hereby agree injunctive relief is essential for the protection of the parties. The parties hereby agree and consent that, in the event of any such actual or threatened breach or violation, any party may obtain injunctive relief in order to prevent the potential or continuing violation of the terms of this Agreement from any court of competent jurisdiction located in the State of California; *provided, however*, that any determination of fair market value of either of the Companies or the value of any securities thereof shall be made by binding arbitration in accordance with the provisions of Section 13(a), and such arbitration may proceed concurrently with any action for injunctive relief. Any such injunction shall be available upon the posting of a bond in the amount of Five Thousand Dollars (\$5,000), and the parties hereby consent to the issuance of any such injunction upon the posting of such bond. The award of permanent or temporary injunctive relief shall in no way limit any other remedies to which a party may be entitled as a result of any such breach.
- (c) <u>Waiver of Jury Trial</u>. EACH PARTY HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LITIGATION

IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS AGREEMENT, ANY OTHER AGREEMENT CONTEMPLATED HEREBY OR THEREBY OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF.

- (d) <u>Attorneys' Fees</u>. The arbitrators may award to the substantially prevailing party in their discretion attorneys' fees and all other fees, costs, and expenses of enforcing any right of such substantially prevailing party under or with respect to this Agreement, including, without limitation, such reasonable fees and expenses of attorneys and accountants.
- 14. <u>Entire Agreement; Amendment.</u> This Agreement, the Notes and the other loan documents described therein, together with the Schedules hereto and thereto, contain the entire agreement of the parties with respect to the subject matter hereof and supersede all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties to this Agreement. Notwithstanding the foregoing, Secured Party may re-execute this Agreement or modify, amend or supplement the Schedules hereto as provided in Section 6 hereof.
- 15. <u>Severability</u>. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.
- 16. <u>Counterparts: Telefacsimile Execution</u>. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of an original executed counterpart of this Agreement by telefacsimile also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.
- 17. <u>Termination</u>. Upon the indefeasible payment in full in cash of the Secured Obligations and the full and final termination of any commitment to extend any financial accommodations under the Notes, this Agreement and the security interests granted hereunder shall terminate and Secured Party shall execute and deliver such documents and instruments and take such further action reasonably requested by Debtor and at Debtor's expense as shall be necessary to evidence termination of the security interests granted by Debtor to Secured Party.

[SIGNATURES ON FOLLOWING PAGE]

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

DEBTOR:
SNTech Inc. By:
Name: SHANNON BARD Title: Chief Exquire officer
SECURED PARTY:
SAIL VENTURE PARTNERS II, L.P.
By: SAIL Venture Partners, LLC, General Partner
By:
SAIL 2010 Co-Investment Partners, L.P. By: SAIL 2010 Co-Investment Partners, GP, LLC General Partner
By: Name:
Title:
SAIL 2011 Co-Investment Partners, L.P.
By: SAIL 2011 Co-Investment Partners, GP, LLC General Partner
*
By:
Name:
Title:

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

DEBTOR:
SNTech Inc.
By: Name: Title:
SECURED PARTY:
SAIL VENTURE PARTNERS II, L.P.
By: SAIL Venture Partners, LLC, General Partner
Name: Michael J. Hanner
Title: Tartner
SAIL 2010 Co-Investment Partners, L.P.
By: SAIL 2010 Co-Investment Partners, GP, LLC General Partner
By: CURS COS
Name: WALTER L. SCHINGER Title: ALLENACIOS PARTHON
SAIL 2011 Co-Investment Partners, L.P.
By: SAIL 2011 Co-Investment Partners, GP, LLC
General Partner
1.100 (600.

3786600

SAIL Holdings, LLC

General-Partner

[SIGNATURE PAGE TO PATENT SECURITY AGREEMENT]

3786600

Louisiana Sustainability Fund, a Louisiana Limited Partnership
By: SAIL Sustainable Partners of Louisiana LLC, General Partner By: SCHINDLER Title: CHALLMAN PMANNGING MEMBE
Navitas Capital I, LP
Ву:
Name:
Title: Managing Partner
Ergo Strategic Partners, LLC
By:
Name:
Title: Managing Member

Robert Marshall Family Limited Partnership
By: Steve Brown, General Partner
By:
Name:
Tifle:

