

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Proton Energy Systems, Inc.		06/01/2007	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Perseus Partners VII, L.P.
Street Address:	2099 Pennsylvania Avenue, N.W.
Internal Address:	9th Floor
City:	Washington
State/Country:	DISTRICT OF COLUMBIA
Postal Code:	20006
Entity Type:	LIMITED PARTNERSHIP: DELAWARE

PROPERTY NUMBERS Total: 8

Property Type	Number	Word Mark
Registration Number:	2272644	UNIGEN
Registration Number:	3009040	FUELGEN
Registration Number:	2908932	H2GO
Registration Number:	2241035	HOGEN
Registration Number:	2204373	PROTON
Registration Number:	2529000	PROTON ENERGY SYSTEMS
Serial Number:	78963879	STABLE FLOW
Serial Number:	78963864	STABLE FLOW HYDROGEN CONTROL SYSTEM

CORRESPONDENCE DATA

Fax Number: (617)526-5000
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 617-526-6448
 Email: huelinh.tran@wilmerhale.com
 Correspondent Name: Michael J. Bevilacqua, Esquire

CH \$215.00 2272644

Address Line 1: Wilmer Cutler Pickering Hale and DorrLLP
Address Line 2: 60 State Street
Address Line 4: Boston, MASSACHUSETTS 02109

ATTORNEY DOCKET NUMBER:	110.166.131
NAME OF SUBMITTER:	Michael J. Bevilacqua
Signature:	/michael j. bevilacqua/
Date:	06/08/2007

Total Attachments: 6

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COLLATERAL ASSIGNMENT OF TRADEMARKS

This COLLATERAL ASSIGNMENT OF TRADEMARKS (the "Collateral Assignment") is dated as of June 1, 2007, and is made between PROTON ENERGY SYSTEMS, INC., a Delaware corporation with an office at 10 Technology Drive, Wallingford, CT 06492 ("Proton"), and PERSEUS PARTNERS VII, L.P., a Delaware limited partnership with an office at 2099 Pennsylvania Avenue, N.W., 9th Floor, Washington, D.C. 20006, as collateral agent ("Perseus" or the "Collateral Agent") for, and for the benefit of, Perseus.

WITNESSETH

WHEREAS, Proton is a direct, wholly owned subsidiary of Distributed Energy Systems Corp., a Delaware corporation (the "Company");

WHEREAS, the Company and Perseus have entered into that certain Securities Purchase Agreement, dated as of May 10, 2007 (the "Purchase Agreement"), as well as certain other Transaction Documents (as defined in the Purchase Agreement) dated on or about the date hereof;

WHEREAS, in order to induce Perseus to enter into the Purchase Agreement and the Transaction Documents, Proton has entered into a Subsidiary Security and Pledge Agreement on or about the date hereof, among Proton, Perseus and certain other wholly owned subsidiaries of the Company (the "Security Agreement"), pursuant to which Proton grants a security interest in and to the Collateral (as hereinafter defined) to secure the full and punctual payment of the Obligations (as defined in the Security Agreement); and

WHEREAS, Proton owns all right, title, and interest in and to, among other things, all the United States trademarks, trademark registrations and trademark applications, set forth on Schedule A hereto (the "Marks").

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, as security for the Obligations Proton hereby transfers and conveys to Collateral Agent, and grants to Collateral Agent, a security interest in:

- (a) the Marks;
- (b) all future trademarks, trademark registrations and trademark applications hereafter developed by, acquired by, granted to or filed by Proton (the "Future Marks");
- (c) all proceeds and products of the Marks and Future Marks;
- (d) the goodwill of the businesses with which the Marks and Future Marks are associated;

- (e) all causes of action arising prior to or after the date hereof for infringement of any of the Marks and Future Marks or unfair competition regarding the same.

All of the foregoing items set forth in clauses (a) through (d) are hereinafter referred to collectively as the "Collateral".

AND Proton hereby covenants with Collateral Agent as follows:

1. **Proton's Obligations.** Proton agrees that, notwithstanding this Collateral Assignment, it will perform and discharge and remain liable for all its covenants, duties, and obligations arising in connection with the Collateral and any licenses and agreements related thereto. Collateral Agent shall have no obligation or liability in connection with the Collateral or any licenses or agreements relating thereto by reason of this Collateral Assignment or any payment received by Collateral Agent relating to the Collateral, nor shall Collateral Agent be required to perform any covenant, duty or obligation of Proton arising in connection with the Collateral or any license or agreement related thereto or to take any other action regarding the Collateral or any such licenses or agreement.

2. **Use Prior to Default.** Subject to Section 3 hereof, Proton shall retain all of its right, title, and interest in and to the Collateral and shall have the right to use and license the Collateral in the ordinary course of its business, subject to the terms and conditions of the Purchase Agreement, the Subsidiary Security Agreement and the other Transaction Documents.

