

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT3273873

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
CONVEYING PARTY DATA	
Name	Execution Date
PACIFIC NANO PRODUCTS, INC.	03/16/2015
RECEIVING PARTY DATA	
Name:	G.R. TECHNOLOGIES, LLC
Street Address:	32918 6TH AVE. SW
City:	FEDERAL WAY
State/Country:	WASHINGTON
Postal Code:	98023-6104
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	6726807
CORRESPONDENCE DATA	
Fax Number:	(503)778-2200
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
Phone:	503 778-2100
Email:	patents@lanepowell.com
Correspondent Name:	LANE POWELL PC
Address Line 1:	601 SW 2ND AVE., STE. 2100
Address Line 4:	PORTLAND, OREGON 97204
ATTORNEY DOCKET NUMBER:	128278.0001
NAME OF SUBMITTER:	PARNA A. MEHRBANI
SIGNATURE:	/Parna A. Mehrbani/
DATE SIGNED:	03/19/2015
Total Attachments: 9	
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SECURITY AGREEMENT

SECURITY AGREEMENT ("Agreement"), dated as of March 16, 2015, between Pacific Nano Products, Inc., a Washington corporation ("Debtor"), and G.R. Technologies, LLC, a Washington limited liability company ("GRT").

A. Concurrently with the execution of this Agreement, Debtor is issuing to GRT Debtor's promissory note in the principal amount of Five Million Dollars (\$5,000,000) (the "Note") pursuant to that certain Technology Acquisition Agreement dated of even date herewith among Debtor, GRT and Vijay Mathur, the terms of which are incorporated herein (the "Technology Acquisition Agreement").

B. Debtor wishes to grant security interests in favor of GRT as provided herein;

NOW, THEREFORE, Debtor and GRT hereby agree as follows:

1. Definitions; Interpretation.

1.1 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

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

"Event of Default" has the meaning given that term in the Note.

"Obligations" means all indebtedness, liabilities and obligations of Debtor under the Note and this Agreement.

"PTO" means the United States Patent and Trademark Office.

"UCC" means the Uniform Commercial Code as in effect in the State of Washington.

1.2 Terms Defined in UCC. Where applicable in the context of this Agreement and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

1.3 Construction. In this Agreement, the following rules of construction and interpretation shall be applicable: (a) no reference to "proceeds" in this Agreement authorizes any sale, transfer, or other disposition of any Collateral by Debtor; (b) "includes" and "including" are not limiting; (c) "or" is not exclusive; and (d) "all" includes "any" and "any" includes "all."

2. Security Interest.

2.1 Grant of Security Interest. As security for the payment and performance of all Obligations, Debtor hereby pledges and grants to GRT a security interest in all of Debtor's right, title and interest in, to and under the following property, in each case whether now owned or

hereafter acquired, or in which Debtor now has or hereafter owns, acquires or develops an interest and wherever located (collectively and severally, the "Collateral"):

(a) all Intellectual Property and Technology, as those terms are defined in the Technology Acquisition Agreement, including but not limited to all patents and patent applications described in Schedule A annexed to this Agreement and incorporated by this reference, together with all patents and applications (domestic or foreign) claiming priority therefrom, directly or indirectly, and all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto and all reissues, divisions, continuations, renewals, reexaminations, derived patents, and extensions and continuations-in-part thereof; and

(b) all proceeds of any and all of the foregoing Collateral (including license royalties, rights to payment, accounts and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not GRT is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral.

2.2 **Continuing Security Interest.** Debtor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 10.

3. **Supplement to Other Documents.** The rights and remedies of GRT with respect to the security interests granted herein are without prejudice to, and are in addition to those set forth in any other security agreements securing the Note, all terms and provisions of which are incorporated herein by reference.

4. **Further Acts.** On a continuing basis, Debtor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, or at GRT's option shall facilitate the filing by GRT of, all such instruments and documents, and take all such action as may be necessary or advisable or may be reasonably requested by GRT 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 GRT to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing with the PTO or any applicable U.S. state office or foreign patent office. GRT may record this Agreement or an abstract thereof with the PTO or any applicable foreign patent office. In addition, Debtor authorizes GRT to file financing statements describing the Collateral in any UCC filing office deemed appropriate by GRT.

5. **Remedies.** If an Event of Default shall have occurred and be continuing, GRT may, upon five (5) business days' notice to Debtor, declare this Agreement to be in default, and GRT shall thereafter have, in addition to all other rights and remedies, the rights and remedies of a secured party under the UCC, including, without limitation, the right to take possession of the Collateral, and for that purpose GRT may, so far as Debtor can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. GRT may in

its discretion require Debtor to assemble all or any part of the Collateral at such location or locations as GRT may reasonably designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, GRT shall give to Debtor at least twenty (20) days prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. Debtor hereby acknowledges that twenty (20) days prior written notice of such sale or sales shall be reasonable notice. In addition, Debtor waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of GRT's rights hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights with respect thereto.

6. **Binding Effect.** This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor, GRT and their respective successors and assigns. Debtor may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder.

7. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the law of the State of Washington, except as required by mandatory provisions of law, including any applicable U.S. or foreign patent statutes or regulations, or to the extent the validity, perfection or priority of the security interests hereunder, or the remedies hereunder, in respect of any Collateral are governed by the law of a jurisdiction other than the State of Washington.

