

PATENT ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT										
NATURE OF CONVEYANCE:	SECURITY AGREEMENT										
CONVEYING PARTY DATA											
<table border="1"> <thead> <tr> <th>Name</th> <th>Execution Date</th> </tr> </thead> <tbody> <tr> <td>Tellus Renewables LLC</td> <td>09/30/2011</td> </tr> <tr> <td>Tellus Renewables Worldwide Inc</td> <td>09/30/2011</td> </tr> </tbody> </table>		Name	Execution Date	Tellus Renewables LLC	09/30/2011	Tellus Renewables Worldwide Inc	09/30/2011				
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<table border="1"> <tr> <td>Name:</td> <td>Wallace Campbell PLLC</td> </tr> <tr> <td>Street Address:</td> <td>1700 7th Ave #2100</td> </tr> <tr> <td>City:</td> <td>Seattle</td> </tr> <tr> <td>State/Country:</td> <td>WASHINGTON</td> </tr> <tr> <td>Postal Code:</td> <td>98101</td> </tr> </table>		Name:	Wallace Campbell PLLC	Street Address:	1700 7th Ave #2100	City:	Seattle	State/Country:	WASHINGTON	Postal Code:	98101
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CORRESPONDENCE DATA											
<p>Fax Number: 4257761700 <i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i></p> <p>Phone: 4257764100 Email: jenniferr@beresfordlaw.com Correspondent Name: David Tingstad Address Line 1: 145 Third Ave S Address Line 2: Ste 200 Address Line 4: Edmonds, WASHINGTON 98020</p>											
NAME OF SUBMITTER:	David Tingstad										
	This document serves as an Oath/Declaration (37 CFR 1.63).										
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SECURITY AGREEMENT

This Security Agreement is made this 30th day of September, 2011, between Tellus Renewables Worldwide, Inc., a Washington corporation ("TRW") and Tellus Renewables LLC, a Washington limited liability company ("TR"), (collectively referred to as "Borrower"), and Wallace Campbell, PLLC, ("Lender").

RECITALS

A. As of August 8, 2011, Borrower is indebted to Lender in the amount of \$53,477.90 as a result of legal services rendered by Lender to Borrower at Borrower's request and direction.

B. As a material inducement for Lender to continue to provide legal services for Borrower, Borrower has agreed to provide collateral security for the performance of its obligations and liabilities to Lender, pursuant to the terms and conditions of this Agreement.

C. For the reasons described above, in consideration of the mutual promises and covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by the parties, Borrower and Lender agree as follows:

SECTION ONE DEFINITIONS

The following capitalized terms used in this Agreement shall have the meanings assigned to them in this Section One, and shall include the plural as well as the singular number:

A. "Collateral" means all of Borrower's assets whether now owned or later acquired by Borrower, and all products of such assets, and all replacements, replenishments, additions, accessions, and substitutions of such assets and the proceeds of the same (including but not limited to insurance proceeds, cash, bank accounts, and deposits) including but not limited to:

1. All patents, including United States Patent No. 7,648,539, patent disclosures, trademarks, service marks, trade dress, logos, tradenames, copyrights, art and mask works, manuals and information, and all registrations, applications, reissues, continuations, continuations in part or extensions of the same, (collectively, the "Intellectual Property") and all associated goodwill for each of the foregoing, and all computer software, computer programs, computer data bases and related documentation and materials, data, documentation, trade secrets, confidential business information (including ideas, formulas, compositions, inventions, know-how, business processes and techniques, research and development information, drawings, designs, plans, proposals and technical data, financial, marketing and business data, customer and supplier data, pricing and cost information) and other intellectual property rights (in whatever form or medium), whether owned or licensed by the Borrower, including but not limited to the Intellectual Property;

2. All inventory from any source or supplier;

3. All contract rights (including all property, casualty, and life insurance contracts owned by Borrower), general intangibles and other rights and privileges of Borrower under any and all leases and other contracts between Borrower and any third party;

4. All equipment, including but not limited to machinery, motor vehicles, furniture and furnishings, and office equipment;

5. All cash on hand and in bank accounts, marketable securities, certificates of deposit and similar items; and

6. All of Tellus Renewables Worldwide, Inc.'s interest in Tellus Renewables, LLC.

7. Without limiting the generality of the foregoing, to the extent related to all or any part of the other Collateral, all books, correspondence, credit files, records, invoices, tapes, cards, computer runs and other papers and documents in the possession or under the control of Borrower or any computer bureau or service company from time to time acting for Borrower.