Louisiana Sustainability Fund, a Louisiana Limited Partnership
By: SAIL Sustainable Partners of Louisiana LLC, General Partner
Ву:
Name:
Title:
Navitas Capitani, LP By: Name: Name: Title: Managing Partner
Ergo Strategic Partners, LLC
By:
Name:
Title: Managing Member
Robert Marshall Family Limited Partnership
By: Steve Brown, General Partner
Ву:
Name:
Title:

Louisiana Sustainability Fund, a Louisiana Limited Partnership
By: SAIL Sustainable Partners of Louisiana LLC, General Partner
By:Name:
Title:
Navitas Capital I, LP
Ву:
Name:
Title: Managing Partner
Ergo Strategic Partner LLC By: Later Polyala Name: Let Polyala Title: Managing Member
Robert Marshall Family Limited Partnership
By: Steve Brown, General Partner
Ву:
Name;
Title:

Louisiana Sustainability Fund, a Louisiana Limited Partnership
By: SAIL Sustainable Partners of Louisiana LLC, General Partner
By:
Name:
Title:
Navitas Capital I, LP
m
By:
Name:
Title: Managing Partner
9
Ergo Strategic Partners, LLC
nui.
By:Name:
Title: Managing Member
THE. Williague Weinber
Robert Marshall Family Limited Partnership
By: Steve Brown, General Partner
ву: <u>//0 Диц</u>
Name: STRIKE BAJUN
Title: GAMEN PARTICLE

[SIGNATURE PAGE TO PATENT SECURITY AGREEMENT]

3785600

Municipal Employees' Retirement System of

Louisiana

Name: Bob Rust
Title: Director

(SIGNATURE PAGE TO PATENT SECURITY AGREEMENT)

3786600

Forever M

By:_

CAHRIS ZATHATREIS

Name: Title: Managing Member

AVTHORIZED MODIT

[SIGNATURE PAGE TO PATENT SECURITY AGREEMENT]

3786600

Don J. Carnegie or Ardelle C. St.George

Name: Dow J. CARW. Title:

[SIGNATURE PAGE TO PATENT SECURITY AGREEMENT]

3786600

SCHEDULE A

LIST OF PATENTS AND PATENT APPLICATIONS

- 1. U.S. Patent Application, U.S. Pub. No. 2006/0244333, titled "Two-Phase Brushless DC Motor," filed August 25, 2005.
- 2. Republic of Korea Patent Application, No. 10-2005-035861, filed April 29, 2005.
- 3. See attached list of patents.

3786600v3

List of SNTech Patents and Patent Applications 1

August 17, 2011

KMOB Ref No.	Patent Application No.	Filing Date	Patent No.	Issue Date	Country	Title of the Invention	
SNTEC.001AUS	12/016,924	1/18/2008			US	METHOD OF CONSTANT AIRFLOW CONTROL FOR A VENTILATION SYSTEM	
SNTEC.001AUS2	12/016,849	1/18/2008	7,915,847	3/29/2011	US	METHOD OF CONSTANT RPM CONTROL FOR A VENTILATION SYSTEM	
SNTEC.001AUS3	12/016,894	1/18/2008	7,657,161	2/2/2010	US	METHOD OF TRANSITION BETWEEN CONTROLS FOR A VENTILATION SYSTEM	
SNTEC.001AUS4	12/016,872	1/18/2008			US	MULTI-LEVEL PROGRAMMING OF MOTOR FOR A VENTILATION SYSTEM	
SNTEC.001AUS5	12/016,878	1/18/2008			US	COMPENSATION OF MOTOR CONTROL USING CURRENT RPM RELATION FOR A VENTILATION SYSTEM	
SNTEC.001AUS6	12/016,850	1/18/2008			US	MOTOR CONTROL APPARATUS FOR A VENTILATION SYSTEM	
SNTEC.003AUS	12/041,580	3/3/2008	7,795,827	9/14/2010	US	A CONTROL SYSTEM FOR CONTROLLING MOTORS FOR HEATING, VENTILATION AND AIR CONDITIONING OR PUMP	
SNTEC.004A	11/210,886	8/25/2005	8,004,141	8/23/2011	US	TWO-PHASE BRUSHLESS DC MOTOR	
SNTEC.006CP1	12/192,059	8/14/2008			US	ROTOR OF BRUSHLESS MOTOR	
SNTEC.007CP1	12/192,054	8/14/2008			US	METHOD OF MAKING ROTOR OF BRUSHLESS MOTOR	
SNTEC.009PR	61/074,983	6/23/2008	n/a	n/a	US	DATE TRANSFER BETWEEN MOTORS	
SNTEC.009A1	12/490,225	6/23/2009			US	DATA TRANSFER BETWEEN MOTORS	
SNTEC.009A2	12/490,208	6/23/2009			US	DATA TRANSFER BETWEEN MOTORS	
SNTEC.009A3	12/490,229	6/23/2009			US	DATA TRANSFER BETWEEN MOTORS	
SNTEC.009VPC	PCT/US2009/ 048333	6/23/2009	n/a	n/a	Int'l	DATA TRANSFER BETWEEN MOTORS	

