

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT2713650

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
V3 SYSTEMS INC.	01/31/2014
RECEIVING PARTY DATA	
Name:	SPHERE 3D CORPORATION
Street Address:	240 MATHESON BLVD. EAST
City:	MISSISSAUGA
State/Country:	CANADA
Postal Code:	L4Z 1X1
PROPERTY NUMBERS Total: 7	
Property Type	Number
Application Number:	13250836
Application Number:	13175771
Application Number:	13175766
PCT Number:	US2012027007
PCT Number:	US2012027010
PCT Number:	US2012043187
PCT Number:	US2012043183
CORRESPONDENCE DATA	
Fax Number:	(602)382-6070
Phone:	602-382-6572
Email:	krigby@swlaw.com, enielsen@swlaw.com
<i>Correspondence will be sent via US Mail when the email attempt is unsuccessful.</i>	
Correspondent Name:	ERIC NIELSEN, SNELL & WILMER L.L.P.
Address Line 1:	400 EAST VAN BUREN
Address Line 2:	ONE ARIZONA CENTER
Address Line 4:	PHOENIX, ARIZONA 85004-2202

NAME OF SUBMITTER:	ERIC NIELSEN
Signature:	/Eric Nielsen/
Date:	02/05/2014
Total Attachments: 8 source=Executed Promissory Note#page1.tif source=Executed Promissory Note#page2.tif source=Executed Promissory Note#page3.tif source=Executed Promissory Note#page4.tif source=Executed Promissory Note#page5.tif source=Executed Promissory Note#page6.tif source=Executed Promissory Note#page7.tif source=Executed Promissory Note#page8.tif	

SPHERE 3D CORPORATION

PROMISSORY NOTE

Maximum Amount: \$750,000

Date: January 31, 2014

FOR VALUE RECEIVED, the undersigned, V3 SYSTEMS INC. (the "Borrower"), incorporated under the laws of the State of Nevada with its principal office and place of business at 6405 South 3000 East, 2nd Floor, Salt Lake City, UT 84121, PROMISES TO PAY to or to the order of SPHERE 3D CORPORATION (the "Lender"), at its offices at 240 Matheson Blvd. East, Mississauga, Ontario, L4Z 1X1, Canada, or such other place as the Lender may designate, ON DEMAND at any time the principal amount outstanding as recorded by the Lender in the column headed "Unpaid Principal Balance" (such amount as updated from time to time in accordance with the terms of this Note, the "Unpaid Principal Balance") on the record attached to and forming part of this Note in lawful money of Canada.

This Promissory Note (the "Note") is intended to refinance, replace and supersede the following two Promissory Notes previously delivered by Borrower to Lender (together the "Cancelled Notes"): (1) that certain Promissory Note from Borrower, as Maker, to Lender, as Holder, dated December 23, 2013 in the principal sum of \$15,000; and (2) that certain Promissory Note from Borrower, as Maker, to Lender, as Holder, dated December 30, 2013 in the principal sum of \$125,000. Upon the execution and delivery of this Note, the Cancelled Notes shall automatically be deemed paid in full, cancelled and terminated and Lender shall concurrent therewith indicate on the face of each of the Cancelled Notes that the Cancelled Notes are paid in full and cancelled, and return the same to Borrower.

The Lender shall and is unconditionally and absolutely authorized and directed by the Borrower to record on the record attached to and forming part of this Note (i) the date and amount of each advance made by the Lender and the resulting increase of the Unpaid Principal Balance, and (ii) the date and amount of each repayment on account of the principal paid to the Lender and the resulting decrease of the Unpaid Principal Balance. Such notations, in the absence of manifest mathematical error, shall be prima facie evidence of such advances and repayments; provided that the failure of the Lender to record the same shall not affect the obligations of the Borrower to pay such amounts to the Lender.

The Unpaid Principal Amount remaining from time to time unpaid and outstanding shall bear interest, both before and after demand and judgment to the date of the repayment in full of the principal amount, at 8.0% per annum; however, no interest shall accrue or be payable on the Note until after February 28, 2014. Interest at such rate shall accrue daily commencing on February 28, 2014 and be calculated on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and shall be payable when demand is made on the principal amount outstanding in accordance with this Note. Overdue interest shall bear interest at the same rate, calculated as aforesaid.

To the extent required by the Borrower, acting reasonably and in prior consultation with the Lender, to fund the day-to-day operations of the Borrower or the working capital

requirements of the Borrower prior to the earlier of (a) the closing date of the Purchase Agreement (as defined below), and (b) the date the Borrower or the Lender provide notice pursuant to the Letter of Intent (as defined below) that it does not intend to proceed with the transactions proposed therein, the Lender shall advance, at its sole and unfettered discretion, when required by the Borrower from time to time, acting reasonably, additional funds up to a maximum aggregate principal amount equal to the Maximum Amount (inclusive of the initial \$50,000 deposit provided with the Letter of Intent).

