

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
Aerielle Technologies, Inc.		09/17/2007	CORPORATION: CALIFORNIA

RECEIVING PARTY DATA

Name:	Great American Life Insurance Company
Street Address:	250 East Fifth Street
City:	Cincinnati
State/Country:	OHIO
Postal Code:	45202
Entity Type:	CORPORATION: OHIO

PROPERTY NUMBERS Total: 28

Property Type	Number	Word Mark
Serial Number:	77248924	MUSIC PARTY
Serial Number:	78316659	AUDIOBUG
Serial Number:	78329160	AUDIO BUG
Serial Number:	78316680	AERIELLE
Serial Number:	78329172	
Serial Number:	78316714	TIMELESS RADIO
Serial Number:	78316698	PHONEBUG
Serial Number:	78360077	CHANGING THE WAY YOU LISTEN TO AUDIO
Serial Number:	78360062	AUDIO. NO STRINGS ATTACHED
Serial Number:	78762415	AUDIOWEAR
Serial Number:	78402044	AUTOBUG
Serial Number:	78902710	CHOOSE.RECORD.LISTEN
Serial Number:	78443340	CHOOSE.RECORD.LISTEN.
Serial Number:	78571057	WE LOOK FORWARD TO SERVICING YOUR AUDIO NEEDS

OP \$715.00 77248924

Serial Number:	78593239	SURF2WIN
Serial Number:	78608242	SIMPLY BETTER SOUND
Serial Number:	78771609	ADPULLS
Serial Number:	78766480	
Serial Number:	78804480	AD-EMBED
Serial Number:	78806423	SCHEDULE-CAST
Serial Number:	78941607	ISHIFT
Serial Number:	78952330	I2I
Serial Number:	78968546	I2I-MATE
Serial Number:	77107639	HERE TODAY. HEAR TOMORROW.
Serial Number:	77095622	IHUG
Serial Number:	77095656	SNUG & HUG
Serial Number:	77131968	I2I-STREAM
Serial Number:	77132139	I2IGEAR

CORRESPONDENCE DATA

Fax Number: (513)579-6457
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 5135796960
Email: trademarks@kmklaw.com
Correspondent Name: Courtney A. Laginess
Address Line 1: One East Fourth Street
Address Line 2: Suite 1400
Address Line 4: Cincinnati, OHIO 45202

ATTORNEY DOCKET NUMBER:	AM5800PG0005
NAME OF SUBMITTER:	Courtney A. Laginess
Signature:	/Courtney A. Laginess/
Date:	09/18/2007

Total Attachments: 18
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SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of September 17, 2007 (the "Agreement"), made by Aerielle Technologies, Inc., a California corporation (the "Company"), and Aerielle, Inc., a California corporation (the "Parent"), in favor of Great American Life Insurance Company, an Ohio corporation (the "Secured Party").

WHEREAS, pursuant to that certain [REDACTED] dated the date hereof by and among the Company, the Parent and Secured Party (as may be further amended from time to time, the "Purchase Agreement"), the Secured Party [REDACTED]

WHEREAS, it is a condition precedent to the Secured Party's agreement to purchase [REDACTED] that the Company and the Parent execute and deliver to the Secured Party a security agreement in substantially the form hereof; and

WHEREAS, the Company and the Parent desire to grant security interests in favor of the Secured Party as provided herein;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual representations, warranties, covenants and undertakings of the parties hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do agree as follows:

SECTION 1. Definitions.

(a) In General. All capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the Purchase Agreement. All terms defined in the Uniform Commercial Code of the State (hereinafter defined) and used herein but not specifically defined herein shall have the same definitions herein as specified therein. However, if a term is defined in Article 9 of the Uniform Commercial Code of the State differently than in another Article of the Uniform Commercial Code of the State, the term has the meaning specified in Article 9.

(b) Certain Defined Terms. The following terms shall have the following meanings for purposes of this Agreement:

(i) "Company Intellectual Property" has the meaning set forth in the Purchase Agreement.

(ii) "Company Stock" means the capital stock of the Company owned by the Parent, the certificate relating thereto, and all other collateral under the Pledge Agreement.

(iii) "Grantors" means, collectively, the Company and Parent, and "Grantor" means any one of them.