B. "Event of Default" means the occurrence of any one or more of the following events:

1. The filing against Borrower of an involuntary petition or other pleading seeking the entry of a decree or order for relief under the United States Bankruptcy Code or any similar federal or state insolvency or other similar law ordering: (i) the liquidation of Borrower, (ii) a reorganization of Borrower or the business and affairs of Borrower, or (iii) the appointment of a receiver, liquidator, assignee, custodian, trustee or similar official for Borrower or the property of Borrower, and the failure to have such petition or other pleading denied or dismissed within 30 days from the date of filing;

2. (i) the commencement by Borrower of a voluntary case under the United States Bankruptcy Code or any similar federal or state insolvency or other similar law, (ii) the consent by Borrower to the appointment or taking possession by a receiver, liquidator, assignee, trustee, custodian or similar official for Borrower or any of the property of Borrower, (iii) the making by Borrower of an assignment for the benefit of creditors, or (iv) the failure by Borrower generally to pay its debts as they become due; or

3. The making of any levy, seizure or attachment of or on the Collateral by any third party.

C. "Liability" or "Liabilities" means all monetary obligations and liabilities of Borrower to Lender, whether now existing or later incurred, matured or unmatured, direct or indirect, absolute or contingent, now due or later to become due, as well as all costs and reasonable expenses of collection, including reasonable attorney's fees, paralegals' fees and expenses for any primary, appellate, bankruptcy and postjudgment proceedings, incurred by Lender in connection with the enforcement Borrower's obligations to Lender or this Agreement.

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**SECTION TWO
GRANT OF SECURITY INTEREST**

To secure the payment and performance in full of all of the Obligations, the Borrower hereby grants, assigns, transfers and conveys to the Lender, by way of collateral security, all of the Collateral, PROVIDED that Lender agrees to subordinate its interest in the Collateral to any interest(s) in the Collateral granted by the Borrower to secure, on a dollar-for-dollar basis, (1) any new money loaned to Tellus through but not later than December 31, 2011, or (2) any loans previously received by Tellus from Barry Miller, Wally Kempe or Nathan Chapman. The Lender assumes no liability arising in any way by reason of holding such collateral security.

**SECTION THREE
PERFECTION OF SECURITY INTEREST**

To perfect the security interest granted above, Borrower authorizes Lender to file financing statements in forms that are satisfactory to Lender (including amendments to and continuation statements of such financing statements, and filings with the United States Patent and Trademark Office), describing the Collateral and containing such legends as Lender deems necessary or appropriate to protect Lender's interest in the Collateral. Borrower agrees to pay all taxes, fees and costs (including reasonable attorney's fees) paid or incurred by Lender in connection with the preparation, filing or recordation of such documents and instruments. Borrower shall not file any amendments, correction statement or termination statements concerning the Collateral without the prior written consent of Lender. Borrower shall, from time to time, at the request of Lender, execute such other documents and perform such other acts reasonably necessary or appropriate to establish and maintain a valid and perfected security interest in the Collateral, free of all other liens and claims whatsoever. Borrower appoints Lender as its attorney-in-fact (without requiring it to act as such) to perform all acts that Lender deems necessary or appropriate to perfect and continue its security interest in the Collateral. Borrower acknowledges that this power of attorney is coupled with an interest and is irrevocable until all Liabilities have been fully paid.

**SECTION FOUR
PATENTS, TRADEMARKS, ETC.**

Borrower shall notify Lender immediately upon the occurrence of either of the following: (i) Borrower's acquisition after the date of this Agreement of any material Intellectual Property; or (ii) a Responsible Officer of Borrower obtaining knowledge, or reason to know, that any application or registration relating to any Intellectual Property owned by or licensed to Borrower is reasonably likely to become abandoned or dedicated, or of any material adverse determination or development (including but not limited to the institution of, or any such determination or development in, any proceeding in the United States Copyright Office, the United States Patent and Trademark Office, or any court) regarding Borrower's ownership of any material Intellectual Property, its right to register the same, or to keep and maintain the same. Notwithstanding anything to the contrary contained in this Agreement, Lender shall only require perfection of its security interests in, or other registration with respect to, any patent, trademark or copyright registered, or eligible to be registered, with a country other than the United States or any political subdivision of such country, to the extent that Lender determines, in its sole discretion, that such

patent, trademark or copyright, and the registration of the same in such other country or political subdivision is material to Borrower's business.

SECTION FIVE AFFIRMATIVE COVENANTS

Borrower covenants that, until such time as all of the Liabilities have been fully satisfied and paid, it shall:

A. Take all actions necessary to prosecute any pending applications with respect to the Intellectual Property;

B. Take all actions necessary to protect its rights with respect to the Intellectual Property, including bringing appropriate actions to prevent infringement of such rights;

C. Promptly notify Lender of any actual or threatened infringement of Borrower's rights with respect to the Intellectual Property;

D. Promptly notify Lender of the occurrence of any Event of Default or any event or condition which, with the giving of notice or the lapse of time, could constitute an Event of Default;

E. Pay or cause to be paid when due, all taxes, assessments, and charges or levies imposed upon the Collateral;

F. Notify Lender 7 days in advance of any change in the location of its business, or of the establishment of any new, or the discontinuance of any existing, place of business;

G. Continuously maintain, preserve, and keep in full force and effect, its corporate existence, good standing, and its right and privilege to conduct business in Washington;

