

## 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
ST IP, LLC		12/18/2012	LIMITED LIABILITY COMPANY: CALIFORNIA
RECEIVING PARTY DATA			
Name:	FCC, LLC, d/b/a FIRST CAPITAL WESTERN REGION, LLC		
Street Address:	601 S. Figueroa Street, Suite 3460		
City:	Los Angeles		
State/Country:	CALIFORNIA		
Postal Code:	90017		
Entity Type:	LIMITED LIABILITY COMPANY: FLORIDA		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	3796630	E-SUEDE	
Registration Number:	3807797	SYSTEM G2 PLATINUM	
CORRESPONDENCE DATA			
Fax Number:	2027393001		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	202-739-5652		
Email:	chowell@morganlewis.com		
Correspondent Name:	Catherine R. Howell		
Address Line 1:	1111 Pennsylvania Ave., N.W.		
Address Line 2:	Morgan, Lewis & Bockius LLP		
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20004		
NAME OF SUBMITTER:	Catherine R. Howell, Senior Paralegal		
Signature:	/Catherine R. Howell/		

Date:

12/28/2012

**Total Attachments: 27**

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**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement") dated as of December 18, 2012 is made between FCC, LLC, d/b/a FIRST CAPITAL WESTERN REGION, LLC ("Lender") and ST IP, LLC, a California limited liability company ("Pledgor").

Preliminary Statements

A. Lender has entered into that certain Loan and Security Agreement, dated as of the date hereof (as amended, supplemented, restated or otherwise modified from time to time, the "Loan Agreement"), between Lender and Sole Technology, Inc. (the "Borrower") pursuant to which Lender has agreed, from time to time, to make certain loans and other financial accommodations to Borrower (the "Loans"). Any capitalized term used but not defined herein shall have the meaning ascribed thereto in the Loan Agreement.

B. Lender has required as a condition precedent to the extension of credit to or for the account of Borrower that Pledgor grant Lender a security interest in the collateral charged herein.

C. As security for the Guaranteed Obligations, and for the purpose of inducing Lender to, subject to the terms of the Loan Agreement, make the Loans, Pledgor desires to enter into this Agreement.

Statement of Agreement

1. DEFINITIONS.

1.1 Loan Agreement. Any capitalized term used, but not defined in this Agreement will have the meaning given in the Loan Agreement.

1.2 Defined Terms. In addition to the other terms defined in this Agreement, whenever the following capitalized terms (whether or not underscored) are used, they shall be defined as follows:

"CCP" has the meaning given to it in Section 13.21(ii).

"Claim" has the meaning given to it in Section 13.21(ii).

"Court" has the meaning given to it in Section 13.21(ii).

"Copyright Collateral" means all of Pledgor's right, title and interest in and to all of its now owned or existing, and hereafter acquired or arising copyrights that, as of the date of this Agreement are, or hereafter are, licensed to or used by Borrower, notwithstanding the termination of such license or use by Borrower and notwithstanding any license granted by Borrower to any other person, including, without limitation, all copyright interests in the works listed and described on Schedule I attached hereto and made a part hereof (collectively, the "Copyrights"), including registrations thereof, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now and in the future due or

payable under or with respect thereto, including damages and payment for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, (iv) all rights corresponding thereto throughout the world, and (v) the Copyright License Rights, as hereinafter defined. For purposes of this Agreement, "Copyright License Rights" means Pledgor's entire right, title and interest in, to and under all license agreements with respect to any Copyrights, whether Pledgor is licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Schedule I, with respect to any Copyrights and all rights thereto and thereunder; and all records and proceeds (in whatever form) of the foregoing.

"Guaranteed Obligations" has the meaning given to it in Section 3.1(i).

"Intellectual Property" means all intellectual and similar Property of a Person including (a) inventions, designs, patents, patent applications, copyrights, trademarks, service marks, trade names, trade secrets, confidential or proprietary information, customer lists, know-how, software, and databases; (b) all embodiments or fixations thereof and all related documentation, applications, registrations, and franchises; (c) all licenses or other rights to use any of the foregoing; and (d) all books and records relating to the foregoing.

"Intellectual Property Collateral" means, collectively, the Copyright Collateral, the Patent Collateral and the Trademark Collateral.

"Licenses" means, with respect to any Person (the "Specified Party"), (A) any licenses or other similar rights provided to the Specified Party in or with respect to Intellectual Property owned or controlled by any other Person, and (B) any licenses or other similar rights provided to any other Person in or with respect to Intellectual Property owned or controlled by the Specified Party, in each case, including (x) any software license agreements (other than license agreements for commercially available off-the-shelf software that is generally available to the public which have been licensed to Pledgor pursuant to end-user licenses), and (y) the right to use any of the licenses or other similar rights described in this definition in connection with the enforcement of the Lender's rights under the Loan Documents.

"Obligations" has the meaning given to it in the Loan Agreement.