(iv) "Intercompany License Agreement" means that certain Intercompany License Agreement dated as of the date hereof by and between the Parent and the Company and to which the Secured Party is a third party beneficiary under the terms thereof.

(v) "Lock-Box Accounts" means, collectively, the Parent Lock-Box Account (as defined in the Purchase Agreement), the Parent Operating Lock-Box Account (as defined in the Purchase Agreement), the Company Lock-Box Account (as defined in the Purchase Agreement), and the Company Operating Lock-Box Account (as defined in the Purchase Agreement).

(vi) "Lock-Box Agreements" means, collectively, the Parent Operating Lock-Box Agreement (as defined in the Purchase Agreement), the Parent Lock-Box Agreement (as defined in the Purchase Agreement), the Company Lock-Box Agreement (as defined in the Purchase Agreement), and the Company Operating Lock-Box Agreement (as defined in the Purchase Agreement).

(vii) "Pledge Agreement" means the Pledge Agreement dated the date hereof between the Parent and the Secured Party.

(viii) "Proceeds" means "proceeds," as such term is defined in Section 9-102(64) of the Uniform Commercial Code of the State and, to the extent not included in such definition, shall include, without limitation, any and all proceeds of any insurance, indemnity, warranty, guaranty or letter of credit payable to either or both of the Grantors, from time to time with respect to any of the Collateral, all payments (in any form whatsoever) paid or payable to either or both of the Grantors from time to time in connection with any taking of all or any part of the Collateral by any Governmental Authority (as defined in the Purchase Agreement) or any Person acting under color of Governmental Authority, all judgments in favor of either or both of the Grantor in respect of the Collateral and all other amounts from time to time paid or payable or received or receivable under or in connection with any of the Collateral.

(ix) "State" means the State of Ohio.

SECTION 2. Company's Grant of Security Interest. The Company hereby grants to the Secured Party, to secure the payment and performance in full of all of the Obligations, a security interest in and so pledges to the Secured Party the following properties, assets and rights of the Company, wherever located, whether now owned or hereafter acquired or arising, and all Proceeds and products thereof (collectively, the "Company Collateral"):

- (a) instruments (including without limitation promissory notes);
- (b) accounts (including without limitation health-care-insurance receivables);
- (c) documents;
- (d) chattel paper (whether tangible or electronic);
- (e) deposit accounts and securities accounts (collectively, the "Accounts");

(f) letter-of-credit rights (whether or not the letter of credit is evidenced by a writing);

(g) commercial tort claims;

(h) securities, financial assets, and all other investment property ("Investment Collateral");

(i) supporting obligations;

(j) contract rights or rights to the payment of money, insurance claims and proceeds;

(k) all Technology License Agreements and all rights thereunder, including, without limitation, Royalty payments and the right to receive any and all other payment(s), benefits and consideration thereunder or therefrom;

(l) the Company Lock-Box Account and Company Operating Lock-Box Account and any replacement lock-box account(s) and all amounts from time to time deposited in any such accounts;

(m) all Company Intellectual Property;

(n) the Escrow Property (as defined in that certain Escrow Agreement dated as of even date herewith ("Escrow Agreement") by and among and the Grantors, the Secured Party and [REDACTED])

(o) general intangibles including, without limitation, all payment intangibles, patents, patent applications, trademarks, trademark applications, trade names, copyrights, copyright applications, software, engineering drawings, service marks, customer lists, goodwill, Royalty payments and all licenses, permits, agreements of any kind or nature pursuant to which the Company possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or others possess, use or have authority to possess or use property (whether tangible or intangible) of the Company, and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics;

provided, however, that notwithstanding the foregoing, (i) the security interest granted herein and the term "Company Collateral" shall exclude (A) vehicles subject to a certificate of title statute, (B) rights under licenses, permits and contracts in which a security interest may not be granted except to the extent that such prohibition is not enforceable under the applicable Uniform Commercial Code, provided that the Company shall not permit any such prohibitions in any [REDACTED]

has executed and delivered a consent to assignment in form and substance satisfactory to the Secured Party) or (y) any other contracts, agreements or understandings entered into after the date hereof except, in the case of clause (y), in the ordinary course of business and consistent with past practice, and (ii) the security interest created hereunder shall be subordinate to the security interest in assets subject to any Permitted Liens that are purchase money security

