

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
Vermillion Defense Corporation		04/29/2011	CORPORATION: TEXAS
RECEIVING PARTY DATA			
Name:	PlainsCapital Bank		
Street Address:	2323 Victory Ave., Suite 1400		
City:	Dallas		
State/Country:	TEXAS		
Postal Code:	75219		
Entity Type:	Texas state bank: TEXAS		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	2485819	SPITFIRE	
CORRESPONDENCE DATA			
Fax Number:	(214)999-3623		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	214-999-4487		
Email:	jfulmer@gardere.com		
Correspondent Name:	Gardere Wynne Sewell LLP/Jason R. Fulmer		
Address Line 1:	1601 Elm Street, Suite 3000		
Address Line 4:	Dallas, TEXAS 75201		
ATTORNEY DOCKET NUMBER:	121326-281		
NAME OF SUBMITTER:	Jason R. Fulmer		
Signature:	/Jason R. Fulmer/		
Date:	05/13/2011		

OP \$40.00 2485819

Total Attachments: 7

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "IP Security Agreement") dated as of April 29, 2011, is made by VERMILLION DEFENSE CORPORATION, a Texas corporation ("Grantor"), in favor of PLAINSCAPITAL BANK, a Texas state bank ("Lender").

WHEREAS, SPITFIRE, LTD., a Texas limited partnership ("Borrower") is indebted to Lender for Indebtedness (hereinafter defined) under the Loan Documents (hereinafter defined).

WHEREAS, Grantor has agreed to execute and deliver this IP Security Agreement to secure the Indebtedness.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

SECTION 1. Defined Terms.

"Indebtedness" means (i) all indebtedness, obligations and liabilities of Borrower to Lender of any kind or character, now existing or hereafter arising, whether direct, indirect, related, unrelated, fixed, contingent, liquidated, unliquidated, joint, several or joint and several, and regardless of whether such indebtedness, obligations and liabilities may, prior to their acquisition by Lender, be or have been payable to or in favor of a third party and subsequently acquired by Lender (it being contemplated that Lender may make such acquisitions from third parties), (ii) all accrued but unpaid interest on any of the indebtedness described in (i) above, (iii) all obligations of Borrower and Grantor to Lender under the Loan Documents, (iv) all costs and expenses incurred by Lender in connection with the collection and administration of all or any part of the indebtedness and obligations described in (i), (ii) and (iii) above or the protection or preservation of, or realization upon, the collateral securing all or any part of such indebtedness and obligations, including without limitation all reasonable attorneys' fees, and (v) all renewals, extensions, modifications and rearrangements of the indebtedness and obligations described in (i), (ii), (iii) and (iv) above.

"Loan Documents" means each of the agreements, instruments and documents evidencing, securing, governing, guaranteeing or pertaining to the Indebtedness.

SECTION 2. Grant of Security. Grantor hereby grants to Lender a security interest in all of Grantor's right, title and interest in and to the following (the "Collateral"):

(i) all of the patents (the "Patents") and patent applications owned by Grantor, including those set forth in Schedule A hereto;

(ii) all of the trademark and service mark registrations and applications owned by Grantor, including those set forth in Schedule B hereto, together with the goodwill symbolized thereby (the "Trademarks");

(iii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the foregoing, all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto;

(iv) any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(v) any and all proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and supporting obligations relating to, any and all of the Collateral or arising from any of the foregoing.

SECTION 3. Security for Obligations. The grant of a security interest in, the Collateral by Grantor under this IP Security Agreement secures the prompt and complete payment and performance when due of all Indebtedness and obligations of Grantor and Borrower, whether direct or indirect, now existing or hereafter arising, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, guarantee obligations, indemnifications, contract causes of action, costs, expenses or otherwise.

SECTION 4. Recordation. Grantor authorizes and requests that the Commissioner for Patents and the Commissioner for Trademarks and any other applicable Governmental Authority record this IP Security Agreement.

SECTION 5. Representations and Warranties. Grantor represents and warrants, as applicable, that as of the date of this IP Security Agreement:

(a) The Patents and Trademarks owned by it are existing and have not been adjudged invalid or unenforceable;

(b) Grantor has the corporate power and authority to enter into this IP Security Agreement and perform its terms;

(c) To the extent necessary to prevent the abandonment, invalidation, unenforceability, avoidance or substantial diminution of value, Grantor has used, and will continue to use for the duration of this IP Security Agreement, proper statutory notice, where appropriate, in connection with its use of the Patents and Trademarks owned by it; and

(d) To the extent necessary to prevent the abandonment, invalidation, unenforceability, avoidance or substantial diminution of value, Grantor has used, and will continue to use for the duration of this IP Security Agreement, consistent standards of quality in its manufacture of products sold under the Patents and Trademarks.

SECTION 6. Covenants. Grantor covenants and agrees with Lender that from and after the date of this IP Security Agreement and until the Indebtedness is fully satisfied:

(a) Further Documentation; Pledge of Instruments. At any time and from time to time, upon the written request of Lender, Grantor will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as Lender may reasonably deem desirable in obtaining the full benefits of this IP Security Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the UCC with respect to the liens and security interests granted hereby. Grantor also hereby authorizes Lender to file any such financing or continuation statement without the signature of Grantor to the extent permitted by applicable law.

(b) Maintenance of Collateral. Grantor will not do any act, or omit to do any act, that causes the Patents and Trademarks or any registration or application appurtenant thereto, to become abandoned, invalidated, unenforceable, avoided, avoidable, or otherwise substantially diminish in value.