The Borrower shall have the right and privilege of paying the whole or any portion of the principal amount of this Note from time to time remaining unpaid and outstanding at any time or times.

The Borrower and all endorers of this Note waive presentment for payment and notice of non-payment and agree and consent to all extensions or renewals of this Note without notice.

This Note is being provided by way of interim funding to the Borrower and is predicated upon the execution and delivery by the Borrower (and its shareholders, to the extent required) of an agreement of purchase and sale (the "Purchase Agreement") pursuant to which the Borrower agrees to sell to the Lender all of the issued and outstanding assets of the Borrower, on terms substantially the same as the Letter of Intent dated December 4, 2013 entered into between the Borrower and Lender (the "Purchase Agreement").

Notwithstanding that this Note is dated January 31, 2014, it shall be deemed to include and document the advance provided by the Lender to the Borrower in the amount of \$50,000 in connection with the execution of the Letter of Intent.

The Borrower grants to the Lender, a security interest in, and assigns, mortgages, charges, hypothecates and pledges to the Lender, all of the property and undertaking of the Borrower now owned or hereafter acquired and all of the property and undertaking in which the Borrower now has or hereafter acquires any interest (collectively, the "Collateral") including all of the Borrower's: (a) present and after-acquired personal property; (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Borrower; (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents; (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them; (e) money, documents of title, chattel paper, financial assets and investment property; (f) software, source code, intellectual property, trademarks and patents; (g) all supplier contacts and customer contracts; (h) intangibles including all security interests, goodwill, product brand, know-how, choses in action, contracts, contract rights, licenses and other contractual benefits; (i) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in (a) through (j) inclusive; and (j) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in (a) through (i) inclusive, including the proceeds of such proceeds.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the "Security Interest") secures the payment and performance of, up to a maximum secured amount of \$750,000: (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Borrower to the Lender in any currency, under, in connection with or pursuant to the Note; and (b) all expenses, costs and charges incurred by or on behalf of the Lender in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Lender's interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other loan document (collectively, the "Expenses").

The Borrower acknowledges that (i) value has been given, (ii) it has rights in the Collateral or the power to transfer rights in the Collateral to the Lender (and each item of after-acquired Collateral at the time as it acquires any rights thereon), (iii) it has not agreed to postpone the time of attachment of the Security Interest and (iv) it has received a copy of this Agreement.

The Security Interest becomes and is enforceable against the Borrower upon the occurrence at any time after the date hereof and during the continuance of any of the following events of default (each, an "Event of Default"): (a) the Borrower fails to pay any principal, interest or other amounts payable under the Promissory Note when such amounts are due and payable; (b) the Borrower fails to perform or comply with any other term, covenant or agreement contained in this Promissory Note; (c) the Letter of Intent has been terminated; (d) the Borrower fails to pay the principal of, or premium or interest on, any of its debt (other than the Promissory Note), that is not in default as of the date hereof, which is outstanding in an aggregate principal amount exceeding \$50,000 when such amount is due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and the failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to the debt without waiver of failure by the holder of the debt; (e) the Borrower is in breach of any agreement with Catherine Voutaz, KDJC LLC, a Utah limited liability company, and KC Voutaz, LLC, a Utah limited liability company (collectively, "Voutaz") including without limitation, the Settlement Agreement dated December 2013 between the Borrower and Voutaz, other than with respect to any breach that may result from the Borrower entering into this Note and filing any related security documents, (f) a new judgment or order for the payment of money in excess of \$50,000 is rendered against the Borrower at any time after the date hereof, and either (i) enforcement proceedings have been commenced by a creditor upon such judgment or order, or (ii) there is a period of 10 consecutive days during which a stay of enforcement of the judgment or order, by reason of a pending appeal or otherwise, is not in effect; (g) the Borrower (i) institutes or has instituted against it any proceeding seeking (A) to adjudicate it a bankrupt or insolvent, (B) liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, including any plan of

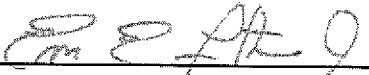
compromise or arrangement or other corporate proceeding involving or affecting its creditors, or (C) the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its properties and assets, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs, or (ii) takes any corporate action to authorize any of the above actions; (h) the Obligor ceases or threatens to cease carrying on its business; or (i) an event or development has occurred which, the Lender had no knowledge of as of the date hereof, and in the opinion of the Lender, is reasonably likely to have a material adverse effect on the Borrower, its business and operations or its prospects. Notwithstanding the above, and for the avoidance of doubt, no Event of Default shall exist or be declared or result at any time hereafter as a result of any events or circumstances that have been disclosed to Lender in writing as of the date of this Note and that would otherwise as of the date hereof constitute an Event of Default.

