

**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
PARAGON AIRHEATER TECHNOLOGIES, INC.			05/10/2010
		Entity Type	
		CORPORATION: DELAWARE	
RECEIVING PARTY DATA			
Name:		HUNTINGTON CAPITAL FUND II, L.P.	
Street Address:		4660 LA JOLLA VILLAGE DRIVE	
Internal Address:		SUITE 650	
City:		SAN DIEGO	
State/Country:		CALIFORNIA	
Postal Code:		92122	
Entity Type:		LIMITED PARTNERSHIP: DELAWARE	
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Serial Number:	77745836	DURASHIELD	
Serial Number:	77745812	DURAMAX	
Serial Number:	77745779	DURAFLEX	
CORRESPONDENCE DATA			
Fax Number:		(858)638-5033	
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>			
Phone:		8586386733	
Email:		karen.johanson@dlapiper.com	
Correspondent Name:		DLA PIPER LLP (US)	
Address Line 1:		4365 EXECUTIVE DR., STE. 1100	
Address Line 2:		ATTN: KAREN JOHANSON	
Address Line 4:		SAN DIEGO, CALIFORNIA 92121	
ATTORNEY DOCKET NUMBER:		366955-6	

CH \$90.00 77745836

NAME OF SUBMITTER:	Troy Zander
Signature:	/Troy Zander/
Date:	05/17/2010
Total Attachments: 6 source=Paragon IPSA#page1.tif source=Paragon IPSA#page2.tif source=Paragon IPSA#page3.tif source=Paragon IPSA#page4.tif source=Paragon IPSA#page5.tif source=Paragon IPSA#page6.tif	

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "Agreement") is entered into as of May 10, 2010 by and between HUNTINGTON CAPITAL FUND II, L.P., as Lender under (and as described in) the Loan Agreement (defined below) ("Lender") and PARAGON AIRHEATER TECHNOLOGIES, INC. ("Borrower").

### RECITALS

Lender has agreed to make certain advances of money and to extend certain financial accommodations to Borrower under that certain Loan and Security Agreement by and between Lender and Borrower dated of even date herewith (as amended from time to time, the "Loan Agreement"). Capitalized terms used herein are used as defined in the Loan Agreement. Pursuant to the terms of the Loan Agreement, Borrower has granted to Lender a security interest in its personal property.

NOW, THEREFORE, Borrower agrees as follows:

### AGREEMENT

To secure the Obligations, Borrower grants to Lender, a security interest in all of Borrower's right, title and interest in, its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Exhibits A, B and C hereto) and 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. Borrower represents and warrants that Exhibits A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Borrower has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office or any other agency of any state or country responsible for the registration of any patent, trademark, copyright, or similar protection, as applicable. 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.

[Signature page follows.]

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.

Address of Borrower:

23143 Temescal Canyon Road, Suite B  
Corona, CA 92883  
Attn: Chief Financial Officer  
Fax: (951) 277-8031

**BORROWER:**

PARAGON AIRHEATER TECHNOLOGIES,  
INC.

By: 

Name: Cannon Pearson

Title: C.F.O.

Address of Lender:

4660 La Jolla Village Drive, Suite 650  
San Diego, CA 92122  
Attention: Tim Bubnack  
Fax: (858) 259-0074

**LENDER:**

HUNTINGTON CAPITAL FUND II, L.P.,  
a Delaware limited partnership

By: HFMC II, LLC,  
a Delaware limited liability company  
Its: General Partner

By: \_\_\_\_\_

Tim Bubnack  
Member

[Signature Page to Intellectual Property Security Agreement]

WEST21935325  
366955-000006

TRADEMARK  
REEL: 004207 FRAME: 0547

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Address of Borrower:

23143 Temescal Canyon Road, Suite B  
Corona, CA 92883  
Attn: Chief Financial Officer  
Fax: (951) 277-8031

**BORROWER:**

PARAGON AIRHEATER TECHNOLOGIES,  
INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address of Lender:

4660 La Jolla Village Drive, Suite 650  
San Diego, CA 92122  
Attention: Tim Bubnack  
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**LENDER:**

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Its: General Partner

By:  \_\_\_\_\_

Tim Bubnack  
Member

[Signature Page to Intellectual Property Security Agreement]

WEST 21935325  
366955-000006

TRADEMARK  
REEL: 004207 FRAME: 0548

EXHIBIT A

Copyrights

<u>Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
None.		

EXHIBIT B

Patents

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
Heat exchanger having powder coated elements	11198406	8/4/05
Perimeter sealing element for regenerative heat exchanger	5881799	3/16/99
Improved sealing element for a regenerative heat exchanger	5950707	9/14/99
Sealing element for a regenerative heat exchanger	6789605	9/14/04
Sealing element for a regenerative heat exchanger	7059386	6/13/06
Reinforced sealing element	7231958	6/19/07
Self-adjusting seal for a heat exchanger	11951255	12/5/07

EXHIBIT C

Trademarks

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
DURASHIELD	77745836	5/27/09
DURAMAX	77745812	5/27/09
DURAFLEX	77745779	5/27/09

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