interests or that secure capitalized leases of equipment or inventory, in each case, as and to the extent permitted under the Purchase Agreement. In addition, (i) upon the sale, assignment, license, transfer or other disposition of Company Collateral in accordance with the terms of Section 7.07 of the Purchase Agreement, the security interests granted herein with respect to such Company Collateral shall automatically terminate; and (ii) nothing in this Agreement shall restrict, limit or impair the right of the Secured Party to sell, transfer or otherwise dispose of the Company Collateral in accordance with or as permitted by Section 7.07 of the Purchase Agreement, and upon any sale, transfer or other disposition of any Company Collateral in accordance with or as permitted by Section 7.07 of the Purchase Agreement, the security interest granted herein with respect to such Company Collateral shall automatically terminate.

SECTION 3. Parent's Grant of Security Interest. The Parent hereby grants to the Secured Party, to secure the payment and performance in full of all of the Obligations, a security interest in and so pledges to the Secured Party the following properties, assets and rights of the Parent, wherever located, whether now owned or hereafter acquired or arising, and all Proceeds and products thereof (collectively, the "Parent Collateral", and collectively with the Company Collateral, the "Collateral"):

- (a) accounts (including without limitation health-care-insurance receivables);
- (b) supporting obligations relating to the accounts; and
- (c) the Parent Lock-Box Account and the Parent Operating Lock-Box Account and any replacement lock-box account(s) (but excluding any accounts established with an Intermediary pursuant to Section 6.07(c) of the Purchase Agreement) and all amounts from time to time deposited in any such accounts;

provided, however, that in the event the Parent enters into an arms-length transaction with a non-Affiliate (as defined in the Purchase Agreement) third party ("Working Capital Lender") in which the Parent incurs Indebtedness and in connection therewith the Working Capital Lender requires a security interest in the Parent Collateral set forth in subsections 3(a) and 3(b) above, the Secured Party hereby covenants and agrees to enter into an intercreditor agreement (or a like agreement) with the Working Capital Lender, upon such reasonable terms as presented by the Working Capital Lender to the Secured Party, providing, *inter alia*, that the Secured Party's security interest in the Parent Collateral set forth in subsections 3(a) and 3(b) above (and only therein), and Secured Party's rights as additional insured and loss payee pursuant to Section 6(e), shall be junior and subordinate to the security interest of the Working Capital Lender with respect thereto. Nothing in this Agreement shall restrict, limit or impair the right of the Parent and the Company to sell, transfer or otherwise dispose of the Parent Collateral in accordance with or as permitted by the Purchase Agreement, and upon any sale, transfer or other disposition of any Parent Collateral in accordance with or as permitted by the Purchase Agreement, the security interest granted herein with respect to such Parent Collateral shall automatically terminate. Upon the receipt by the Company of any of the Remaining Draw Escrow Amount (as defined under the Escrow Agreement) following the Parent's and/or the Company's achievement of a Milestone Event (as defined under the Purchase Agreement), the security interest granted herein with respect to such Parent Collateral, and the obligations of Parent hereunder, shall automatically terminate.

SECTION 4. Representations Warranties and Covenants Regarding Each Grantor's Legal Status. Each Grantor represents, warrants and covenants to the Secured Party as follows: (a) the Company is a corporation duly formed, validly existing, and in good standing under the laws of the State of California and has the requisite power and authority to execute and deliver this Agreement, and upon such execution and delivery it shall constitute a binding obligation, enforceable in accordance with the terms hereof; (b) the Parent is a corporation duly formed, validly existing, and in good standing under the laws of the State of California and has the requisite power and authority to execute and deliver this Agreement, and upon such execution and delivery it shall constitute a binding obligation, enforceable in accordance with the terms hereof; (c) the exact legal name of each of the Parent and the Company is as set forth on the signature page hereof; and (d) the chief place of business and chief executive office of the Company and the Parent is the address set forth on the signature page to the Purchase Agreement.

Each Grantor will provide the Secured Party thirty (30) days prior written notice of any change in such Grantor's name, identity (including organizational identification number if it has one or later obtains one), chief place of business, chief executive office, type of organization, jurisdiction of organization or other legal structure, and prior to such change such Grantor shall have presented to the Secured Party reasonably satisfactory evidence of the filing of all amendments to financing statements and all additional financing statements necessary to maintain the security interests granted hereunder at all times.