3. **Remedies Upon Default.** Whenever any Event of Default (as defined in the Subsidiary Security Agreement) shall have occurred and be continuing, Collateral Agent shall have all the rights and remedies granted to it in such event by the Purchase Agreement and the other Transaction Documents, which rights and remedies are specifically incorporated herein by reference and made a part hereof. Collateral Agent in such event may collect directly any payments due to Proton in respect of the Collateral and may sell, license, lease, assign, import, export, or otherwise dispose of all or any part of the Collateral. Proton agrees that, in the event of any disposition of the Collateral upon and during the continuance of any such Event of Default, it will duly execute, acknowledge, and deliver all documents necessary or advisable to record title to the Collateral in any transferee or transferees thereof, including, without limitation, valid, recordable assignments of the Marks. In the event Proton fails or refuses to execute and deliver such documents, Proton hereby irrevocably appoints Collateral Agent as its attorney-in-fact, with power of substitution, to execute, deliver, and record any such documents on Proton's behalf. For the purpose of enabling Collateral Agent to exercise rights and remedies upon and during the continuance of an Event of Default, Proton hereby grants to Collateral Agent an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to Proton) to make, have made, use, sell, assign, license, sublicense, import or export any of the Collateral, now owned or hereafter acquired by Proton, and wherever the same may be located. Notwithstanding any provision hereof to the contrary during the continuance of an Event of Default, Proton may sell merchandise utilizing the Marks, and otherwise make use thereof, in the

ordinary course of its business and in a manner consistent with its past practices, until it receives written notice from Collateral Agent of an intended sale or other disposition of the Collateral.

4. **Amendments and Waivers.** This Collateral Assignment may not be modified, supplemented, or amended, or any of its provisions waived except in a writing signed by Proton and Collateral Agent. Proton hereby authorizes Collateral Agent to modify this Collateral Assignment by amending Schedule A hereto to add any Future Marks, provided Collateral Agent notifies Proton promptly in writing of such modification.

5. **Waiver of Rights.** No course of dealing between the parties to this Collateral Assignment or any failure or delay on the part of any such party in exercising any rights or remedies hereunder shall operate as a waiver of any rights and remedies of such party or any other party, and no single or partial exercise of any rights or remedies by one party hereunder shall operate as a waiver or preclude the exercise of any other rights and remedies of such party or any other party. No waiver by Collateral Agent of any breach or default by Proton shall be deemed a waiver of any other previous breach or default or of any breach or default occurring thereafter.

6. **Assignment.** The provisions of this Collateral Assignment shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto; provided, however, that, except as otherwise provided in the Transaction Documents, no interest herein or in or to the Collateral may be assigned by Proton without the prior written consent of Collateral Agent.

7. **Enforcement.** If an Event of Default has occurred and is continuing, Collateral Agent shall have the right but shall in no way be obligated to bring suit in its own name to enforce the Marks and any license thereunder, in which event Proton shall at the request of Collateral Agent do any and all lawful acts and execute any and all proper documents and deeds required by Collateral Agent in aid of such enforcement and Proton shall promptly, upon demand, reimburse and indemnify Collateral Agent or its agents for all out-of-pocket costs and expenses incurred by Collateral Agent in the exercise of its rights as provided in the Security Documents (as defined in the Purchase Agreement).

8. **Termination.** At such time as the Obligations (as defined in the Subsidiary Security Agreement) shall have been satisfied, Collateral Agent will execute and deliver to Proton, all instruments as may be necessary or proper to terminate this Collateral Assignment and to re-vest Proton with full title to the Collateral, subject to any dispositions thereof which may have been made by Collateral Agent pursuant to this Collateral Assignment.

9. **Severability.** If any clause or provision of this Collateral Assignment shall be held invalid or unenforceable, as a whole or in part, in any jurisdiction, such invalidity or unenforceability shall attach only to such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such or any other clause or provision in any other jurisdiction.

10. **Notices.** All notices, communications, requests and demands to or upon Proton or Collateral Agent under this Collateral Assignment shall be given in accordance with Section 5.6 (Notices) of the Subsidiary Security Agreement.

11. **Defined Terms.** Terms defined in the Transaction Documents and not otherwise defined herein have, as used herein, the respective meanings provided for therein.

12. **Governing Law.** This Collateral Assignment shall be governed by, construed, applied, and enforced in accordance with the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof, except that no doctrine of choice of law shall be used to apply the laws of any other state or jurisdiction, except the federal laws of the United States of America applicable to trademarks.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have entered into this Collateral Assignment as of the date first above written.

PROTON ENERGY SYSTEMS, INC.

By: Peter J. Tall
Name: Peter J. Tall
Title: _____

PERSEUS PARTNERS VII, L.P., as Collateral Agent

By: Perseus Partners VII GP, L.P.,
its general partner

By: Perseus Partners VII GP, L.L.C.,
its general partner

By: John C. Fox
John C. Fox
Senior Managing Director

Schedule A

U.S. TRADEMARKS

Title	Trademark	Date Issued	Owner
UNIGEN	2,272,644	8/24/1999	Proton Energy Systems, Inc.
FUELGEN	3,009,040	10/25/2005	Proton Energy Systems, Inc.
H2GO	2,908,932	12/7/2004	Proton Energy Systems, Inc.
HOGEN	2,241,035	4/20/1999	Proton Energy Systems, Inc.
PROTON	2,204,373	11/17/1998	Proton Energy Systems, Inc.
UNIGEN	2,272,644	8/24/2999	Proton Energy Systems, Inc.
PROTON ENERGY SYSTEMS	2,529,000	1/15/1992	Proton Energy Systems, Inc.

Title	Trademark S/N	Date Filed	Owner
StableFlow	78/963,879	8/30/2006	Proton Energy Systems, Inc.
StableFlow Design	78/963,864	8/30/2006	Proton Energy Systems, Inc.