

03-24-2003

Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings



U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

102397743

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): Clean Air Partners, Inc. 3-18-03
Individual(s) Association
General Partnership Limited Partnership
Corporation-State California corporation
Other
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: Comerica Bank-California
Internal Address: Suite 350
Street Address: 11512 El Camino Real
City: San Diego State: CA Zip: 92130
Individual(s) citizenship
Association
General Partnership
Limited Partnership
Corporation-State
Other a California Chartered Bank
If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
Assignment Merger
Security Agreement Change of Name
Other
Execution Date: 02/19/03

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
B. Trademark Registration No.(s) 2,316,418
Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Gabrielle A. Holley
Internal Address: Pillsbury Winthrop LLP Suite 200
Street Address: 11682 El Camino Real
City: San Diego State: CA Zip: 92130

6. Total number of applications and registrations involved: 1
7. Total fee (37 CFR 3.41) \$ 40
Enclosed
Authorized to be charged to deposit account
8. Deposit account number: 03-3975

DO NOT USE THIS SPACE

9. Signature.
Gabrielle A. Holley Name of Person Signing
Signature
Date 3-18-2003
Total number of pages including cover sheet, attachments, and document: 7

03/21/2003 01 FC:8521

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40.00 DP

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 002697 FRAME: 0069

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of February 19, 2003 by and between COMERICA BANK-CALIFORNIA ("Bank") and CLEAN AIR PARTNERS, INC., a California corporation ("Grantor").

### RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodation to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement).

B. Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

C. Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement and all other Loan Documents now existing or hereafter arising between Grantor and Bank, Grantor hereby represents, warrants, covenants and agrees as follows:

### AGREEMENT

1. To secure its obligations under the Loan Agreement and under any other Loan Document now existing or hereafter arising between Bank and Grantor, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

2. This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

3. Grantor represents and warrants that Exhibits A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable, except as set forth in the Schedule.

4. Grantor authorizes and requests that the Commissioner of Patents and Trademarks and the Register of Copyrights record this security agreement.

5. If any action relating to this Agreement or any other Loan Document is brought by either party hereto against the other party, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements.

6. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

7. This Agreement and the other Loan Documents shall be governed by the laws of the State of California, without regard for choice of law provisions. Grantor and Bank consent to the exclusive jurisdiction of any state or federal court located in San Diego County, California. GRANTOR AND BANK EACH ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH OF THEM, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT, WITH COUNSEL OF THEIR CHOICE, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY RELATED INSTRUMENT OR LOAN DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTION OF ANY OF THEM. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY GRANTOR OR BANK, EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY EACH OF THEM.

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

Address of Grantor:

5066 Santa Fe Street  
San Diego, California 92109

Attn: Craig Williams, EVP/CFO

CLEAN AIR PARTNERS, INC.

By: 

Title: CFO

BANK:

COMERICA BANK-CALIFORNIA

Address of Bank:

Comerica Bank-California  
Commercial Loan Services Department  
9920 S. La Cienega Blvd., 14<sup>th</sup> Floor  
Inglewood, CA 90301

By: 

Title: AVP

Attn: Loan Documentation

EXHIBIT A

COPYRIGHTS

<u>Description</u>	Registration <u>Number</u>	Registration <u>Date</u>
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EXHIBIT B

PATENTS

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
Pressure-Controlled Fuel Injection for Internal Combustion Engines	US 4,628,881 (RE 33,270)	12/16/86
Method of Operating Carbureted Dual-Fuel Engines with Diesel Pilot Oil Ignition	US 4,831,993 <sup>1</sup>	05/23/89
High Cycle Solenoid Valve	US 4,997,004	03/05/91
Accumulator Fuel Injection System	US 5,241,935	09/07/93
Accumulator Fuel Injection System	US 5,341,783	08/30/94
Expanding Cloud Fuel Injection System	US 5,392,745	02/28/95
Two-Cycle Utility Internal Combustion Engine	US 5,438,968	08/08/95
Electronically Controlled Pilot Fuel Injection of Compression Ignition Engines	US 5,450,829	09/19/95
Accumulator Fuel Injection System	US 5,467,754	11/21/95
Electronic Fuel Injection System for Internal Combustion Engine Having Common Intake Port for Each Pair of Cylinders	US 5,477,830	12/26/95
Dual Fuel Engine Having Governor Controlled Pilot Fuel Injection System	US 5,526,786	06/18/96
Fuel Injection System Having a Pressure Intensifier Incorporating an Overtravel Safety Feature	US 5,537,972	07/23/96
Accumulator Fuel Injection System	US 5,551,391	09/03/96
Lambda Control by Skip Fire of Unthrottled Gas Fueled Engines	US 5,553,575	09/10/96
Conversion of Jerk Type Injector to Accumulator Type Injector	US 5,553,781	09/10/96
Conversion of Non-Accumulator Type Hydraulic Electronic Unit Injector to Accumulator Type Hydraulic Electronic Unit Injector	US 5,641,121	06/24/97
Method and Apparatus for the High Mach Injection of a Gaseous Fuel into an Internal Combustion Engine	US 5,673,673	10/07/97
Method and Apparatus for Controlling Fuel Injection in an Internal Combustion Engine	US 5,685,273	11/11/97

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<sup>1</sup> Rights acquired by way of license.