SECTION 5. Representations and Warranties Concerning Collateral. Each Grantor represents, warrants and covenants to the Secured Party as follows: (a) such Grantor is the owner of or has other rights in or power to transfer the Collateral, free from any adverse lien, security interest or other encumbrance, except for the security interest created by this Agreement and other liens permitted by the Purchase Agreement; (b) none of the Collateral constitutes, or is the proceeds of, "farm products" as defined in §9-102(a)(34) of the Uniform Commercial Code of the State; (c) none of the account debtors or other persons obligated on any of the Collateral is a Governmental Authority subject to the Federal Assignment of Claims Act or like federal, state or local statute or rule in respect of such Collateral; (d) all goods, inventory and equipment now existing are located at the locations set forth on Schedule 1 to this Agreement; (e) each deposit account of each Grantor existing as of the date hereof is described on Schedule 2 to this Agreement; and (f) all Investment Collateral of each Grantor as of the date hereof is described on Schedule 3 to this Agreement.

SECTION 6. Covenants as to the Collateral. So long as any of the Obligations shall remain outstanding, unless the Secured Party shall otherwise consent in writing:

(a) **Further Assurances.** Each Grantor shall, at its expense, at any time and from time to time, promptly execute and deliver all further instruments and documents and take all further action that may be necessary or desirable or that the Secured Party may reasonably request in order: (i) to perfect and protect the security interest created hereby; (ii) to enable the Secured Party to exercise and enforce its rights and remedies hereunder in respect of the Collateral; or (iii) to otherwise effect the purposes of this Agreement, including, without limitation: (A) executing and filing such financing or continuation statements, or amendments thereto, as may be necessary or desirable or that the Secured Party may reasonably request in

order to perfect and preserve the security interest purported to be created hereby; and (B) promptly furnishing to the Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party may reasonably request, all in reasonable detail.

(b) Location of Collateral. Each Grantor shall not keep any of the Collateral in any state in which financing statements have not theretofore been filed in a manner sufficient to perfect under the Uniform Commercial Code of such state the security interests in such goods, inventory and equipment granted hereby.

(c) Condition of Collateral. Each Grantor shall cause the Collateral to be maintained and preserved in the same condition, repair and working order as when acquired, reasonable wear and tear excepted, and will promptly, or in the case of any loss or damage to any of the Collateral as quickly as practicable after the occurrence thereof, make or cause to be made all repairs, replacements, and other improvements in connection therewith which are necessary or desirable or that the Secured Party may reasonably request to such end. Each Grantor will promptly furnish to the Secured Party a statement respecting any material loss or damage to any of the Collateral.

(d) Taxes. Each Grantor shall pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, or incurred in connection with the use or operation of, and all claims (including without limitation claims for labor, materials and supplies) against, the Collateral, except to the extent the validity thereof is being contested in good faith by proper proceedings which stay the imposition of any penalty, fine or lien resulting from the non-payment thereof and with respect to which adequate reserves have been set aside for the payment thereof.

(e) Insurance. Each Grantor shall maintain with financially sound and reputable insurers insurance with respect to its properties and business against such casualties and contingencies as shall be in accordance with general practices of businesses engaged in similar activities in similar geographic areas. Such insurance shall be in such minimum amounts such that Grantor will not be deemed a co-insurer under applicable insurance laws, regulations and policies. In addition, all such insurance shall name Great American Life Insurance Company and Great American Insurance Company as additional insureds and shall be payable to Great American Life Insurance Company and Great American Insurance Company as the loss payees; provided, however, that so long as no Event of Default has occurred and is continuing, the proceeds of any casualty insurance in respect of any casualty loss of any of the Collateral shall, subject to the rights, if any, of other parties with a prior interest in the property covered thereby, shall be disbursed to such Grantor for direct application by such Grantor solely to the repair or replacement of the Grantor's property so damaged or destroyed. Each Grantor shall not use the Collateral in violation of any policy of insurance thereon.