"Patent Collateral" means, collectively, (i) all of Pledgor's right, title and interest in and to its now or in the future owned or existing patents and patent applications that, as of the date of this Agreement are, or hereafter are, licensed to or used by Borrower, notwithstanding the termination of such license or use by Borrower and notwithstanding any license granted by Borrower to any other person including, without limitation, the inventions and improvements described and claimed in those patents and patent applications and the patents listed on Schedule II attached hereto and made a part of this Agreement (the property in this item (i) being collectively, the "Patents"); (ii) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of each of the Patents; (iii) all income, royalties, damages and payments now and in the future due or payable under and with respect to any and all of the Patents, including damages and payments for past or future infringements of any and all of the Patents; (iv) all rights to

sue for past, present and future infringements of any and all of the Patent; (v) all rights corresponding to any and all of the Patents throughout the world; and (vi) all rights of Pledgor as licensor or licensee under, and with respect to, any Patents, including the licenses listed on Schedule II and the Licenses of Patents (pledgor's rights as licensor or licensee sometimes referred to in this Agreement collectively as "Patent License Rights").

"Property" means any interest in any kind of property or asset, whether real, personal, or mixed or tangible or intangible, including cash, securities, accounts, and contract rights.

"Trademark Collateral" means, collectively, (i) all of Pledgor's right, title and interest in and to all of its now or in the future owned or existing trademarks, service marks, trademark or service mark registrations, trade names, and trademark or service mark applications (exclusive, for purposes only of this Agreement, of any Intent to Use Applications as defined below) that, as of the date of this Agreement are, or hereafter are, licensed to or used by Borrower, notwithstanding the termination of such license or use by Borrower and notwithstanding any license granted by Borrower to any other person including, without limitation, each mark, registration, and application listed on Schedule III attached hereto and made a part hereof (the property in this item (i) being collectively, the "Trademarks"; (ii) all renewals of each of the Trademarks; (iii) all income, royalties, damages and payments now and in the future due or payable under with respect to any and all Trademarks, including damages and payments for past or future infringements of any and all Trademarks; (iv) all rights to sue for past, present and future infringements of any and all Trademarks; (v) all rights corresponding to each of the Trademarks throughout the world; (vi) all rights of Pledgor as licensor or licensee under, and with respect to any Trademarks, including the licenses listed on Schedule III and the Licenses of Trademarks (Pledgor's rights as licensor or licensee sometimes referred to in this Agreement collectively as "Trademark License Rights" and, collectively with the Copyright License Rights and the Patent License Rights, the "Intellectual Property License Rights"); and (vii) together in each case with the goodwill of Pledgor's business connected with the use of, and symbolized by, the Trademark Collateral. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement is intended to be, or may be construed to be, an assignment of any application to register any trademark or service mark based on any intent to use filed by, or on behalf of, Pledgor ("Intent to Use Applications"), and any Intent to Use Applications are specifically excluded from Trademark Collateral for purposes of this Agreement.

"USCO" means the United States Copyright Office or any successor thereto.

"USPTO" means the United States Patent and Trademark Office or any successor thereto.

### 1.3 Other Definitional Provisions; Construction. Unless otherwise specified,

(i) As used in this Agreement, accounting terms relating to Pledgor not defined in this Agreement have the respective meanings given to them in accordance with GAAP.

(ii) References to the Uniform Commercial Code, or UCC, mean as enacted in the particular jurisdiction(s) encompassed by the reference.

(iii) The definition of any document, instrument or agreement includes all schedules, attachments and exhibits thereto and all renewals, extensions, supplements, restatements and amendments thereof. All Exhibits and Schedules attached to this Agreement are incorporated into, made and form an integral part of, this Agreement for all purposes.

(iv) "Hereunder," "herein," "hereto," "this Agreement" and words of similar import refer to this entire document; "including" is used by way of illustration and not by way of limitation, unless the context clearly indicates the contrary; the singular includes the plural and conversely; and any action required to be taken by Pledgor is to be taken promptly, unless the context clearly indicates the contrary.

(v) All of the uncapitalized terms contained in this Agreement which are now or hereafter defined in the Code will, unless the context indicates otherwise, have the meanings provided for now or hereafter in the Code.

2. GRANT OF SECURITY. To secure the full, prompt and complete payment and performance of the Guaranteed Obligations, Pledgor hereby grants to, and creates in favor of, Lender a continuing security interest in, and Lien on, all of the Intellectual Property Collateral whether now owned or hereafter acquired and wherever located, together with all products and proceeds thereof.

3. LIMITED GUARANTY.

3.1 Limited Guaranty.

(i) Subject to Section 3.3, Pledgor hereby unconditionally and irrevocably guarantees the full and prompt payment when due, whether at stated maturity, by acceleration or otherwise (including, without limitation, all amounts which would have become due but for the operation of the automatic stay under Section 362(a) of the Federal Bankruptcy Code, 11 U.S.C. 362(a)), of the following (collectively, the "Guaranteed Obligations"):

- a. all Obligations of the Borrower to Lender or any of its Affiliates now or hereafter existing, including, without limitation, those arising under the Loan Agreement and each other Loan Document (including this Agreement), whether for principal, interest, fees, expenses or otherwise; and
- b. any and all costs and expenses (including reasonable fees and expenses of legal counsel) incurred by Lender or any Affiliate of Lender in enforcing any of its rights under this Agreement.