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
Method for Using Sonic Gas-Fueled Internal Combustion Engine Control System	US 5,697,346	12/16/97
Solenoid Valve Assembly with Armature Guide and Fuel Injection System Incorporating such a Valve	US 5,752,689	05/19/98
Hybrid Hydraulic Electronic Unit Injector	US 5,823,429	10/20/98
Bottom Seated Pintle Nozzle	US 5,853,124	12/29/98
Optimum Lambda and Compression Temperature Control for Compression Ignition Engines	US 6,273,076	08/14/01
Cylinder Pressure Based Optimization Control For Compression Ignition Engines	US 6,354,268	03/12/02
Optimized Lambda and Compression Temperature Control for Compression Ignition Engines	US 6,474,323 (div. of 08/991,413)	11/05/02
Gas-Fueled, Compression Ignition Engine with Maximized Pilot Ignition Intensity	US App. 09/791,195	02/23/01
Controlling Dual Fuel Engine By Dual Controllers Using Controller Area Network	US App. 10/102,400	03/20/02
Cylinder Pressure Based Optimization Control for Compression Ignition Engines	US App. 10/096,093	03/12/02
Emission Control Apparatus	US App. 10/105,571	03/26/02
Compression Ignition Engine with Cold Exhaust Gas Recirculation	US App. 10/193,257	07/11/02
Optimized Combustion Control of an Internal Combustion Engine Equipped with Exhaust Gas Recirculation	US App. 10/292,115	11/12/02
Catalyst Heat Retention System for Dual Fuel Engine	US Provisional App. 60/432,763	12/11/02

EXHIBIT C  
TRADEMARKS

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
Word Mark: MICROPILOT	US TM Reg. No. 2,316,418	2/8/00
Clean Air Partners™	N/A	N/A
CAP™	N/A	N/A
Mini-Pilot™	N/A	N/A
Dual-Fuel™	N/A	N/A
Fuel Solution™	N/A	N/A
Harris International Sales Corporation™	N/A	N/A
HIS™	N/A	N/A
HIS Emissions Reduction Systems™	N/A	N/A
Houston Industrial Silencing™	N/A	N/A

CERTIFICATE OF MAILING VIA EXPRESS MAIL


“Express Mail” Mailing Label Number: EV 072 174 160 US

Reg. No.: 2,316,418  
Mark: MICROPILOT  
Registrant: Clean Air Partners, Inc.  
Receiving Party: Comerica Bank-California

I hereby certify that the attached RECORDATION FORM COVER SHEET for security agreement and copy of a INTELLECTUAL PROPERTY SECURITY AGREEMENT (along with any papers referred to as being attached or enclosed) and a check in the amount of \$40.00 is addressed to: BOX ASSIGNMENTS, Commissioner of Patents and Trademarks, Washington, D.C. 20231, and is being deposited with the United States Postal Service “*Express Mail Post Office to Addressee*” service on the date indicated below.

March 18, 2003  
\_\_\_\_\_  
(Date)

Esther J. Choe  
\_\_\_\_\_  
(Depositor's Name)

  
\_\_\_\_\_  
(Signature)





**PILLSBURY WINTHROP<sup>LLP</sup>**

11682 EL CAMINO REAL SUITE 200 SAN DIEGO, CA 92130 619.234.5000 F: 858.509.4010

March 18, 2003

Gabrielle A. Holley  
858.509.4006  
gholley@pillsburywinthrop.com

VIA EXPRESS MAIL EV 072 174 160 US

**BOX ASSIGNMENTS**

Commissioner of Patents and Trademarks  
Washington, D.C. 20231

Re: Recordation of Intellectual Property Security Agreement  
Registrant: Clean Air Partners, Inc.  
Receiving Party: Comerica Bank-California  
Reg. No.: 2,316,418  
Mark: MICROPILOT  
Our Ref.: 02211-000099

Dear Sir or Madam:

On behalf of our client, Comerica Bank-California, please find enclosed:

1. A Recordation Form Cover Sheet for security agreement;
2. a copy of an Intellectual Property Security Agreement between Clean Air Partners, Inc. and Comerica Bank-California;
3. a check in the amount of \$40.00 in payment of the filing fee;
4. a copy of this transmittal letter for deposit account transactions;
5. a Certificate of Mailing Via Express Mail; and
6. a self-addressed, stamped postal acknowledgement card.

Please acknowledge your receipt of the enclosed by date stamping the enclosed self-addressed, stamped postcard and returning the same to us.



PILLSBURY WINTHROP<sup>LLP</sup>

Commissioner of Patents and Trademarks

March 18, 2003

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Please charge any underpayment or credit any overpayment to Deposit Account No. 03-3975, under Order No. 002211-0000099.

Respectfully submitted,

Gabrielle A. Holley

Enclosures

cc: Lori Partrick, Esq. (w/o encls.)



**PILLSBURY WINTHROP LLP**

11682 EL CAMINO REAL SUITE 200 SAN DIEGO, CA 92130 619.234.5000 F: 858.509.4010

March 18, 2003

Gabrielle A. Holley  
858.509.4006  
gholley@pillsburywinthrop.com

VIA EXPRESS MAIL EV 072 174 160 US

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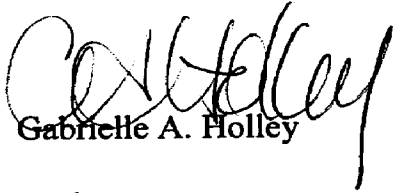


**PILLSBURY WINTHROP LLP**

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March 18, 2003  
Page 2

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Gabrielle A. Holley

Enclosures

cc: Lori Partrick, Esq. (w/o encls.)