(f) Ownership of or Other Rights in Collateral; Disposition of Collateral. Each Grantor covenants with the Secured Party as follows: (i) except for the security interest herein granted and liens disclosed in or permitted by the Purchase Agreement (including the Schedules thereto), such Grantor shall be the owner of or have other rights in the Collateral free from any lien, security interest or other encumbrance, and such Grantor shall defend the same

against all claims and demands of all persons at any time claiming the same or any interests therein adverse to the Secured Party; (ii) except as expressly permitted by the terms of this Agreement, such Grantor shall not pledge, mortgage or create, or suffer to exist a security interest in the Collateral in favor of any Person other than the Secured Party except Permitted Liens; (iii) such Grantor will permit the Secured Party, or its designee, to inspect the Collateral at any reasonable time, wherever located; (iv) such Grantor will not sell or otherwise dispose, or offer to sell or otherwise dispose, of the Collateral or any interest therein except as specifically permitted by this Agreement, the Purchase Agreement or the other Transaction Documents; and (v) the security interest of the Secured Party will at all times be a perfected security interest.

(g) Control Over Deposit Accounts. Subject to Section 6.07(c) of the Purchase Agreement, for each deposit account that any Grantor at any time opens or maintains at any depository bank, the Grantor shall, at the Secured Party's request and option, pursuant to a control agreement in form and substance satisfactory to the Secured Party, cause the depository bank to agree to comply at any time with instructions from the Secured Party to such depository bank directing the disposition of funds from time to time credited to such deposit account, without further consent of the Grantor. The Secured Party agrees with the Grantors that the Secured Party shall not give any such instructions or withhold any withdrawal rights from the Grantors, unless an Event of Default has occurred and is continuing or would result from the exercise of such rights; provided, however, that the Secured Party covenants with the Grantors that it (i) will not deliver a notice under the Company Operating Lock-Box Agreement or the Company Lock-Box Agreement unless and until an Event of Default has occurred and is continuing and (ii) will not deliver a notice under the Parent Lock-Box Agreement or the Parent Operating Lock-Box Agreement unless and until an Event of Default has occurred and is continuing; provided further, however, that notwithstanding the foregoing, if the Bank has delivered a notice pursuant to any of the Lock-Box Agreements that it is terminating a Lock-Box Agreement or closing any Restricted Account (as defined in the Lock-Box Agreements) or terminating any services with respect to a Restricted Account (as defined in the Lock-Box Agreements), Secured Party may deliver a notice at any time on or after the date which is ten (10) days prior to the date such termination or closure will take effect and direct that, upon such termination or closure, any amounts in the applicable Restricted Account(s) or any Collateral received in the Restricted Account(s) be directed to an account of the Company or the Parent, as applicable, over which the Secured Party has control as required by the terms hereof and as to which there are standing instructions relating to the distributions contemplated by the Purchase Agreement or, if such account is not available, an account of the Secured Party. In the event of any such termination or closure, the Grantors will take such actions as the Secured Party may reasonably request to establish new accounts and lock boxes meeting the criteria described above. The provisions of this paragraph shall not apply to any deposit account specially and exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of the Parent's salaried employees.

(h) Control Over Investment Property. If any securities, whether certificated or uncertificated, or other investment property now or hereafter acquired by any Grantor are held by the Grantor or its nominee through a securities intermediary (excluding the Company Stock, which is subject to the Pledge Agreement), the Grantor shall immediately notify the Secured Party thereof and, at the Secured Party's request and option, pursuant to an agreement in form and substance satisfactory to the Secured Party, either (i) cause such securities intermediary to

agree to comply with entitlement orders or other instructions from the Secured Party to such securities intermediary as to such securities or other investment property, without further consent of the Grantor or such nominee, or (ii) in the case of financial assets or other investment property held through a securities intermediary, arrange for the Secured Party to become the entitlement holder with respect to such investment property, with the Grantor being permitted, only with the consent of the Secured Party, to exercise rights to withdraw or otherwise deal with such investment property; provided, however, that unless an Event of Default has occurred and is continuing, such agreement shall permit the Company to direct or otherwise cause the securities intermediary to transfer or otherwise disburse, without the Secured Party's consent, any income attributable to or proceeds of any such securities, financial assets or other investment property to an Account of the Company in which the Secured Party has a perfected security interest. The Secured Party agrees with the Grantors that the Secured Party shall not give any such entitlement orders or instructions to any such securities intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by the Grantors, unless an Event of Default has occurred and is continuing or would result from the exercise of such rights. In the case of (A) any certificated security (excluding the Company Stock, which is the subject of the Pledge Agreement), Grantor shall deliver the certificate(s) evidencing such security to Secured Party together with a duly executed and undated blank transfer power, or cause such security to be registered in the name of the Secured Party and (B) any uncertificated security, Grantor shall cause such security to be registered in the name of Secured Party by the issuer thereof or cause the issuer of such security to agree to comply with instructions originated by the Secured Party upon the occurrence, and during the continuance of, an Event of Default, without further consent by the Grantors.