(ii) This Agreement constitutes a guaranty of payment when due and not merely of collection, and Pledgor specifically agrees that it shall not be necessary or required that Lender exercise any right, assert any claim or demand or enforce any remedy whatsoever against

Borrower, any other guarantor or any other Person, or any Collateral (as defined in the Loan Agreement) before or as a condition to the obligations of Pledgor hereunder.

3.2 Guaranty Absolute. This Agreement is a continuing, absolute, unconditional and irrevocable guarantee of payment and shall remain in full force and effect until full payment in cash of all Guaranteed Obligations. Pledgor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the agreement under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of Lender with respect thereto. The liability of Pledgor under this Agreement shall be absolute and unconditional irrespective of:

(i) any lack of validity, legality or enforceability of the Loan Agreement, any other Loan Document or any other agreement or instrument relating to any thereof;

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any compromise, renewal, extension, acceleration or release with respect thereto, or any other amendment or waiver of or any consent to departure from the Loan Agreement or any other Loan Document, subject, however, to each Guarantor's right to make inquiry of the Lender to ascertain the amount of the Guaranteed Obligations at any reasonable time;

(iii) any addition, exchange, release, impairment or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;

(iv) the failure of Lender

a. to assert any claim or demand or to enforce any right or remedy against any Guarantor, Borrower or any other Person (including any other guarantor) under the provisions of the Loan Agreement, any other Loan Document or otherwise;

b. to exercise any right or remedy against any other guarantor of, or collateral securing, any of the Guaranteed Obligations;

(v) any amendment to, rescission, waiver, or other modification of, or any consent to departure from, any of the terms of the Loan Agreement or any other Loan Document;

(vi) any defense, set-off or counterclaim which may at any time be available to or be asserted by Pledgor or Borrower against Lender;

(vii) any reduction, limitation, impairment or termination of the Guaranteed Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and Pledgor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason

of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Guaranteed Obligations or otherwise; or

(viii) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, Borrower or Pledgor.

3.3 Limited Recourse. Notwithstanding the foregoing or anything to the contrary contained herein, any recovery under this Section 3 by Lender shall be strictly limited to the Intellectual Property Collateral for the payment of any of the Guaranteed Obligations. The obligations of Pledgor hereunder are independent of the obligations of any other guarantor or the Borrower, and a separate action or actions may be brought and prosecuted against Pledgor whether or not action is brought against any other guarantor or the Borrower and whether or not any other guarantor or the Borrower be joined in any such action or actions. Any payment required to be made by Pledgor hereunder may be required by the Lender on any number of occasions, if applicable in accordance with the terms hereof.

#### 4. LICENSES.

##### 4.1 Licenses.

(i) Other than licenses to Borrower, Pledgor expressly represents, warrants, covenants and agrees that Pledgor shall not license, as licensor, any Intellectual Property (an "Intellectual Property License") included in the Intellectual Property Collateral without the prior written consent of Lender, which consent will not be unreasonably withheld by Lender, and each such Intellectual Property License so granted shall be subject to the terms and conditions of this Agreement, including the termination provisions in Section 4.2. Lender shall not be under any obligation to consent to an Intellectual Property License unless it is necessary or appropriate in the ordinary course of Pledgor's business as presently conducted by it and so long as no Default has occurred and is continuing.

(ii) Pledgor hereby grants to Lender a license or other right to use, without charge, all Intellectual Property, as it pertains to the Collateral, in completing production of, advertising for sale and selling any Collateral, and Pledgor agrees that its rights under all licenses and all franchise agreements shall inure to Lender's benefit.

4.2 Event of Default. Upon any acceleration of the Obligations, Lender shall have the right, immediately or at any time thereafter, in its sole discretion, to deliver to Pledgor and to Borrower notice terminating the Intellectual Property Licenses, whereupon (i) the Intellectual Property Licenses will automatically and immediately terminate without any further notice or demand (which Pledgor expressly waives); (ii) all rights and interests of the Borrower in and to and under the Intellectual Property Licenses will revert to Pledgor; and (iii) all rights of the Borrower in the Intellectual Property Collateral will cease to exist and be void; except that Borrower will retain the right to the use of the Intellectual Property in connection with its disposition of inventory on hand or on order as of the date of termination of the Intellectual Property Licenses if the acceleration of the Obligations is rescinded by Lender, then, without any further action on the part of Lender, the Intellectual Property Licenses will immediately revert



with the Borrower upon the effectiveness of such rescission subject to the terms of this Agreement.