 $^{^{\}scriptscriptstyle 1}$ Pages 1 - 4 of this Schedule A do not include SNTech's patents and patent applications in Korea, Japan and China

			Schedule	: A			
KMOB Ref No.	Patent Application No.	Filing Date	Patent No.	Issue Date	Country	Title of the Invention	
SNTEC.009CA	2729247	6/23/2009			Canada	DATA TRANSFER BET WE EN MOTORS	
SNTEC.009EP	9770892.9	6/23/2009			Europe	DATA TRANSFER BETWEEN MOTORS	
SNTEC.009IN	447/DELNP/2 011	6/23/2009			India	DATA TRANSFER BETWEEN MOTORS	
SNTEC.010PR	61/053,560	5/15/2008	n/a	n/a	US	MOTOR WITH HALL EFFECT SENSORS	
SNTEC.010A	12/405,094	3/16/2009			US	MOTOR WITH MAGNETIC SENSORS	
SNTEC.010CA	2724489	5/13/2009			Canada	MOTOR WITH MAGNETIC SENSORS	
SNTEC.010EP	9747502.4	5/13/2009			Europe	MOTOR WITH MAGNETIC SENSORS	
SNTEC.010VPC	PCT/US2009/ 043835	5/13/2009	n/a	n/a	Int'l	MOTOR WITH MAGNETIC SENSORS	
SNTEC.011PR	61/059,596	6/6/2008	n/a	n/a	US	PHASE LOGIC CIRCUITS FOR CONTROLLING MOTORS	
SNTEC.011A	12/397,227	3/3/2009	7,812,556	10/12/2010	US	PHASE LOGIC CIRCUITS FOR CONTROLLING MOTORS	
SNTEC.011C1	12/901,412	10/8/2010			US	PHASE LOGIC CIRCUITS FOR CONTROLLING MOTORS	
SNTEC.011VPC	PCT/US2009/ 035921	3/3/2009	n/a	n/a	Int'l	PHASE LOGIC CIRCUITS FOR CONTROLLING MOTORS	
SNTEC.011VEP	9717306.6	3/3/2009			Europe	PHASE LOGIC CIRCUITS FOR CONTROLLING MOTORS	
SNTEC.011HK	11106154.6	3/3/2009			Hong Kong	PHASE LOGIC CIRCUITS FOR CONTROLLING MOTORS	
SNTEC.011VCA	2717416	3/3/2009			Canada	PHASE LOGIC CIRCUITS FOR CONTROLLING MOTORS	
SNTEC.011VIN	6508/DELNP/ 2010	3/3/2009			India	PHASE LOGIC CIRCUITS FOR CONTROLLING MOTORS	
SNTEC.012A	12/192,011	8/14/2008			US	POWER DRIVE OF ELECTRIC MOTOR	
SNTEC.013A	12/191,982	8/14/2008			US	TEMPERATURE CONTROL OF MOTOR	