(i) Commercial Tort Claims. Each Grantor shall promptly notify Secured Party of any commercial tort claim arising after the date hereof and provide Secured Party with all relevant information relating thereto. Each such commercial tort claim shall constitute Collateral and the Secured Party shall have the right to amend any filings as may be reasonably necessary to reflect such commercial tort claim. This provision shall not apply to claims made in small claims court.

SECTION 7. Additional Provisions Concerning the Collateral.

(a) Each Grantor hereby authorizes the Secured Party to file, without the signature of such Grantor (where permitted by law), one or more financing or continuation statements, and amendments thereto, relating to the Collateral. Each Grantor shall take such action as Secured Party may reasonably request in order to perfect the security interest of Secured Party in the Company Intellectual Property, including causing this Agreement to be filed with the U.S. Patent and Trademark Office.

(b) Upon the occurrence and during the continuation of an Event of Default, each Grantor hereby irrevocably appoints the Secured Party as such Grantor's attorney-in-fact and proxy with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time in the Secured Party's discretion, to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, the Purchase Agreement and the other Transaction Documents to which it is a party, including, without limitation: (i) to obtain and adjust insurance

required to be paid to the Secured Party, pursuant to Section 6(e) hereof; (ii) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys or other consideration due and to become due under or in respect of any Collateral; (iii) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper in connection with clause (i) or (ii) above and to give full discharge for the same; (iv) to file any claims or take any action or institute any proceedings which the Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral; and (v) to execute and file financing statements, continuation statements and amendments thereto.

(c) If any Grantor fails to perform any agreement contained herein, the Secured Party may itself perform, or cause performance of, such agreement or obligation, and the expenses of the Secured Party reasonably incurred in connection therewith shall be payable by such Grantor under Section 9 hereof.

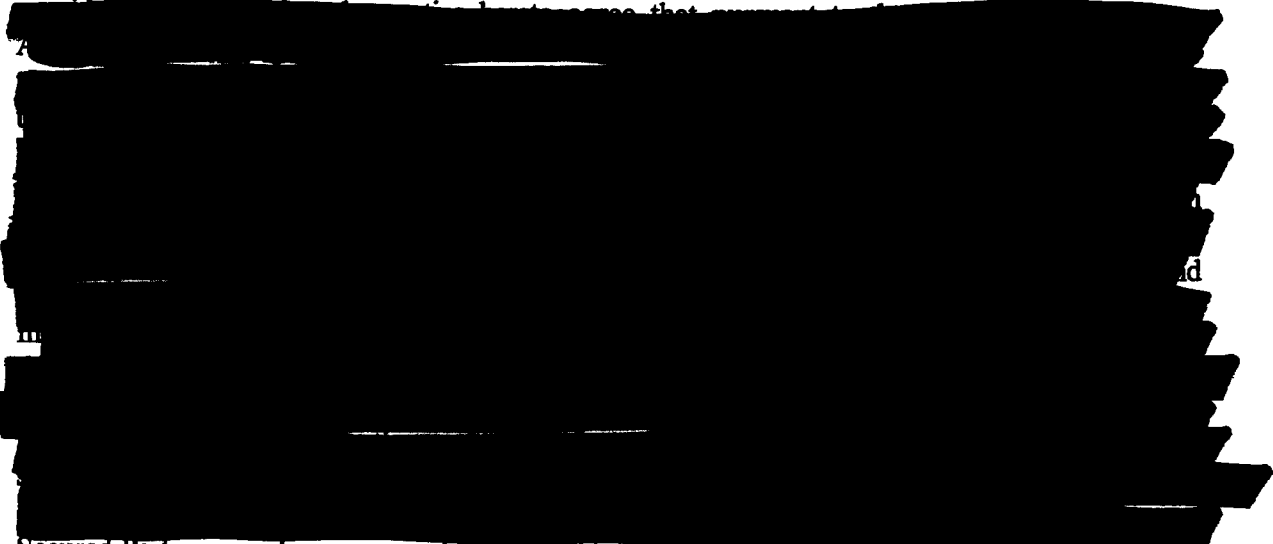
(d) The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys or other consideration actually received by it hereunder, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