5. REPRESENTATIONS AND WARRANTIES. Pledgor represents and warrants that:

(i) Set forth in Schedule I is a complete and accurate list of all the Copyrights and the Copyright License Rights. Pledgor is the sole legal and beneficial owner of the entire right, title and interest in and to the Copyright Collateral, free and clear of any Lien, option, or license to any party other than Borrower, except as otherwise disclosed in Schedule I.

(ii) Set forth in Schedule II is a complete and accurate list of all the Patents and the Patent License Rights. Pledgor is the sole legal and beneficial owner of the entire right, title and interest in and to the Patent Collateral, free and clear of any Lien, option, or license to any party other than Borrower, except as otherwise disclosed in Schedule II.

(iii) Set forth in Schedule III is a complete and accurate list of all the Trademarks and the Trademark License Rights. Pledgor is the sole legal and beneficial owner of the entire right, title and interest in and to the Trademark Collateral, free and clear of any Lien, option, or license, to any party other than Borrower, except as otherwise disclosed in Schedule III.

(iv) Each item of Intellectual Property in Schedules I, II and III, is subsisting and no such item has been adjudged invalid, unregistrable or unenforceable, except as otherwise set forth in Schedule I, II, or III, as applicable. Each registered Copyright, Patent and Trademark and, to Pledgor's knowledge, each Copyright, Patent, and Trademark for which an application has been filed is valid registered or registrable and enforceable. Pledgor has notified Lender in writing of all prior uses of any material item of the Intellectual Property Collateral of which Pledgor is aware which could lead to such item becoming invalid or unenforceable including prior unauthorized uses by third parties and uses which were not supported by the goodwill of the business connected with such item.

(v) Pledgor has not granted any license (other than those Pledgor had deemed reasonably necessary for the maintenance or protection of the Intellectual Property and/or otherwise granted in the ordinary course of Borrower's business), release, covenant not to sue, or non-assertion assurance to any Person (other than those reasonable settlement of claims of infringement or non-registrability) with respect to any part of the Intellectual Property Collateral except as otherwise disclosed in Schedule I, II or III, as applicable.

(vi) Reasonable and proper statutory notice has been used in connection with the use of each registered copyright, patent, trademark and service mark.

(vii) The Intellectual Property License Rights are in full force and effect, and Pledgor is not in default under any of the Intellectual Property License Rights and, to Pledgor's knowledge, no event has occurred which will notice, the passage of time, the satisfaction of any other condition, or all of them, might constitute a default by Pledgor under the Intellectual Property License Rights.

(viii) Except for the filing of UCC financing statements and of a security agreement with the USCO with respect to any Copyrights registered with that office, no authorization, consent, approval or other action by, and no notice to or filing or recording with, any governmental authority is currently or is reasonably expected to be required under the laws of the United States of America either (a) for the grant by Pledgor of the Liens granted hereby or for the execution, delivery or performance of this Agreement by Pledgor, or (b) for the perfection of or the exercise by Lender of its rights and remedies hereunder.

(ix) The current conduct of Pledgor's business does not conflict with or infringe any proprietary right enforceable at law of any Person in any way which materially and adversely affects the business, the financial condition or business prospects of Pledgor or its Affiliates, and no one has asserted to Pledgor or its Affiliates that the conduct of Pledgor's business conflicts with or infringes any valid proprietary right of any Person in any way which materially adversely affects the business, financial condition or business prospects of Pledgor.

## 6. FURTHER ASSURANCES.

6.1 Required Pledgor Actions. Pledgor will from time to time, at its expense, promptly execute and deliver all further instruments, documents and agreements take all further action, that may be necessary or desirable, or that Lender may reasonably request, in order to (i) continue, perfect and protect the security interests and Liens granted or purported to be granted by this Agreement or (ii) enable Lender to exercise and enforce its rights and remedies under this Agreement with respect to any part of the Intellectual Property Collateral.

6.2 Financing Statements. Without limiting the generality of Section 6.1, Lender is authorized by Pledgor (i) to file one or more financing statements disclosing Lender's security interest and Lien under this Agreement without Pledgor's signature appearing thereon and to correct or complete, or to cause to be corrected or completed, any financing statements, continuation statements or other such documents as have been filed naming Pledgor as debtor and Lender as secured party and (ii) to give notice to any creditor or landlord of Pledgor or to any other Person to whom Lender may reasonably determine it is necessary or desirable under applicable law to give notice to perfect or preserve Lender's interests in the Intellectual Property Collateral. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Intellectual Property Collateral or any part thereof will be sufficient as a financing statement, if admitted by applicable law.

6.3 Further Information. Pledgor will furnish to Lender from time to time statements and schedules further identifying and describing the Intellectual Property Collateral, including any licensing of Intellectual Property Collateral, and all other reports in connection with the Intellectual Property Collateral as Lender may reasonably request, all in reasonable detail.

