

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
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EPAS ID: PAT2691475

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>Z-AXIS HOLDINGS, INC.</td> <td>01/16/2014</td> </tr> <tr> <td>Z-AXIS, INC.</td> <td>01/16/2014</td> </tr> </tbody> </table>		Name	Execution Date	Z-AXIS HOLDINGS, INC.	01/16/2014	Z-AXIS, INC.	01/16/2014
Name	Execution Date						
Z-AXIS HOLDINGS, INC.	01/16/2014						
Z-AXIS, INC.	01/16/2014						
RECEIVING PARTY DATA							
Name:	NEW YORK BUSINESS DEVELOPMENT CORPORATION						
Street Address:	50 BEAVER STREET						
City:	ALBANY						
State/Country:	NEW YORK						
Postal Code:	12207						
PROPERTY NUMBERS Total: 1							
<table border="1"> <thead> <tr> <th>Property Type</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Patent Number:</td> <td>7259971</td> </tr> </tbody> </table>		Property Type	Number	Patent Number:	7259971		
Property Type	Number						
Patent Number:	7259971						
CORRESPONDENCE DATA							
Fax Number:							
Phone:	5184632268						
Email:	lnaimo@nybdc.com						
<i>Correspondence will be sent via US Mail when the email attempt is unsuccessful.</i>							
Correspondent Name:	LEESA NAIMO-FREDETTE/NYBDC						
Address Line 1:	50 BEAVER STREET						
Address Line 4:	ALBANY, NEW YORK 12207						
NAME OF SUBMITTER:	LEESA NAIMO FREDETTE						
Signature:	/Inf/						
Date:	01/22/2014						
This document serves as an Oath/Declaration (37 CFR 1.63).							

Total Attachments: 6

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**CONTINGENT PATENT, COPYRIGHTS AND TRADEMARK
LICENSE ASSIGNMENT**

Date: Jan 16, 2014

Assignor: **Z-Axis Holdings, Inc.**
1916 Route 96
Phelps, New York 14532

Assignor: **Z-Axis, Inc.**
1916 Route 96
Phelps, New York 14532

Assignee: **New York Business Development Corporation**
50 Beaver Street
Albany, New York 12207

Loan Amount: **\$3,854,000.00**

SBA Loan No.: **65804250-02**

THE UNDERSIGNED, in consideration for loans and other credit accommodations extended to or to be extended to **Z-Axis Holdings, Inc.** (the "Borrower") by the Assignee, the repayment of which has been unconditionally guaranteed by the Assignor (collectively, the "Credit Facility") and for other good and valuable consideration, receipt of which is hereby acknowledged by the Assignor, the Assignor does hereby grant to the Assignee, a security interest in certain of Assignor's assets, including, without limitation, their patents, patent applications, service marks, service mark applications, service names, copyrights, copyright applications, trademarks, trademark applications, trade names, goodwill and licenses;

In furtherance of the security interest granted to the Assignee herein, the Assignor covenants and agrees as follows:

1. Assignment of Patents. To secure the complete and timely satisfaction of all of the liabilities and obligations of every kind or nature of Assignor to Assignee under or related to the Credit Facility and all notes, agreements, and documents delivered in connection therewith, including as extended, modified, or replaced from time to time (the "*Obligations*"), Assignor hereby grants, assigns and conveys to Assignee all of the Assignor's right, title and interest in and to **U.S. Patent Number 7,259,971 (Issue date: 8/21/2007), Title: Encapsulated Electronic Power Converter with Embedded AC Components** together with hereafter acquired, arising and/or filed applications in relation thereto, and the inventions and, improvements described and claimed as a result thereof and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a)-(d), are sometimes hereinafter individually and/or collectively referred to as the "*Patents*").

2. Security Interest in Copyrights. TO THE EXTENT APPLICABLE TO OR RELATED TO THE PATENTS, to secure the complete and timely satisfaction of all of the Obligations, Assignor hereby grants and conveys to Assignee a lien and security interest in all of the Assignor's right, title and interest in and to all of their now owned or existing and filed and hereafter acquired or arising and filed:

(i) copyrights and renewals or extensions thereof, copyright registrations and applications, related trademarks and service marks, all matrices, manufacturing derivatives and physical elements of the visual and sound recordings, and to all of the assets, properties, contracts, rights and obligations relating thereto, for all territories of the world in perpetuity, and (a) renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payment for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of which foregoing copyrights, service marks, registrations, trade names, service names and applications, together with the items described in clauses (a)-(d), are sometimes hereinafter individually and/or collectively referred to as the "*Copyrights*");

(ii) the goodwill of Assignor's business including but not by way of limitation such goodwill connected with and in relation to the *Copyrights* (the "*Copyrights Goodwill*"); and

(iii) license agreements with any other party relating to intellectual property or proprietary rights of any kind or nature, whether Assignor is licensor or licensee under any such license agreement (the "*Copyright Licenses*")(*Copyrights*, *Copyrights Goodwill* and *Copyright Licenses* are hereinafter collectively referred to herein as "*Copyrights*").