(c) Indemnification. GRANTOR ASSUMES ALL RESPONSIBILITY AND LIABILITY ARISING FROM ITS USE OF THE PATENTS AND TRADEMARKS, AND GRANTOR HEREBY INDEMNIFIES AND HOLDS LENDER HARMLESS FROM AND AGAINST ANY CLAIM, SUIT, LOSS, DAMAGE OR EXPENSE (INCLUDING ATTORNEYS' FEES) ARISING OUT OF GRANTOR'S OPERATIONS OF ITS BUSINESS FROM THE USE OF THE PATENTS AND TRADEMARKS EXCEPT A CLAIM, SUIT, LOSS, DAMAGE OR EXPENSE FROM LENDER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(d) Limitation of Liens on Collateral. Grantor will not create, permit or suffer to exist any lien, security interest, encumbrance, claim or right, in or to the Collateral.

(e) Limitation on Further Uses of Collateral. Grantor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber or otherwise dispose of any of the Collateral, without the written consent of Lender.

5. Lender's Appointment as Attorney-in-Fact.

(a) Grantor hereby irrevocably constitutes and appoints Lender and any officer of Lender, with full power of substitution, as their true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Grantor and in the name of Grantor or in its own name, from time to time in Lender's discretion, for the purposes of carrying out the terms of this IP Security Agreement, upon the occurrence and during the continuance of a default under the Loan Documents, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this IP Security Agreement and, without limiting the generality of the foregoing, hereby gives Lender the power and right, on behalf of the Grantor, to do the following:

(i) Upon the occurrence and during the continuance of a default under the Loan Documents, to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral, and

(ii) Upon the occurrence and during the continuance of a default under the Loan Documents, (A) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (B) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (C) to defend any suit, action or proceeding brought against Grantor with respect to any Collateral; (D) to settle, compromise, or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as Lender may reasonably deem appropriate; and (E) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Lender were the absolute owner thereof for all purposes, and to do, at Lender's option all acts and things which Lender reasonably deems necessary to protect, preserve or realize upon the Collateral and Lender's security interest therein, in order to effect the intent of this IP Security Agreement, all as fully and effectively as Grantor might do.

This power of attorney is a power coupled with an interest and shall be irrevocable. Notwithstanding the foregoing, Grantor shall execute any additional documents which Lender may

require in order to confirm this power of attorney, or which Lender may deem necessary to enforce any of its rights contained in this IP Security Agreement.

(b) The powers conferred on Lender hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees, agents or attorneys shall be responsible to Grantor for any act or failure to act, except for its own gross negligence or willful misconduct.

SECTION 7. Performance by Lender of Grantor's Obligations. If Grantor fails to perform or comply with any of its agreements contained herein and Lender, as provided for by the terms of this IP Security Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the reasonable, direct expenses of Lender incurred in connection with such performance or compliance shall be payable by Grantor to Lender on demand and shall constitute Indebtedness secured hereby.

SECTION 8. Remedies and Rights Generally. If a default under the Loan Documents shall occur and be continuing, Lender may exercise in addition to all other rights and remedies granted to it in this IP Security Agreement and the Loan Documents, all rights and remedies of a secured party under the UCC, including, without limitation, sale of the Collateral. Grantor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which Lender is entitled. Grantor shall also be liable for the reasonable fees of any attorneys employed by Lender to collect any such deficiency and also as to any reasonable attorneys' fees incurred by Lender with respect to the collection of any of the Indebtedness and the enforcement of any of Lender's respective rights hereunder.

SECTION 9. Execution in Counterparts. This IP Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 10. Governing Law. This IP Security Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas.

IN WITNESS WHEREOF, Grantor has caused this IP Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

GRANTOR:

VERMILLION DEFENSE CORPORATION

By: Walter W. Cardwell III
Name: Walter W. Cardwell III
Title: President

ACKNOWLEDGMENT

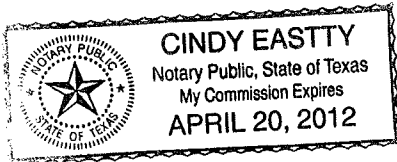
STATE OF TEXAS :
: SS

COUNTY OF TRAVIS :

Before me, the undersigned, a Notary Public, on this 29 day of April 2011, personally appeared Walter W. Cardwell to me known personally, who, being by me duly sworn, did say that he is the president of Vermillion Defense Corporation.

Cindy Eastty
Notary Public
My Commission Expires: 4.20.12

(SEAL)



**Schedule A to the
Intellectual Property Security Agreement**

Intellectual Property

Patents and Patents Pending

U.S. Patents

Owner of Record: Vermillion Corporation

Patent Number	Title	Issue Date
U.S. Pat. No. 6,199,726	Chemical Irritant Dispenser	March 13, 2001
U.S. Pat. No. 6,374,468	Highly Compliant Retention Mechanism for Attaching and Quickly Releasing Components	April 23, 2002
U.S. Pat. No. 6,584,655	Highly Compliant and Highly Repeatable Retention Mechanism for Attaching and Quickly Releasing Components	July 1, 2003
U.S. Pat. No. D470,212	Spray Dispenser	February 11, 2003
U.S. Pat. No. 7,140,515	Manually Manipulable Actuator Mechanism Having Constrained Range of Motion	November 28, 2006

**Schedule B to the
Intellectual Property Security Agreement**

Trademarks

U.S. Trademarks

Owner of Record: Vermilion Corporation d/b/a Vermillion Corporation

Trademark	Application Number	Registration Number	Goods/Services
SPITFIRE	75709325	2485819	Aerosol spray containing irritant for self-defense; aerosol dispensers, namely, aerosol dispensers not for medical use