Whenever the Security Interest is enforceable as a result of an Event of Default, the Lender may realize upon the Collateral and enforce the rights of the Lender by: (a) entry onto any premises where Collateral consisting of tangible personal property may be located; (b) entry into possession of the Collateral by any method permitted by law; (c) sale, grant of options to purchase, or lease of all or any part of the Collateral; (d) holding, storing and keeping idle or operating all or any part of the Collateral; (e) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Lender were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Lender or its nominee if not already done); (f) collection of any proceeds arising in respect of the Collateral; (g) collection, realization or sale of, or other dealing with, accounts; (h) instruction or order to any issuer or securities intermediary pursuant to any control the Lender has over the Collateral; (i) instruction to any bank to transfer all moneys constituting Collateral held by such bank to an account maintained with or by the Lender; (j) appointment by instrument in writing of a receiver (including a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent; (k) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral; (l) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral; (m) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Borrower; (n) upon notice to the Borrower, the Secured Creditor may elect to retain any Collateral in satisfaction of any obligations or indebtedness of any kind owing to the Lender; and (o) any other remedy or proceeding authorized or permitted under applicable law or equity.

This Note is governed by, and will be interpreted and construed in accordance with, the laws of the State of Delaware, without regard to the conflict of law provisions thereof, and the parties hereby attorn to the exclusive jurisdiction of the courts of the City of Dover, and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

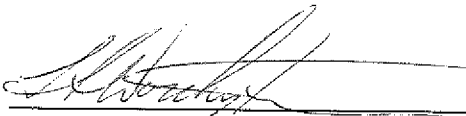
IN WITNESS WHEREOF the Borrower has executed this Note as of the date first written above.

V3 SYSTEMS INC.

By: 
Authorized Signing Officer

Accepted and agreed by the Lender this 31st day of January, 2014.

SPHERE 3D CORPORATION

By: 
Scott Worthington
Chief Financial Officer

[Signature Page for Promissory Note Dated January 31, 2014;

Maximum Principal Amount: \$750,000]

ADVANCED AND REPAYMENT OF PRINCIPAL

Date	Amount of Advance	Principal Repaid or Prepaid	Unpaid Principal Balance	Notation Made By
December 4, 2013	\$50,000	\$0	\$50,000	Scott Worthington
January 31, 2014	\$15,000	\$0	\$65,000	Scott Worthington
January 31, 2014	\$125,000	\$0	\$190,000	Scott Worthington
January 31, 2014	\$90,000	\$0	\$280,000	Scott Worthington

Schedule 6.19
Intellectual Property Rights of Seller

Application/Registration Number	Owner/Assignee	Mark/Title	Status
US Trademarks			
4,288,340	V3 Systems, Inc.	V3 DESKTOP CLOUD ORCHESTRATOR	Registered 02/12/2013 Sections 8 & 15 due 02/12/2019
4,135,466	V3 Systems, Inc.		Registered 05/01/2012 Sections 8 & 15 due 05/01/2018
4,086,758	V3 Systems, Inc.	V3	Registered 01/17/2012 Sections 8 & 15 due 01/17/2018
85/150,768	V3 Systems, Inc.	OPTIMIZATION LAYER	Abandoned
US Patent Applications			
2013/0086580 13/250,836	V3 Systems, Inc.	MIGRATION OF VIRTUAL MACHINE POOL	Published 04/04/2013 Pending, Office Action dated 08/21/2013
2013/0007735 13/175,771	V3 Systems, Inc.	VIRTUAL MACHINE ALLOCATION INTERNAL AND EXTERNAL TO PHYSICAL ENVIRONMENT	Published 01/03/2013 Pending, Restriction Requirement dated 10/25/2013
2013/0007436 13/175,766	V3 Systems, Inc.	INTERMEDIATION OF HYPERVISOR FILE SYSTEM AND STORAGE DEVICE MODELS	Published 01/03/2013 Pending, waiting first action
PCT Patent Applications			
PCT/US12/27007	V3 Systems, Inc.	MIGRATION OF VIRTUAL MACHINE POOL	International Filing date 02/28/2012
PCT/US12/27010	V3 Systems, Inc.	AUTOMATED ADJUSTMENT OF CLUSTER POLICY	International Filing date 02/28/2012
PCT/US12/43187	V3 Systems, Inc.	VIRTUAL MACHINE	International Filing

		ALLOCATION INTERNAL AND EXTERNAL TO PHYSICAL ENVIRONMENT	date 06/19/2012
PCT/US12/43183	V3 Systems, Inc.	INTERMEDIATION OF HYPERVISOR FILE SYSTEM AND STORAGE DEVICE MODELS	International Filing date 06/19/2012