8. **Entire Agreement; Amendment.** This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes 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.

9. **Counterparts.** This Agreement may be executed in any number of 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 facsimile or electronic transmission shall be equally as effective as delivery of a manually executed counterpart. Any party hereto delivering a counterpart of this Agreement by facsimile or electronic transmission shall also deliver a manually executed counterpart, but the failure to so deliver a manually executed counterpart shall not affect the validity, enforceability, or binding effect hereof.

10. **Termination.** Upon payment and performance in full of the Note or the conversion of the remaining unpaid principal of the Note into Series A Preferred Stock of Debtor, the security interests created by this Agreement shall terminate and GRT shall promptly execute and deliver to Debtor such documents and instruments reasonably requested by Debtor as shall be necessary to evidence termination of all such security interests given by Debtor to GRT hereunder, including cancellation of this Agreement by written notice from GRT to the PTO.

11. **No Inconsistent Requirements.** Debtor acknowledges that this Agreement, and the other documents, agreements and instruments entered into or executed in connection herewith may contain covenants and other terms and provisions variously stated regarding the same or

similar matters, and Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

12. **Severability.** 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.

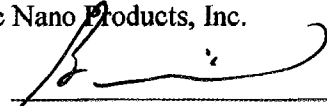
13. **Notices.** All notices and requests in connection with this Agreement or the Note shall be in writing and shall be deemed to be effective (a) upon delivery of the notice in person; (b) upon actual receipt after being mailed by certified mail with return receipt requested, or (c) upon actual receipt after being sent via a nationally recognized overnight receipted courier service. Notices shall be given to the addresses listed in the signature block below or at such other address as the parties may hereafter specify in writing in the same fashion as required by this Section 13.

[SIGNATURE PAGE FOLLOWS]

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

Pacific Nano Products, Inc.

By



~~Hans Koch, President~~
Brian McLane, CFO

Notice Address:

Pacific Nano Products, Inc.
401 East Alexander Avenue
Building 326
Tacoma WA 9842-1707

G.R. Technologies, LLC

By

Vijay Mathur, Manager

Notice Address:

G.R. Technologies, LLC
32918 6th Ave. SW
Federal Way, WA 98023-6104

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Federal Way, WA 98023-6104

SCHEDULE A

United States Patents

	<i>Patent Number</i>	<i>Title</i>	<i>Issued Date</i>
1	6,251,356B1	HIGH SPEED MANUFACTURING PROCESS FOR PRECIPITATED CALCIUM CARBONATE EMPLOYING SEQUENTIAL PRESSURE CARBONATION	June 21, 2001
2	6,726,807B1	MULTI-PHASE CALCIUM SILICATE HYDRATES, METHODS FOR THEIR PREPARATION, AND IMPROVED PAPER PIGMENT PRODUCTS PRODUCED THEREWITH	April 27, 2004
3	7,048,900B2	METHOD AND APPARATUS FOR PRODUCTION OF PRECIPITATED CALCIUM CARBONATE AND SILICATE COMPOUNDS IN COMMON PROCESS EQUIPMENT	May 23, 2006

United States Patent Applications

	<i>Application Number</i>	<i>Title</i>	<i>Filing Date</i>
1	14/262741	<u>FIBROUS STRUCTURED AMORPHOUS SILICA INCLUDING PRECIPITATED CALCIUM CARBONATE, COMPOSITIONS OF MATTER MADE THEREWITH, AND METHODS OF USE THEREOF</u>	04/26/2014
2	14/262742	<u>FIBROUS STRUCTURED AMORPHOUS SILICA INCLUDING PRECIPITATED CALCIUM CARBONATE, COMPOSITIONS OF MATTER MADE THEREWITH, AND METHODS OF USE THEREOF</u>	04/26/2014

Canadian Patents

	<i>Patent Number</i>	<i>Title</i>	<i>Issued Date</i>
1	2,416,080	HIGH SPEED MANUFACTURING PROCESS FOR PRECIPITATED CALCIUM CARBONATE EMPLOYING SEQUENTIAL PRESSURE CARBONATION	May 26, 2009
2	2,382,869	MULTI-PHASE CALCIUM SILICATE HYDRATES, METHODS FOR THEIR PREPARATION, AND IMPROVED PAPER PIGMENT PRODUCTS PRODUCED THEREWITH	April 2, 2013
3	2,437,066	METHOD AND APPARATUS FOR PRODUCTION OF PRECIPITATED CALCIUM CARBONATE AND SILICATE COMPOUNDS IN COMMON PROCESS EQUIPMENT	December 22, 2009

Indian Patents

	<i>Patent Number</i>	<i>Title</i>	<i>Issued Date</i>
1	250,668	A METHOD FOR INCREASING OPACITY OF PAPER AND PAPER PRODUCED BY SUCH METHOD	January 17, 2012

International Patent Applications

	<i>Application Number</i>	<i>Title</i>	<i>Filing Date</i>
1	PCT/US2014/35587	<u>FIBROUS STRUCTURED AMORPHOUS SILICA INCLUDING PRECIPITATED CALCIUM CARBONATE, COMPOSITIONS OF MATTER MADE THEREWITH, AND METHODS OF USE THEREOF</u>	04/26/2014