£	1		Schedul	t A	3			
KMOB Ref No.	Patent Application No.	Filing Date	Patent No.	Issue Date	Country	Title of the Invention		
SNTEC.014A	12/397,196	3/3/2009			US	TIME DELAY LOGIC OF MOTOR CONTROL		
SNTEC.015PR	61/074,974	6/23/2008	n/a	n/a	US	OPTIMIZATION OF MOTOR OPERATION USING A TEST CYCLE		
SNTEC.015A	12/490,206	6/23/2009			US	OPTIMIZATION OF MOTOR OPERATION USING A TEST CYCLE		
SNTEC.016A	12/417,506	4/2/2009			US	BRUSHLESS DC MOTOR WITH SOFT-STARTING OF PWM SIGNALS		
SNTEC.016VCA	2698290	3/31/2010			Int'l	BRUSHLESS DC MOTOR WITH SOFT-STARTING OF PWM SIGNALS		
SNTEC.016VEP	10158460.5	3/30/2010			Europe	BRUSHLESS DC MOTOR WITH SOFT-STARTING OF PWM SIGNALS		
SNTEC.016HK	11103505.9	3/30/2010			Hong Kong	BRUSHLESS DC MOTOR WITH SOFT-STARTING OF PWM SIGNALS		
SNTEC.018A	12/416,882	4/1/2009			US	CONSTANT AIRFLOW CONTROL OF A VENTILATION SYSTEM		
SNTEC.018A2	12/416,880	4/1/2009			US	CALIBRATION OF MOTOR FOR CONSTANT AIRFLOW CONTROL		
SNTEC.018VPC	PCT/US2010/ 027854	3/18/2010			Int'l	CONSTANT AIRFLOW CONTROL OF A VENTILATION SYSTEM		
SNTEC.018VPC2	PCT/US2010/ 027862	3/18/2010			Int'l	CALIBRATION OF MOTOR FOR CONSTANT AIRFLOW CONTROL		
SNTEC.019A	12/966,968	12/13/2010			US	ELECTRICALLY COMMUNTATED MOTOR WITH DATA COMMUNICATION DEVICE		
SNTEC.019PR	61/285,889	12/11/2009	n/a	n/a	US	METHOD AND APPARATUS FOR PROGRAMMING OF MOTOR AND SPEED SELECTION OF MOTOR		
SNTEC.020PR	61/298,131	1/25/2010	n/a	n/a	US	SPEED-DEFINED TORQUE CONTROL		
SNTEC.020AUS	13/012,647	1/24/2011			US	SPEED-DEFINED TORQUE CONTROL		
SNTEC.020WO	PCT/US2011/ 022433	1/25/2011			Int'l	SPEED-DEFINED TORQUE CONTROL		
SNTEC.021PR	61/327,038	4/22/2010	n/a	n/a	US	APPARATUS FOR SELECTING SPEED OF ELECTRICALLY COMMUTATED MOTOR FOR USE IN HVAC SYSTEM		

KMOB Ref No.	Patent Application No.	Filing Date	Patent No.	Issue Date	Country	Title of the Invention	
SNTEC.021A	13/092,505	4/22/2011			US	APPARATUS FOR SELECTING SPEED OF ELECTRICALLY COMMUTATED MOTOR FOR USE IN HVAC SYSTEM	
SNTEC.021WO	PCT/US2011/ 033673	4/22/2011			Int'l	APPARATUS FOR SELECTING SPEED OF ELECTRICALLY COMMUTATED MOTOR FOR USE IN HVAC SYSTEM	

11749194 081211

YULIAHN Interantional Patent & Law Office

August 17, 2011

Foreign (Managed in Korea)

