

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
Propel Biofuels, Inc.		05/20/2010	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	Hercules Technology II, L.P.		
Street Address:	400 Hamilton Avenue, Suite 301		
City:	Palo Alto		
State/Country:	CALIFORNIA		
Postal Code:	94301		
Entity Type:	LIMITED PARTNERSHIP: DELAWARE		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Registration Number:	3570429	PROPEL	
Registration Number:	3576955	PROPEL	
Registration Number:	3576956	FUELING CHANGE	
Registration Number:	3457874	CLEANDRIVE	
CORRESPONDENCE DATA			
Fax Number:	(415)693-2222		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	4156932222		
Email:	crhem@cooley.com		
Correspondent Name:	Cooley LLP		
Address Line 1:	101 California Street, 5th Floor		
Address Line 4:	San Francisco, CALIFORNIA 94111		
ATTORNEY DOCKET NUMBER:	HERCULESPROPEL 305866-164		
NAME OF SUBMITTER:	C. Rhem		

CH \$115.00 3570429

900162737

**TRADEMARK
 REEL: 004210 FRAME: 0309**

Signature:	/CR/
Date:	05/20/2010
Total Attachments: 6 source=Propel ISPA#page1.tif source=Propel ISPA#page2.tif source=Propel ISPA#page3.tif source=Propel ISPA#page4.tif source=Propel ISPA#page5.tif source=Propel ISPA#page6.tif	

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of May 20, 2010 by and between HERCULES TECHNOLOGY II, L.P. ("Lender") and PROPEL BIOFUELS, INC., a Delaware corporation ("Grantor").

RECITALS

A. Lender has agreed to make certain advances of money and to extend certain financial accommodations (the "Loans") to Grantor in the amounts and manner set forth in that certain Loan and Security Agreement by and between Lender and Grantor dated as of the date hereof (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. Lender is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Lender 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 Lender 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 agreements now existing or hereafter arising between Grantor and Lender, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreement and under the other Loan Documents between Lender and Grantor, Grantor grants and pledges to Lender 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.

This security interest is granted in conjunction with the security interest granted to Lender under the Loan Agreement. The rights and remedies of Lender 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 Lender as a matter of law or equity. Each right, power and remedy of Lender 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 Lender 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 Lender, of any or all other rights, powers or remedies.

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.


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 Grantor:

808 R Street, Suite 101
Sacramento, CA 95811
Attn: Matt Horton

GRANTOR:

PROPEL BIOFUELS, INC.

By: 

Title: CEO

Address of Lender:

Hercules Technology II, L.P.
400 Hamilton Avenue, Suite 301
Palo Alto, CA 94301
Attn: Loan Documentation

LENDER:

HERCULES TECHNOLOGY II, L.P.

By: Hercules Technology SBIC Management, LLC, its
General Partner

By: Hercules Technology Growth Capital, Inc., its
Manager

By: _____

Title: _____

[Signature page to Intellectual Property Security Agreement]

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 Grantor:

808 R Street, Suite 101
Sacramento, CA 95811
Attn: Matt Horton

GRANTOR:

PROPEL BIOFUELS, INC.

By: _____

Title: _____

Address of Lender:

Hercules Technology II, L.P.
400 Hamilton Avenue, Suite 301
Palo Alto, CA 94301
Attn: Loan Documentation

LENDER:

HERCULES TECHNOLOGY II., L.P.

By: Hercules Technology SBIC Management, LLC, its
General Partner

By: Hercules Technology Growth Capital, Inc., its
Manager

By:  _____

Title: K. Nicholas Martitsch
Associate General Counsel

[Signature page to Intellectual Property Security Agreement]

EXHIBIT A

Copyrights

None.

EXHIBIT B

Patents

Title	Appl. No. (Pub. No)	Filing Date (Pub. Date)
METHOD AND SYSTEM FOR REPORTING ENVIRONMENTAL SAVINGS ACQUIRED BY USE OF ALTERNATIVE FUELS	12/043053 (20090228403)	03/05/08 (09/10/09)
METHOD AND SYSTEM FOR EXCHANGING ENVIRONMENTAL SAVINGS ACQUIRED BY USE OF ALTERNATIVE FUELS	12/043074 (20090228404)	03/05/08 (09/10/09)

EXHIBIT C

Trademarks

Mark	Reg. No. (Serial No.)	Reg. Date (Filing Dated)
PROPEL	3570429	02/03/09
PROPEL	3576955	02/17/09
FUELING CHANGE	3576956	02/17/09
CLEANDRIVE	3457874	07/01/08