

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
PARAGON AIRHEATER TECHNOLOGIES, INC.		09/07/2011	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	SQUARE 1 BANK		
Street Address:	406 Blackwell Street		
Internal Address:	Suite 240		
City:	DURHAM		
State/Country:	NORTH CAROLINA		
Postal Code:	27701		
Entity Type:	CORPORATION: NORTH CAROLINA		
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Serial Number:	85184056	DURASHIELD	
Registration Number:	3823789	DURAMAX	
Registration Number:	3728181	DURAFLEX	
CORRESPONDENCE DATA			
Fax Number:	(919)354-1278		
Phone:	919-314-3086		
Email:	loandocsdept@square1bank.com		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>			
Correspondent Name:	Square 1 Bank		
Address Line 1:	406 Blackwell Street		
Address Line 2:	Suite 240		
Address Line 4:	DURHAM, NORTH CAROLINA 27701		
NAME OF SUBMITTER:	Lee Conner		

CH \$90.00 85184056

900203284

TRADEMARK
REEL: 004632 FRAME: 0216

Signature:	/leeconner-tkf/
Date:	09/28/2011
Total Attachments: 6 source=Paragon Airheater Technologies - Intellectual Property Security Agreement#page1.tif source=Paragon Airheater Technologies - Intellectual Property Security Agreement#page2.tif source=Paragon Airheater Technologies - Intellectual Property Security Agreement#page3.tif source=Paragon Airheater Technologies - Intellectual Property Security Agreement#page4.tif source=Paragon Airheater Technologies - Intellectual Property Security Agreement#page5.tif source=Paragon Airheater Technologies - Intellectual Property Security Agreement#page6.tif	

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is entered into as of September 7, 2011 by and between SQUARE 1 BANK ("*Bank*") and PARAGON AIRHEATER TECHNOLOGIES, INC., a Delaware corporation ("*Grantor*").

RECITALS

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

AGREEMENT

To secure its obligations under the Loan Agreement and under any other agreement now existing or hereafter arising between Bank and Grantor, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property (including without limitation those Copyrights, Patents and Trademarks listed on Exhibits 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 (collectively, "Intellectual Property Collateral").

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

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.

GRANTOR:

Address of Grantor:

**PARAGON AIRHEATER
TECHNOLOGIES, INC.**

23143 Temescal Canyon Rd., Suite B
Corona, CA 92883

By: 
Name: CANNON PEARSON
Title: C.O.O.

BANK:

Address of Bank:

SQUARE 1 BANK

406 Blackwell Street, Suite 240
Durham, NC 27701
Attn: Loan Documentation Department


By: 
Name: Zach Robbins
Title: AVP

EXHIBIT A
COPYRIGHTS

<u>Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
NONE		

square 1 bank

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REEL: 004632 FRAME: 0221

EXHIBIT B

PATENTS

Description	Registration OR Serial Number	Registration OR Filing Date
Heat exchanger having powder coated elements	7841390	11-30-2010
Heat exchanger having powder coated elements	7819176	10-26-2010
Sealing element for a regenerative heat exchanger	7416016	8-26-2008
Reinforced sealing element	7231958	6-19-2007
Heat exchanger having powder coated elements	12/911346	10-25-2010
Full contact flexible seal assembly for heat exchanger	12/542557	8-17-2009
Full contact flexible seal assembly for heat exchanger	12/542542	8-17-2009
Self-adjusting seal for a heat exchanger	11/951255	12-5-2007
Perimeter sealing element for regenerative heat exchanger	5881799	3-16-1999
Sealing element for a regenerative heat exchanger	7059386	6-13-2006
Sealing element for a regenerative heat exchanger	5950707	9-14-1999
Sealing element for a regenerative heat exchanger	6789605	9-14-2004



EXHIBIT C
TRADEMARKS

Description	Registration/ Application Number	Registration/ Application Date
DURASHIELD	85/184056	5-17-2011
DURAMAX	3823789	7-27-2010
DURAFLEX	3728181	12-22-2009

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