6.4 Additional Ownership Interests. Pledgor agrees that, should it obtain an ownership interest in any Intellectual Property License Rights or Intellectual Property, which is not now identified in Schedule I, II or III as applicable, (i) Pledgor will give prompt written notice to Lender, (ii) the provisions of Section 2 shall automatically apply to the Intellectual Property License Rights and Intellectual Property (exclusive of any Intent to Use Applications) acquired or obtained, and (iii) each of such Intellectual Property License Rights and Intellectual

Property (exclusive of any Intent to Use Applications), together with the goodwill of the business collected with the use of any mark and symbolized by it, shall automatically become part of the Intellectual Property Collateral. Pledgor authorizes Lender to modify this Agreement by amending Schedule I, II or III, as applicable, to include any of the Intellectual Property License Rights or Intellectual Property which become part of the Intellectual Property Collateral under this Section 6.4.

6.5 Maintenance of Rights. To the extent commercially reasonable to do so, Pledgor will take all necessary steps in any proceeding before the USPTO, the USCO, or any similar office or agency in any other country or any political subdivision of that country, or in any court to maintain each material item of registered Intellectual property and to pursue each material item of Intellectual Property Collateral, including the filing of divisional, continuation, continuation in part and substitute applications; the filing of applications for reissue, renewal or extensions; the payment of maintenance fees, and the participation in reexamination, opposition, interference and infringement proceedings. To the extent necessary to the conduct of its businesses and commercially reasonable under the circumstances, Pledgor agrees to take corresponding steps with respect to the other items of Intellectual Property Collateral (*i.e.*, exclusive of any material item of Intellectual Property Collateral) and each new or other registered item of Intellectual Property and application for Intellectual Property registration to which Pledgor is now or later becomes entitled. Any expenses incurred in connection with such activities shall be borne by Pledgor. To the extent commercially reasonable to do so, Pledgor shall not (i) abandon any registration of any material item of Intellectual Property Collateral or (ii) abandon any right to file an application for registration of any material Intellectual Property, or, with respect to any other material Intellectual Property Collateral, abandon any pending application, registration, or item of Intellectual Property, unless (i) with respect to the Trademark Collateral, the goodwill of the business connected with and symbolized by such application, registration, or Intellectual Property is not necessary in the conduct of Pledgor's business, (ii) with respect to the Patent Collateral, the invention which is the subject of any patent application is not necessary to the conduct of Pledgor's business, or (iii) with respect to the Patent Collateral, it is the opinion of Pledgor's counsel that a meaningful patent will not issue on a patent application.

6.6 Notification. Pledgor will notify Lender promptly after when Pledgor learns (i) that any material item of the Intellectual Property Collateral may become abandoned or dedicated; (ii) of any adverse determination or any development (including the institution of any proceeding in the USPTO, USCD or any other U.S. or foreign court or tribunal of any kind) regarding any material item of the Intellectual Property Collateral; or (iii) that Pledgor is or potentially could be in default of any of the Intellectual Property License Rights.

6.7 Infringement. If Pledgor becomes aware that any material item of the Intellectual Property Collateral is infringed or misappropriated by any Person, Pledgor will promptly notify Lender and will, if necessary and commercially reasonable under the circumstances, promptly sue for infringement or misappropriation and for recovery of all damages caused by the infringement or misappropriation, and will take all other actions as Pledgor deems appropriate under the circumstances to protect the Trademark Collateral. Any expense incurred in connection with the foregoing activities will be borne by Pledgor.

6.8 Statutory Notice. Pledgor will continue to use, and will cause the use of, reasonable and proper statutory notice in connection with its use of each material Copyright, Patent, or Trademark, and Pledgor will conform to any foreign or international treaty notice requirements with respect to copies of such works used or distributed outside of the United States.

7. TRANSFERS AND OTHER LIENS. Pledgor will not:

(i) sell, assign (by operation of law or otherwise), license or otherwise dispose of any of the Intellectual Property Collateral, except (a) as expressly permitted by the Loan Agreement or (b) as expressly permitted by this Agreement;

(ii) create or suffer to exist any Liens on, or with respect to, any of the Intellectual Property Collateral except as otherwise disclosed in Schedule I, II, or III, as applicable, or as otherwise expressly permitted by the Loan Agreement; or

(iii) take any other action in connection with any of the material items of Intellectual Property Collateral that could impair the value of the interests or rights of Pledgor or Lender in, to or under such Intellectual Property Collateral and result in a Material Adverse Effect.

8. POWER OF ATTORNEY. Pledgor hereby irrevocably appoints Lender as Pledgor's attorney-in-fact, with full authority in Pledgor's place, stead and on behalf of Pledgor and in Pledgor's name or otherwise, from time to time in Lender's sole and absolute discretion, to take any action and to execute any instrument that Lender may deem necessary or advisable on and after the occurrence of a Default and during the continuance thereof to accomplish the purposes of this Agreement including:

(i) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipt for moneys due and to become due under, or in respect of, any and all of the Intellectual Property Collateral;

(ii) to receive, indorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (i) of this Section 8; and

(iii) (a) to file any claims or take any action or institute any proceedings that Lender may deem necessary or desirable for the collection of any of the Intellectual Property Collateral, (b) to assign of record in the USPTO, USCO and each other applicable governmental authority any and all of the Intellectual Property Collateral in Lender's name (or the name of any nominee), or (c) otherwise to enforce the rights of Lender with respect to any of the Intellectual Property Collateral.