H. Permit Lender or its representatives at any time to inspect as frequently as reasonably requested the Collateral, wherever located, and it shall fully and timely assist Lender in regard to such inspections to the extent requested by Lender; and

I. Maintain insurance, at full replacement cost, on the Collateral.

SECTION SIX NEGATIVE COVENANTS

Borrower covenants that, until such time as all of the Liabilities have been fully paid and satisfied, it shall not:

A. Pay any dividends to its shareholders, without the prior consent of Lender, which consent shall not be unreasonably withheld;

B. Sell, transfer or otherwise dispose of all or any part of the Collateral, except for collection of accounts receivable and sales of inventory in the ordinary course of business;

C. Disclose any confidential information regarding the Intellectual Property; or

E. Mortgage, pledge, grant, or permit to exist a security interest in or lien upon any of the Collateral.

SECTION SEVEN REMEDIES UPON DEFAULT

Upon the occurrence of an Event of Default, Lender may declare all **Liability** or **Liabilities** to be immediately due and payable and may, at its option and without notice or demand on Borrower and in addition to all the rights and remedies that accrue to a secured party under the Uniform Commercial Code as in effect under applicable law or that are otherwise available to Lender under applicable law, do any one or more of the following: (a) foreclose or otherwise endorse Lender's interest in the Collateral in any manner permitted by law, or provided for in this Agreement; or (b) sell, lease, license or otherwise dispose of any Collateral at one or more public or private sales, whether or not such Collateral is present at the place of sale, for cash or credit or future delivery, on such terms and in such manner as Lender may determine. Borrower waives any constitutional or other right to a judicial hearing prior to the time Lender takes possession or disposes of the Collateral upon default as provided in this Section Eight.

SECTION EIGHT GENERAL PROVISIONS

A. Choice of Law; Venue. The laws of Washington, excluding its choice of law provisions if such laws would result in the application of laws other than the laws of Washington, shall govern any disputes with respect to this Agreement, the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of Borrower and Lender under this Agreement. The forum selected for any proceeding or suit related to a dispute between Borrower and Lender related to this Agreement shall be in a federal or state court of competent jurisdiction located in Snohomish, Washington. Borrower and Lender each consent to such courts' personal jurisdiction over it and waive any defense, whether asserted by motion or pleading, that Snohomish, Washington, is an improper or inconvenient venue.

B. Notice. Any notice, demand or other communication to a party that is permitted or required under this Agreement shall be given in writing, and shall be deemed to have been duly delivered (i) when delivered by personal delivery, (ii) 3 days after being deposited with the United States Postal Service for mailing by first-class mail, postage prepaid, certified mail, with return receipt requested (regardless of whether the return receipt is subsequently received), or (iii) 2 business days after being deposited with a nationally recognized courier service for overnight delivery; and in each case addressed by the sender to the recipient at the address first listed above, or to such other address as the party may notify the other party in writing in conformity with the provisions of this Section.

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C. Further Action. Each party agrees to take all further action, and to execute, acknowledge, and deliver any other documents, which may be reasonably necessary, appropriate, or desirable to carry out the provisions of this Agreement.

D. Amendment. The Agreement may be amended only by a written instrument signed by both parties.

E. No Waiver. No waiver of any provision of this Agreement, and no consent to any departure by a party from the terms and conditions of this Agreement, shall be effective unless such waiver or consent is given in writing by the party against whom the waiver is being sought (in which the case the waiver or consent shall be effective only in the specific instance, and only for the specific purpose, for which it was given). No failure or delay by a party in exercising any right or remedy, or requiring the satisfaction of any condition under this Agreement, and no course of dealing between the parties, shall operate as a waiver or estoppel of any right or remedy of such party under this Agreement, or limit or prevent the subsequent enforcement of any provision of this Agreement by such party.

F. Severability. If any provision of this Agreement is determined to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall remain in full force, if the essential terms and conditions of this Agreement for each party remain valid, binding and enforceable.

G. Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, the parties and their respective successors and permitted assignees.

H. Authority. Each individual executing this Agreement on behalf of an entity represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of the entity and that this Agreement is binding upon the entity.

The parties have executed this Security Agreement at 9-30-2011 the day and year first set forth above.

TELLUS RENEWABLES, LLC
A Washington limited liability company

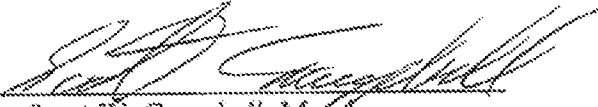
Wally Kempe
By: Wally Kempe, President of Tellus Renewables
Worldwide, Inc., Manager

TELLUS RENEWABLES WORLDWIDE, INC.
A Washington corporation

Wally Kempe
By: Wally Kempe, President

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WALLACE CAMPBELL, PLLC
A Washington Professional Limited Liability Company



By: Scott W. Campbell, Member

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