3. Security Interest in Trademark, Goodwill, and Licenses. TO THE EXTENT APPLICABLE TO OR RELATED TO THE PATENTS, to secure the complete and timely satisfaction of all of the Obligations, Assignor hereby grants and conveys to Assignee a lien and security interest in all of the Assignor's right, title and interest in and to all of their now owned or existing and filed and hereafter acquired or arising and filed:

(i) trademarks, trademark registrations, trade names and trademark applications, service marks, service mark registrations, service names and service mark applications, including, without limitation, the trademarks, trademark registrations, trade names and trademark applications, service marks, service mark registrations, service names and service mark applications, and (a) renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payment for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of which foregoing trademarks, service marks, trademark and service mark registrations, trade names, service names and applications, together with the items described in clauses (a)-(d), are sometimes hereinafter individually and/or collectively referred to as the "*Trademarks*");

(ii) the goodwill of Assignor's business including but not by way of limitation such goodwill connected with and symbolized by the Trademarks (the "*Trademarks Goodwill*"); and

(iii) license agreements with any other party relating to intellectual property or proprietary rights of any kind or nature, whether Assignor is licensor or licensee under any such license agreement (the "*Trademarks Licenses*")(*Trademarks*, *Trademarks Goodwill* and *Trademarks Licenses* are hereinafter collectively referred to herein as "*Copyrights*").

4. Restrictions on Future Assignments. Assignor agrees that until the Obligations shall have been satisfied in full and the Credit Facility shall have been terminated, Assignor will not, without Assignee's prior written consent, enter into any agreement relating to the Patents, Copyrights or Trademarks which would limit or restrict the rights of Assignee hereunder and Assignor further agrees that it will not take any action, or permit any action to be taken by others subject to their control, including licensees, or fail to take any action which would affect the validity or enforcement of the rights transferred to Assignee under this Assignment.

5. New Patents, Copyrights or Trademarks. Assignor represents and warrants that the Patents, Copyrights and Trademarks as set forth herein, constitute all of the patents, copyrights, service marks, trademarks, applications and licenses now owned by Assignor. If, before the Obligations shall have been satisfied in full, Assignor shall (i) obtain rights to any new patentable inventions, copyrights, trademarks,

trademark registrations, trade names, service marks, service mark registrations, service names, or licenses, or (ii) become entitled to the benefit of any patent, copyright, service mark or trademark application, service mark, service mark registration, trademark, trademark registration, or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any patent or any improvement on any patent, the provisions of this Assignment shall automatically apply thereto and Assignor shall give to Assignee prompt written notice thereof. Assignor hereby authorizes Assignee as attorney-in-fact to modify this Assignment by amending, as applicable, to include any future patents, patent applications, copyrights, service marks, service mark registrations, service mark applications, service names, trademarks, trademark registrations, trademark applications, trade names and licenses which are Patents, Copyrights or Trademarks, as applicable, under Sections 1, 2 or 3 above or under this Section 5, and to file or refile this Assignment with the United States Patent, Copyright and/or Trademark Office.

6. Representations and Warranties. Assignor represents and warrants to and agree with Assignee that:

(i) the Patents (to the extent issued), Copyrights, Trademarks and related licenses are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(ii) to the best knowledge of Assignor, each of the Patents, Copyrights, Trademarks and related licenses are valid and enforceable;

(iii) Assignor is the owner of the Patents, Copyrights, Trademarks and related licenses and has the power and authority to make, and will continue to have authority to perform, this Assignment according to its terms;

(iv) to the best knowledge of Assignor, this Assignment does not violate and is not in contravention of any other agreement to which Assignor is a party or any judgment or decree by which Assignor is bound and does not require any consent under any other agreement to which Assignor is a party or by which Assignor is bound; and

(v) there has been no prior sale, pledge, encumbrance, assignment or other transfer or disposition of any of the Patents, Copyrights, Trademarks and/or related licenses or any part thereof, and the same are free from all liens, charges and encumbrances of any kind, including but not limited to licenses, shop rights and covenants not to sue third persons, other than liens permitted by the Credit Facility.

7. Royalties/Term. Assignor hereby agrees that the use by Assignee of all Patents, Copyrights, Trademarks and all related licenses, if any, as described above shall be worldwide and without any liability for royalties or other related charges from Assignee to the Assignor. The term of the assignments granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, Copyrights Trademarks and related licenses assigned hereunder, or (ii) the Obligations have been paid in full and the Credit Facility has been terminated.