Patent

Country	OurRef	Field Date	Application No.	Title	Reg. Date	Reg. No.	Status
Taiwan	OPA05-688TW	December 29, 2005	94147146	Two-phase Brushless DC Motor	June 11, 2009	I311002	Registered
Taiwan	OPA07-U018TW	August 22, 2007	96131036	ROTOR OF BRUSHLESS DIRECT- CURRENT MOTOR			Pending
Taiwan	OPA09-U075TW	December 8, 2009	98141926	Rotor for electromotor using permanent magnet			Pending
Taiwan	OPA10-U088TW	March 31, 2010	99109861	CALIBRATION OF MOTOR FOR CONSTANT AIRFLOW CONTROL			Pending
Taiwan	OPA10-U089TW	April 2, 2010	99110371	CONSTANT AIRFLOW CONTROL OF VENTILATION SYTSTEM			Pending
Taiwan	OPA10-U081TW	April 2, 2010	099110411	BRUSHLESS DC MOTOR WITH SOFT- STARTING OF PWM SIGNALS			Pending
USA	OPA07-U025US	April 14, 2008	12/102,539	ROTOR OF BLUSHLESS(BL)MOTOR			Pending
USA	OPA09-U070US	December 22, 2009	12/644,741	Rotor for electromotor using permanent magnet			Pending
USA	OPA07-U015US-1	May 17, 2010	12/801,023	Rotor for electromotor using permanent magnet (Divisional Application)			Pending
EPO	OPA07-U019EPO	August 16, 2007	07 114 432.3	ROTOR OF BRUSHLESS DIRECT- CURRENT MOTOR			Pending
EPO	OPA08-U037EPO	July 17, 2008	08 160 618.8	ROTOR OF BRUSHLESS DIRECT- CURRENT MOTOR			Pending
EPO	OPA09-U072EPO	November 26, 2009	09 177 156.8	Rotor for electromotor using permanent magnet			Pending
Japan	OPA09-U074JP	December 23, 2009	2009-283995	Rotor for electromotor using permanent magnet			Pending
Japan	OPA10-U082JP	March 30, 2010	2010-078760	BRUSHLESS DC MOTOR WITH SOFT- STARTING OF PWM SIGNALS			Pending
Japan	OPA10-U098JP	September 3, 2010		Phase LOGIC CIRCUITS for Controlling Motors			Pending
China	OPA07-U017CN	August 27, 2007	200710147728.7	ROTOR OF BRUSHLESS DIRECT- CURRENT MOTOR			Pending
China	OPA09-U073CN	December 25, 2009	200910258853.4	Rotor for electromotor using permanent magnet			Pending
China	OPA10-U080CN	April 1, 2010	201010160048.0	BRUSHLESS DC MOTOR WITH SOFT- STARTING OF PWM SIGNALS			Pending
China	OPA10-U097CN	September 3, 2010		Phase LOGIC CIRCUITS for Controlling Motors			Pending
Canada	OPA05-687CA	December 23, 2005	2,531,545	Two-phase Brushless DC Motor			Pending
Canada	OPA07-U016CA	August 17, 2007	2,597,804	ROTOR OF BRUSHLESS DIRECT- CURRENT MOTOR			Pending
Canada	OPA09-U071CA	November 26, 2009	2,686,363	Rotor for electromotor using permanent magnet			Pending

26

AMENDMENT TO PATENT SECURITY AGREEMENT

THIS AMENDMENT TO PATENT SECURITY AGREEMENT (this "Amendment"), is made as of December 23, 2011, SNTech, Inc., a Delaware corporation ("SNTech America"), SNTech Co., Ltd., a corporation organized under the laws of the Republic of Korea ("SNTech Korea" and together with SNTech America, the "Companies"), SAIL Venture Partners II, L.P., a Delaware limited partnership; SAIL 2011 Co-Investment Partners, L.P., a Delaware limited liability company; and Forever 7 LLC, a limited liability company (collectively, the "December Lenders"), and SAIL 2010 Co-Investment Partners, L.P., a Delaware limited partnership; Louisiana Sustainability Fund, a Louisiana Limited Partnership; Municipal Employees' Retirement System of Louisiana; Navitas Capital I, LP, a Delaware limited partnership; Ergo Strategic Partners II, LLC, a California limited liability company; Robert Marshall Family Limited Partnership, a Family Limited Partnership; and Don J. Carnegie and Ardelle C. St.George (collectively, "Existing Lenders"). The December Lenders and the Existing Lenders are sometimes referred to herein as the "Secured Party").

RECITALS

- A. The December Lenders lent to Debtor certain amounts (the "Loan"), as more fully described in those certain Convertible Senior Secured Promissory Notes by Debtor in favor of Secured Party, with an effective date of December 23, 2011 (the "Notes").
- B. The December Lenders and the Existing Lenders previously entered into that certain Convertible Note Purchase Agreement, and accompanying Schedules, which included the Patent Security Agreement ("Original Patent Security Agreement") on August 17, 2011, pursuant to which they loaned an amount of \$14,850,000 to Maker, subject to the conditions specified therein.
- C. The parties desire to amend the Original Patent Security Agreement, and to align the terms of this Amendment to the terms and conditions of the Original Patent Security Agreement.
- D. One of the conditions to Secured Party's obligations to make the Loan is Debtor's grant to Secured Party of a security interest in the "Patent Collateral," as defined in the Original Patent Security Agreement, Section 2, to secure Debtor's obligations to Secured Party.
- E. Debtor has agreed to execute and deliver to Secured Party the Original Patent Security Agreement and this Agreement for filing with the relevant domestic and foreign governmental authorities such as the U.S. Patent and Trademark Office, and with any other relevant recording systems in any domestic or foreign jurisdictions.