9. LENDER MAY PERFORM.

9.1 Performance by Lender. If Pledgor fails to perform any of its obligations contained in this Agreement after notice from Lender, Lender (solely at its option without any obligation to do so) may itself perform, or cause performance of, such obligations, and the expenses of Lender incurred in connection therewith shall be payable under the Loan Agreement.

9.2 Lender May Bring Suit. On, and at any time after, the occurrence of a Default and during the continuance thereof, Lender will have the right, but in no way will be obligated, to bring suit in its own name or in the name of Pledgor to enforce any part of the Intellectual Property Collateral. Pledgor will at the reasonable request of Lender do any and all lawful acts and sign any and all proper documents required, by Lender in aid of Lender's enforcement actions. On Lender's demand, Pledgor will promptly reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 9.

10. LENDER'S DUTIES. The powers and rights conferred on Lender under this Agreement are solely to protect its interests in the Intellectual Property Collateral and will not impose any duty on Lender to exercise any of the powers or rights. Except for the reasonable care of any Intellectual Property Collateral in its custody and possession and the accounting for moneys actually received by it under this Agreement, Lender will have no duty as to any Intellectual Property Collateral or as to the taking of any necessary steps to preserve rights against other Persons or any other rights pertaining to any Intellectual Property Collateral. Lender will be deemed to have exercised reasonable care of the Intellectual Property Collateral in its custody and possession if the Intellectual Property Collateral is accorded treatment substantially equal to that which Lender accords its own property.

11. REMEDIES. If any Default occurs and is continuing:

(i) Lender may exercise in respect of the Intellectual Property Collateral, in addition to other rights and remedies provided for in this Agreement or otherwise available to Lender, all the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Intellectual Property Collateral) and also may do anyone or more of the following at Lender's option: (a) cause the assignment of record in the USPTO, USCO and each other applicable governmental authority of the Intellectual Property Collateral in Lender's name or in the name of any nominee of Lender; (b) exercise any and all rights and remedies of Pledgor under or in connection with the Intellectual Property Licenses or otherwise in respect of the Intellectual Property Collateral; (c) require Pledgor to, and Pledgor at its expense will, immediately on Lender's request assemble all or any part of the documents embodying the Intellectual Property Collateral as directed by Lender and make the documents available to Lender at a place to be designated by Lender which is reasonably convenient to both Lender and Pledgor; (d) as part of a disposition under Part 6 of the UCC, license the Intellectual Property Collateral or any part thereof, or assign its rights to the Intellectual Property License Rights to any Person and exercise any and all rights and remedies of Pledgor under or in connection with the Intellectual Property Licenses or otherwise in respect of the Intellectual Property Collateral; and (e) with 10 days advance notice, sell the Intellectual Property Collateral or any part thereof in one or more parcels at public or private sale, at any of Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as Lender may deem commercially reasonable. In the event of any sale, assignment, or other disposition of any of the Intellectual Property Collateral, (1) the goodwill of the business connected with and symbolized by any Intellectual Property Collateral subject to such disposition shall be included, and (2) Pledgor will supply to Lender or its designee Pledgor's (A) know-how and expertise relating to the manufacture and sale of products or the provision of services relating to any Intellectual Property Collateral subject to such disposition and (B) customer lists and other

records relating to such Intellectual Property Collateral and to the distribution of such products and services. Pledgor agrees that at least 10 days' notice to Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. Lender shall not be obligated to make any sale of any Intellectual Property Collateral regardless of notice of sale having been given. Lender 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.

(ii) All payments received by Pledgor under or in connection with any of the Intellectual Property Collateral will be received in trust for the benefit of Lender, will be segregated from other funds of Pledgor and will be immediately paid over to Lender in the same form as so received (with any necessary endorsements).

(iii) All payments made under, in connection with or otherwise in respect of, the Intellectual Property Collateral and all cash proceeds received by Lender in respect of any sale of, collection from, or other realization on all or any part of the Intellectual Property Collateral shall be applied (after payment of any costs or expenses payable to Lender pursuant to the Loan Agreement) in whole or in part by Lender against, all or any part of the Obligations, in any order as Lender may elect. Any surplus of any cash or cash proceeds held by Lender and remaining after the payment and performance in full of all Obligations (other than surviving contingent indemnification obligations as to which no claim is then pending) and termination of the commitment to make additional loans or advances to Borrower, will be paid over to Pledgor or to whomsoever may be lawfully entitled to receive the surplus, if any.