(e) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each contract, agreement or understanding comprised in the Collateral to be observed or performed by such Grantor thereunder. The Secured Party shall not have any obligation or liability under any such contract, agreement or understanding by reason of or arising out of this Agreement or the receipt by the Secured Party of any payment or other consideration relating to any of the Collateral, nor shall the Secured Party be obligated in any manner to perform any of the obligations of such Grantor under or pursuant to any such contract, agreement or understanding to make inquiry as to the nature or sufficiency of any payment received by the Secured Party in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract, agreement or understanding to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Secured Party or to which the Secured Party may be entitled at any time or times. The Secured Party's sole duty with respect to the custody, safe keeping and physical preservation of the Collateral in its possession, under §9-207 of the Uniform Commercial Code of the State or otherwise, shall be to deal with such Collateral in the same manner as the Secured Party deals with similar property for its own account.

SECTION 8. Remedies Upon Occurrence of an Event of Default.

(a) If a Default or Event of Default shall have occurred and be continuing, the Secured Party may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it (whether under the Purchase Agreement, the other Transaction Documents, at law or in equity), all of the rights and remedies of a secured party on default under the Code (whether or not the Code applies to the affected Collateral), and also may: (i) enter upon any premises on which the Collateral may be situated and remove the

same therefrom or require each Grantor to, and each Grantor hereby agrees that it will at its expense and upon request of the Secured Party, forthwith assemble all or part of the Collateral as directed by the Secured Party and make it available to the Secured Party at a place to be designated by the Secured Party; and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Secured Party's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Secured Party may deem commercially reasonable;



Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) If a Default or an Event of Default shall have occurred and be continuing, the Grantors shall, at the request of the Secured Party, notify account debtors and other persons obligated on any of the Collateral of the security interest of the Secured Party in any account, chattel paper, general intangible, instrument or other Collateral and that payment thereof is to be made directly to the Secured Party or to any financial institution designated by the Secured Party, and the Secured Party may itself, if a Default or an Event of Default shall have occurred and be continuing, without notice to or demand upon the Grantor, so notify account debtors and other persons obligated on such Collateral and settle, adjust or compromise the amount of the payment thereof and otherwise exercise all rights and remedies relating thereto. The Secured Party shall apply the proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by the Secured Party to the Obligations, in accordance with the terms hereof and of the Purchase Agreement.

SECTION 9. Proceeds of Dispositions; Expenses. Each Grantor shall pay to the Secured Party on demand any and all expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred or paid by the Secured Party in protecting, preserving or enforcing the Secured Party's rights under or in respect of any of the Obligations or any of the Collateral. After deducting all of said expenses, the residue of any proceeds of collection or sale of the Obligations or Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as the Secured Party reasonably may determine (but not inconsistent with the following: first, in respect of accrued but unpaid interest under the

Note; second, in respect of unpaid principal under the Note; third, in respect of accrued but unpaid Participation Payments owed under the Purchase Agreement; and forth, any other unpaid and unsatisfied Obligations). Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Sections 9-608(a)(1)(C) or 9-615(a)(3) of the Uniform Commercial Code of the State, any excess shall be returned to the Grantors, and the Grantors shall remain liable for any deficiency in the payment of the Obligations.

SECTION 10. Notice. Except as otherwise expressly provided herein, all notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and shall be deemed to have been duly given or made when delivered by hand, or five (5) days after being deposited in the United States mail, first class postage prepaid, or, in the case of telecopy notice, when sent, or, in the case of a nationally recognized overnight courier service, one (1) Business Day after delivery to such courier service for overnight delivery, addressed, in the case of each party hereto, to such party at its address specified in the Purchase Agreement, or to such other address as may be designated by any party in a written notice to the other parties hereto.