MISCELLANEOUS PROVISIONS

For valuable consideration, the receipt and adequacy of which is hereby acknowledged, Debtor hereby agrees as follows:

27

- 1.1 The parties hereby agree that the Notes shall be deemed to be "Notes" under the Original Patent Security Agreement, as amended hereby, and all obligations thereunder or under this Amendment, the Original Patent Security Agreement, or any of the other loan documents contemplated by the Notes shall be "Secured Obligations" as defined in the Original Patent Security Agreement, and shall be treated on a pro rata and pari passu basis with all other Notes thereunder as though the December Notes were originally secured by and under the Original Patent Security Agreement.
- 1.2 The Original Patent Security Agreement, as amended hereby, is the entire agreement of the parties on the subject matter hereof and supersedes and replaces any prior agreement, understanding or representation on such subject matter.

[SIGNATURES ON FOLLOWING PAGE]

3786600v3

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment, as of the date-first-above-written.

DEBTOR:

SNTech, Inc.

By: Summer Summe

Title: CEC

REEL: 028170 FRAME: 0034

SECURED PARTY:

SAIL VENTURE PARTNERS II, L.P.

By: SAIL Venture Partners, LLC,

General Partner

By: Name:

SAIL 2010 Co-Investment Partners, L.P.

By: SAIL 2010 Co-Investment Partners, GP, LLC

General Partner

SAIL 2011 Co-Investment Partners, L.P.

By: SAIL 2011 Co-Investment Partners, GP, LLC

General Partner

By:

SAIL Holdings, LLC

By: WALTER L. SCHINDLER, General Partner

Louisiana Sustainability Fund, a Louisiana Limited
Partnership
By: SAIL Sustainable Partners of Louisiana LLC,
Seneral Pariner
1,1651,00
By: U STATE STATE OF THE STATE
Name: Wolfer Schindler
Title: Namacing Partner
9 3
and the second control of the second control
Navitas Capital I, LP
Ph.
Ву:
Name:
Title: Managing Partner
Ergo Strategic Partners, LLC
bigo Suategio natuleis, LLC
D. Fr
By:Name:
Title: Managing Member
Tito. Managing Tromos.
Robert Marshall Family Limited Partnership
By: Steve Brown, General Partner
Ву:
Name:
Title:

Louisiana Sustainability Fund, a Louisiana Limited Partnership
By: SAIL Sustainable Partners of Louisiana LLC, General Partner
By:
Name:
Title:
Navitas Capital L. LP By: Name: Title: Managing Partner
Ergo Strategic Partners, LLC
Ву:
Name:
Title: Managing Member
Robert Marshall Family Limited Partnership
By: Steve Brown, General Partner
By:
Name:
Title:

Louisiana Sustainability Fund, a Louisiana Limite Partnership
By: SAIL Sustainable Partners of Louisiana LLC, General Partner
By:
Name:
Title:
Navitas Capital I, LP
Ву:
Name:
Title: Managing Partner
Ergo Strategic Partners, LLG By: Name: Peter 70 4 do Title: Managing Member
Robert Marshall Family Limited Partnership
By: Steve Brown, General Partner
Ву:
Name
Title

Louisiana Sustainability Fund, a Loui Partnership	siana Lir	nited
By: SAIL Sustainable Partners of Lou General Partner	uisiana Ll	LC,
By:		
Name:	Š.	
Title:		
Navitas Capital I, LP	90 N	
By:	<u></u>	
Name:		
Title: Managing Partner		
Ergo Strategic Partners, LLC By:		
Name:		
Title: Managing Member		
Robert Marshall Family Limited Partne	ership	
By: Steve Brown General Partner By: Name: Stave Brown	#	
Name: STAN BROWN		
Title: Gavennelmone		

Municipal Sampleyant Same of

1.ouisiana

0y:<u>(%) 77</u> Name: <u>025 Espi</u> This: **Dire**ssi

6

3786660v3

Forever 7 LL

By: Name:
Title: Managing Member

Don J. Carnegie or Ardelle C. St.George

Name:

Title:

8

3786600v3

SECOND AMENDMENT TO PATENT SECURITY AGREEMENT

THIS SECOND AMENDMENT TO PATENT SECURITY AGREEMENT (this "Second Amendment"), is made as of February 3, 2012, SNTech, Inc., a Delaware corporation ("SNTech America"), SNTech Co., Ltd., a corporation organized under the laws of the Republic of Korea ("SNTech Korea" and together with SNTech America, the "Companies"), SAIL Venture Partners II, L.P., a Delaware limited partnership; and SAIL 2011 Co-Investment Partners, L.P., a Delaware limited partnership; (collectively, the "February Lenders"), and SAIL Holdings, LLC, a Delaware limited liability company; SAIL 2010 Co-Investment Partners, L.P., a Delaware limited partnership; Forever 7 LLC, a limited liability company; Louisiana Sustainability Fund, a Louisiana Limited Partnership; Municipal Employees' Retirement System of Louisiana; Navitas Capital I, L.P., a Delaware limited partnership; Ergo Strategic Partners II, LLC, a California limited liability company; Robert Marshall Family Limited Partnership, a Family Limited Partnership; and Don J. Carnegie and Ardelle C. St.George (collectively, "Existing Lenders"). The February Lenders and the Existing Lenders are sometimes referred to herein as the "Secured Party").

RECITALS

- A. The February Lenders lent to Debtor certain amounts (the "Loan"), as more fully described in those certain Convertible Senior Secured Promissory Notes by Debtor in favor of Secured Party, with an effective date of February 3, 2012 (the "Notes").
- B. The February Lenders and the Existing Lenders previously entered into that certain Convertible Note Purchase Agreement, and accompanying Schedules, which included the Patent Security Agreement ("Original Patent Security Agreement") on August 17, 2011, as amended as of December 23, 2011, pursuant to which they loaned an amount of \$15,350,000 to Maker, subject to the conditions specified therein.
- C. The parties desire to amend the Original Patent Security Agreement, as amended, and to align the terms of this Second Amendment to the terms and conditions of the Original Patent Security Agreement, as amended.
- D. One of the conditions to Secured Party's obligations to make the Loan is Debtor's grant to Secured Party of a security interest in the "Patent Collateral," as defined in the Original Patent Security Agreement, Section 2, to secure Debtor's obligations to Secured Party.
- E. Debtor has agreed to execute and deliver to Secured Party the Original Patent Security Agreement and this Agreement for filing with the relevant domestic and foreign governmental authorities such as the U.S. Patent and Trademark Office, and with any other relevant recording systems in any domestic or foreign jurisdictions.

MISCELLANEOUS PROVISIONS

For valuable consideration, the receipt and adequacy of which is hereby acknowledged, Debtor hereby agrees as follows:

- 1.1 The parties hereby agree that the Notes shall be deemed to be "Notes" under the Original Patent Security Agreement, as previously amended and as amended hereby, and all obligations thereunder or under this Second Amendment, the Original Patent Security Agreement, as amended, or any of the other loan documents contemplated by the Notes shall be "Secured Obligations" as defined in the Original Patent Security Agreement, as amended, and shall be treated on a pro rata and pari passu basis with all other Notes thereunder as though the February Notes were originally secured by and under the Original Patent Security Agreement, as amended.
- 1.2 The Original Patent Security Agreement, as amended previously and hereby, is the entire agreement of the parties on the subject matter hereof and supersedes and replaces any prior agreement, understanding or representation on such subject matter.

[SIGNATURES ON FOLLOWING PAGE]

2

*	DEBTOR:
	SNTech Inc.
	By: SHANNON BARD
	Title: CHIEF EXECUTIVE OF TIER
	SECURED PARTY:
	SAIL VENTURE PARTNERS II, L.P.
	By: SAIL Venture Partners, LLC, General Partner
	Ву:
8	Name: Title:
	SAIL 2010 Co-Investment Partners, L.P.
	By: SAIL 2010 Co-Investment Partners, GP, LLC General Partner
	Ву:
	Name:Title:
	SAIL 2011 Co-Investment Partners, L.P.
	By: SAIL 2011 Co-Investment Partners, GP, LLC General Partner
	Ву:
	Name:

3786600v3

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment, as of the date first above written.