12. NOTICE. Any notice required, permitted or contemplated hereunder shall be in writing (except as expressly provided in this Agreement or any of the other Loan Documents) and addressed to the party to be notified at the address set forth below or at such other address as each party may designate for itself from time to time by notice hereunder, and shall be deemed validly given (i) three days following deposit in the U.S. certified mails (return receipt requested), with proper postage prepaid, or (ii) the next Business Day after such notice was delivered to a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement satisfactory with such carrier, made for the payment thereof, or (iii) upon receipt of notice given by telecopy (fax), mailgram, telegram, telex or personal delivery:

To Lender: FCC, LLC, d/b/a First Capital Western Region, LLC  
601 S. Figueroa Street, Suite 3460  
Los Angeles, CA 90017  
Attn.: Portfolio Manager  
Facsimile No.: (213) 412-1542

With a copy to:

Marshall Stoddard, Esq.  
Morgan, Lewis & Bockius LLP  
300 S. Grand Avenue, 22nd Floor  
Los Angeles, California 90071  
Facsimile No.: (213) 612-2501

To Pledgor: ST IP, LLC  
2912 Lafayette Road  
Newport Beach, CA 92663  
Attention: Stephanie Bramer  
Telecopy No.: (949) 900-2787

With a copy to:

Jerome A. Grossman, Esq.  
Gresham Savage Nolan & Tilden, PC  
501 W. Broadway, Suite 800  
San Diego, CA 92101  
Facsimile No.: (619) 615-2180  
Email: Jerome.Grossman@greshamsavage.com

13. GENERAL.

13.1 Severability. If any term of this Agreement is found invalid under California law or other laws of mandatory application by a court of competent jurisdiction, the invalid term will be considered excluded from this Agreement and will not invalidate the remaining terms of this Agreement.

13.2 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS (OTHER THAN CONFLICT OF LAW PROVISIONS AND PRINCIPLES) OF THE STATE OF CALIFORNIA.

13.3 WAIVER OF JURISDICTION. AS A SPECIFICALLY BARGAINED INDUCEMENT FOR LENDER TO ENTER INTO THIS AGREEMENT AND EXTEND CREDIT TO BORROWER, PLEDGOR AND LENDER AGREE THAT ANY ACTION, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS AGREEMENT, ITS VALIDITY OR PERFORMANCE AND WITHOUT LIMITATION ON THE ABILITY OF LENDER, ITS SUCCESSORS AND ASSIGNS, TO INITIATE AND PROSECUTE IN ANY APPLICABLE JURISDICTION ACTIONS RELATED TO THE REPAYMENT AND COLLECTION OF THE OBLIGATIONS AND THE EXERCISE OF ALL OF LENDER'S RIGHTS AGAINST PLEDGOR WITH RESPECT THERETO, THE INTELLECTUAL PROPERTY COLLATERAL AND ANY OTHER SECURITY OR PROPERTY OF PLEDGOR, INCLUDING DISPOSITIONS OF THE COLLATERAL, SHALL BE INITIATED AND PROSECUTED AS TO ALL PARTIES AND THEIR SUCCESSORS AND ASSIGNS AT LOS ANGELES COUNTY, CALIFORNIA. LENDER AND PLEDGOR EACH CONSENTS TO AND SUBMITS TO THE EXERCISE OF JURISDICTION OVER ITS PERSON BY ANY UNITED STATES FEDERAL COURT SITTING IN OR WITH DIRECT OR INDIRECT JURISDICTION OVER THE CENTRAL DISTRICT OF CALIFORNIA OR ANY CALIFORNIA STATE COURT SITTING IN LOS ANGELES COUNTY, CALIFORNIA HAVING JURISDICTION OVER THE SUBJECT MATTER, AND CONSENTS THAT ALL SERVICE OF PROCESS BE MADE BY CERTIFIED MAIL DIRECTED TO PLEDGOR AT ITS ADDRESS SET FORTH ON THE SIGNATURE PAGE BELOW AND LENDER AT ITS ADDRESS SET FORTH IN THE LOAN AGREEMENT, THE OTHER LOAN DOCUMENTS

OR AS OTHERWISE PROVIDED UNDER THE LAWS OF THE STATE OF CALIFORNIA. PLEDGOR WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER, AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT.

13.4 Survival and Continuation of Representations and Warranties. All of Pledgor's representations and warranties contained in this Agreement shall (i) survive the execution, delivery and acceptance hereof by the parties hereto and the closing of the transactions described herein or related hereto, and (ii) remain true until the Obligations are fully performed, paid and satisfied, made by Pledgor with the same effect as though the representations and warranties had been made again on, and as of, each day of the term of this Agreement, subject to such changes as may not be prohibited hereby, do not constitute Defaults, and have been consented to by Lender in writing.

13.5 Lender's Additional Rights Regarding Collateral. All of the Obligations shall constitute one obligation secured by all of the Intellectual Property Collateral. In addition to Lender's other rights and remedies under the Loan Documents, Lender may, in its discretion exercised in good faith, following the occurrence and during the continuance of any Default: (i) exchange, enforce, waive or release any of the Intellectual Property Collateral or portion thereof, (ii) apply the proceeds of the Intellectual Property Collateral against the Obligations and direct the order or manner of the liquidation thereof (including any sale or other disposition), as Lender may, from time to time, in each instance determine, and (iii) settle, compromise, collect or otherwise liquidate any such security in any manner without affecting or impairing its right to take any other further action with respect to any security or any part thereof.