8. Grant of License to Assignor. Unless and until an "Event of Default" (as defined in the Credit Facility) shall have occurred, Assignee hereby grants to Assignor a nontransferable right and license to use the Patent, Copyrights, Trademarks and related licenses, if any, and to make, have made, use and sell the inventions, copyrights and/or movie/film rights disclosed and claimed in the Patents and/or Copyrights for Assignor's own benefit and account and for none other. Assignor agrees not to sell or assign their interest in, or grant any sublicense under, the license granted to Assignor in this Section 8 without the prior written consent of Assignee. From and after the occurrence of an Event of Default, Assignor's license with respect to Patents, Copyrights, Trademarks, and related licenses, if any, as set forth in this Section 8 shall terminate forthwith, and Assignee shall have, in addition to all other rights and remedies given it by this Assignment, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Copyrights,

Trademarks, and Licenses may be located, including, but not by way of limitation, the location of Assignee's headquarters.

9. Reassignment to Assignor. Upon payment in full of the obligations and termination of the Credit Facility, Assignee shall execute and deliver to Assignor all assignments and other instruments as may be necessary or proper to re-vest in Assignor full title to the Patents, Copyrights and Trademarks, subject to any disposition thereof which may have been made by Assignee pursuant hereto or pursuant to the Credit Facility.

10. Duties of Assignor. Assignor shall have the duty to (i) prosecute diligently any patent application of the Patents made by them, any copyright infringement and any trademark or service mark application of the Trademarks made by them pending as of the date hereof or thereafter until the Obligations shall have been paid in full, (ii) make application on unpatented but patentable inventions, applications for necessary copyrights and on trademarks and service marks, as appropriate, and (iii) preserve and maintain all of their rights in patent applications and patents of the Patents, Copyrights and in trademark applications, trademarks, trademark registrations, service mark applications, service marks, and service mark registrations of the Trademarks. Any expenses incurred in connection with such applications shall be borne by Assignor. Assignor shall not abandon any right to file a Patent application, Copyright application or Trademark application, or any pending Patent, Copyright or Trademark application without the consent of Assignee which will not be unreasonably withheld.

11. Financing Statements/Documents. Assignor authorizes the Assignee to execute and file, and at the request of Assignee, Assignor will join with Assignee in executing one or more financing statements pursuant to the New York and New Jersey version of the Uniform Commercial Code, as applicable, in form satisfactory to Assignee, and will pay the costs of filing and/or recording this Assignment and all financing, continuation and termination statements in all public offices where filing or recording is deemed necessary or desirable by Assignee. Assignor will execute and deliver to Assignee from time to time such supplemental assignments or other instruments, including, but not by way of limitation, additional assignments to be filed with the United States Patent, Copyright and Trademark office, as Assignee may require for the purpose of confirming Assignee's interest in the Patents, Copyrights, Trademarks and all related licenses. Assignor hereby authorizes the Commissioner of Patents, Copyrights and Trademarks to issue any and all patents on such inventions, copyright registrations and any and all certificates of registration on all trademarks to Assignee as assignee of Assignor's entire interest.

12. Assignee's Right to Sue. Assignee shall have the same rights, if any, as Assignor has, but shall in no way be obligated, to bring suit in their own name to enforce the Patents, Copyrights, Trademarks, and related licenses, and, if Assignee shall commence any such suit, Assignor shall, at the request of Assignee, do any and all lawful acts and execute any and all proper documents required by Assignee in aid of such enforcement and Assignor shall promptly, upon demand and as a part of the obligations, reimburse and indemnify Assignee for all costs and expenses incurred by Assignee in the exercise of its rights under this Section 12. After first giving Assignee a reasonable opportunity to bring suit in its own name to enforce the Patents, Copyrights, Trademarks, and related licenses, Assignor may bring such suit in their own name.

13. Waivers. No course of dealing between Assignor and Assignee nor any failure to exercise nor any delay in exercising, on the part of Assignee, any right, power or privilege hereunder or under the Credit Facility shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

14. Severability. The provisions of this Assignment are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Assignment in any jurisdiction.

15. Modification. This Assignment cannot be altered, amended or modified in any way, except as specifically provided in Section 4 hereof or by a writing signed by the parties hereto.

16. Cumulative Remedies/Effect on Credit Facility. All of Assignee's rights and remedies with respect to the Patents, Copyrights and Trademarks, whether established hereby or by the Credit Facility, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Assignor acknowledges and agrees that this Assignment is not intended to limit or restrict in any way the rights and remedies of Assignee under the Credit Facility but rather is intended to facilitate the exercise of such rights and remedies.

17. Binding Effect/Benefits. This Assignment shall be binding upon the Assignor and their respective successors and assigns, and shall inure to the benefit of Assignee, its successors and assigns.

18. Governing Law. The loan under which this security agreement is granted is made under a SBA nationwide program that uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations (i) when the SBA is holder of the note, this document and all other documents evidencing or securing this loan will be construed in accordance with federal law; and (ii) the Secured Party or the SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using state or local procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No borrower or guarantor may claim or assert against SBA any local or state law to deny any obligation of the Borrower, or defeat any claim of SBA with respect to the loan. Any clause in this document requiring arbitration is not enforceable when the SBA is the holder of the note.

19. Counterparts. This Security Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[SIGNATURE PAGES FOLLOW]