SECTION 11. Termination. Upon the satisfaction in full or release of the Obligations, this Agreement and the security interest created hereby shall terminate and all rights to the Collateral shall revert to the Grantors. The Secured Party will, upon the Grantors' request, in exchange for the Grantors' signed receipt therefor, and at the Grantors' expense: (i) return to the Grantors such of the Collateral as shall not have been sold or otherwise disposed of or applied pursuant to the terms hereof; (ii) execute and deliver to the Grantors such documents as any Grantor shall reasonably request to evidence such termination; and (iii) file termination statements in all applicable jurisdictions evidencing the release of the Secured Party's security interest in the Collateral.

SECTION 12. Miscellaneous.

(a) **Amendments and Waivers.** This Agreement may be amended or modified only by written instrument executed by the Grantors and the Secured Party.

(b) **No Waiver; Remedies Cumulative.** No failure on the part of the Secured Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of the Secured Party provided herein are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law or and under the Purchase Agreement, the Note and any other Transaction Documents. The rights of the Secured Party hereunder against any party hereto are not conditional or contingent on any attempt by the Secured Party to exercise any of its rights under any other document or agreement against such party or against any other person.

(c) **Severability.** In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

(d) Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until the payment in full or release of the Obligations.

(e) Waiver of Suretyship Defenses. Each Grantor waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, each Grantor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Secured Party may deem advisable. Each Grantor further waives any and all other suretyship defenses.

(f) Governing Law; Submission to Jurisdiction.

(i) Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of Ohio, without reference to the conflict of law principles thereof that would cause the laws of any other state to govern this Agreement.

(ii) Submission to Jurisdiction. The Grantors hereby submit to the nonexclusive jurisdiction of the United States District Court for the Southern District of Ohio and the Court of Common Pleas of the State of Ohio sitting in Hamilton County, Ohio, and of any appellate court in the Ohio, for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby.

(iii) Waiver of Venue. The Grantors hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

(iv) Service of Process. Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 11.03 of the Purchase Agreement. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

(g) Successors, etc. This Agreement shall be binding upon and inure to the benefit of the Grantors and the Secured Party, and their respective permitted transferees, successors and assigns. The Grantors shall not have the right to assign or transfer any right or interest herein or hereunder without the Secured Party's prior written consent. The Secured Party shall have the right, upon notice to the Grantors specifying the identity of the transferor, successor or assignee, to transfer or assign to any Affiliate its rights and obligations hereunder, and in connection therewith, the Secured Party may disclose to any such Person any information that it received or may receive from each Grantor hereunder.

(h) Headings Descriptive. The headings of the several Sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

(i) Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

(j) Waiver of Trial by Jury. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE GRANTORS AND THE SECURED PARTY HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT OR ANY MATTER ARISING HEREUNDER OR THEREUNDER.**

[Remainder of Page Intentionally Blank. Signature Page Follows.]

IN WITNESS WHEREOF, the Grantors and the Secured Party have caused this Security Agreement to be executed and delivered by their respective officers therunto duly authorized, as of the date first above written.

THE GRANTORS:

AERELLE, INC.

By: 
Arthur Cohen
President and Chief Executive Officer

AERELLE TECHNOLOGIES, INC.

By: 
Arthur Cohen
President and Chief Executive Officer

THE SECURED PARTY:

**GREAT AMERICAN LIFE INSURANCE
COMPANY**

By: _____
Name: Mark F. Muehling
Title: Executive Vice President

- Signature Page to Security Agreement -

IN WITNESS WHEREOF, the Grantors and the Secured Party have caused this Security Agreement to be executed and delivered by their respective officers thereunto duly authorized, as of the date first above written.

THE GRANTORS:

AERIELLE, INC.

By: _____
Arthur Cohen
President and Chief Executive Officer

AERIELLE TECHNOLOGIES, INC.

By: _____
Arthur Cohen
President and Chief Executive Officer

THE SECURED PARTY:

**GREAT AMERICAN LIFE INSURANCE
COMPANY**

By: 

Name: Mark F. Muehling
Title: Executive Vice President

**SCHEDULE 1
TO SECURITY AGREEMENT**

Location(s) of Goods, Inventory and Equipment



**SCHEDULE 2
TO SECURITY AGREEMENT**

Accounts

Aerielle, Inc.:

Account	Bank	Type	Account Number
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Aerielle Technologies, Inc.:

Account	Bank	Type	Account Number
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

**SCHEDULE 3
TO SECURITY AGREEMENT**

Investment Collateral