Name:_

Title:_

DE	BTOR:		5 1
SNI	Tech Inc.	E	K ş
By:	<u>.</u>		
Nan	ne:	and the second	
Title	3 <u> </u>	enal familia en en e	
e di	CURED PARTY:		
SAI	L VENTURE PARTNERS II, J	L.P.	
Ву:	SAIL Venture Partners, LLC, General Partner	å- so	

MANAGING PARTUER

By: SAIL 2010 Co-Investment Partners, GP, LLC General Partner

By: WACTER SCHINGTER
Title: MANAGING PARTNER

SAIL 2011 Co-Investment Partners, L.P.

By: SAIL 2011 Co-Investment Partners, GP, LLC General Partner

Name: WALTER SCHOOLS TITLE: MANAGING PARTY SO

3786600v3

SAIL Holdings, LLC

WALTER SCHINDLER General Partner

By:____ Name:__ WAUTH SCHINDLER CHAIRMAN

Title:

Louisiana Sustainability Fund, a Louisiana Limited Partnership
By: SAIL Sustainable Partners of Louisiana LLC,
General Partner
() (25) (5)
By: Company of the state of the
Name: WALTER Schivaler
Title: MANAGING PAMMER
Ε
Navitas Capital I, LP
By.
Name:
Title: Managing Partner
§·
Ergo Strategic Partners, LLC
Ergo Suategie ratificis, LLCC
Ву. О
Name: Peter Polydor
Title: Managing Member
to the specific point of the second s
Robert Marshall Family Limited Partnership
By: Steve Brown, General Partner
Ву:
Name:
Title:

Louisiana Sustainability Fund, a Louisiana Limited Partnership
By: SAIL Sustainable Partners of Louisiana LLC, General Partner
By:
Name:
Title:
Navitas Capitai I, LP By: Name: Name: Title: Managing Partner
Ergo Strategic Partners, LLC
By:
Name:
Title: Managing Member
Robert Marshall Family Limited Partnership
By: Steve Brown, General Partner
By:
Name:
Title:

By: SAIL Sustainable Partners of Louisiana LLC, General Partner By:	Louisiana Sustainability Fund, a Louisiana Limite Partnership
Navitas Capital I, LP By:	
Navitas Capital I, LP By:	By:
Navitas Capital I, LP By:	Name:
By: Name: Title: Managing Partner Ergo Strategic Partners, LLC By: Name: Title: Managing Member Robert Marshall Family Limited Partnership By: Steve Brown, General Partner By: Name: Title: Managing Member	Title:
Name: Title: Managing Partner Ergo Strategic Partners, LLC By: Name: Title: Managing Member Robert Marshall Family Limited Partnership By: Steve Brown, General Partner By: Name: Title: Title:	Navitas Capital I, LP
Name: Title: Managing Partner Ergo Strategic Partners, LLC By: Name: Title: Managing Member Robert Marshall Family Limited Partnership By: Steve Brown, General Partner By: Name: Title: Title:	Ву:
Ergo Strategic Partners, LLC By: Name: Title: Managing Member Robert Marshall Family Limited Partnership By: Steve Brown, General Partner By: Name: Title:	Name:
By:	Title: Managing Partner
Name: Title: Managing Member Robert Marshall Family Limited Partnership By: Steve Brown, General Partner By:	Ergo Strategic Partners, LLC
Name: Title: Managing Member Robert Marshall Family Limited Partnership By: Steve Brown, General Partner By:	Ву:
Robert Marshall Family Limited Partnership By: Steve Brown, General Partner By: Name: Title:	Name:
By: Steve Brown, General Partner By: Name: Title:	Title: Managing Member
By: Sure: State Brown	Robert Marshall Family Limited Partnership
Name: STAUL BROWN	By: Steve Brown, General Partner
Title: Comment of the	7
Title: Converm Pontocka	
	Title: 6 GN/42M. PMVMUA

Musicipal Employees' Retreated System of Louisianes 27

By: <u>() 77</u> Nanie: Belykist Take: Diesebu:

Forever

В

Name HUS Title: Managing Member 24HARUS

Don J. Carnegie or Ardelle C. St.George

Name:

Title:

8