13.6 Application of Payments; Revival of Obligations. Lender shall have the continuing right to apply or reverse and reapply any payments to any portion of the Obligations. To the extent Pledgor makes a payment or payments to Lender or Lender receives any payment or proceeds of the Intellectual Property Collateral or any other security for Pledgor's benefit, which payment(s) or proceeds or any part thereof are subsequently voided, invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy act, state or federal law, common law or equitable cause, then, to the extent of such payment(s) or proceeds received, the Obligations or part thereof intended to be satisfied shall be revived and shall continue in full force and effect, as if such payment(s) or proceeds had not been received by Lender.

13.7 Additional Waivers by Pledgor. Pledgor waives presentment and protest of any instrument and notice thereof, and, except as expressly provided in the Loan Documents, demand, notice of default and all other notices to which Pledgor might otherwise be entitled. Pledgor shall also assert no claim against Lender on any theory of liability for consequential, special, indirect or punitive damages.

13.8 Equitable Relief. Pledgor recognizes that, in the event Pledgor fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, any remedy of law may prove to be inadequate relief to Lender; therefore, Pledgor agrees that Lender, if Lender so



requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

13.9 Entire Agreement; Counterparts; Fax Signatures. This Agreement and the other Loan Documents set forth the entire agreement of the parties with respect to subject matter of this Agreement and supersede all previous understandings, written or oral, in respect thereof. Any request from time to time by Pledgor for Lender's consent under any provision in the Loan Documents must be in writing, and any consent to be provided by Lender under the Loan Documents from time to time must be in writing in order to be binding on Lender; *however*, Lender will have no obligation to provide any consent requested by Pledgor, and Lender may, for any reason in its discretion exercised in good faith, elect to withhold the requested consent. Two or more duplicate originals of this Agreement may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument. Any documents delivered by, or on behalf of, Pledgor by fax transmission (i) may be relied on by Lender as if the document were a manually signed original and (ii) will be binding on Pledgor for all purposes of the Loan Documents.

13.10 Headings. Section headings in this Agreement are included for convenience of reference only and shall not relate to the interpretation or construction of this Agreement.

13.11 Cumulative Remedies. The remedies provided in this Agreement and the other Loan Documents are cumulative and not exclusive of any remedies provided by law. Exercise of one or more remedy(ies) by Lender does not require that all or any other remedy(ies) be exercised and does not preclude later exercise of the same remedy. If there is any conflict, ambiguity, or inconsistency, in Lender's judgment, between the terms of this Agreement or any of the other Loan Documents, then the applicable terms and provisions, in Lender's judgment, providing Lender with greater rights, remedies, powers, privileges, or benefits will control. Without limiting the generality of the foregoing, the description of the Intellectual Property Collateral in this Agreement does not in any way limit the description of, or Lender's Lien on, the "Collateral" as defined in the Loan Agreement, or Lender's remedies respecting the "Collateral."

13.12 Waivers and Amendments in Writing. Failure by Lender to exercise any right, remedy or option under this Agreement or in any Loan Documents or delay by Lender in exercising the same shall not operate as a waiver by Lender of its right to exercise any such right, remedy or option. No waiver by Lender shall be effective unless it is in writing and then only to the extent specifically stated. This Agreement cannot be amended, modified, changed or terminated orally.

13.13 Recourse to Directors or Officers. The obligations of Lender under this Agreement are solely the corporate obligations of Lender. No recourse shall be had for the payment of any amount owing in respect to this Agreement or for the payment of any fee hereunder or for any other obligation or claim arising out of or based upon this Agreement against any stockholder, employee, officer, or director of Lender.

13.14 Assignment. Lender shall have the right to assign this Agreement and the other Loan Documents. Pledgor may not assign, transfer or otherwise dispose of any of its rights or

obligations hereunder, by operation of law or otherwise, and any such assignment, transfer or other disposition without Lender's written consent shall be void. All of the rights, privileges, remedies and options given to Lender under the Loan Documents shall inure to the benefit of Lender's successors and assigns, and all the terms, conditions, covenants, provisions and warranties in this Agreement shall inure to the benefit of and bind the permitted successors and assigns of Pledgor and Lender, respectively.

13.15 Continuing Rights. This Agreement creates a continuing Lien on the Intellectual Property Collateral and will (i) remain in full force and effect until the full and final payment of all the Obligations, (ii) be binding on Pledgor, its successors and assigns, and (iii) inure, together with the rights and remedies of Lender under this Agreement, to the benefit of Lender and Lender's successors, transferees and assigns.

13.16 Term; Intellectual Property Collateral Reversion. Subject to Section 13.6, this Agreement will terminate upon the full performance, payment and satisfaction of the Obligations (other than surviving contingent indemnification obligations as to which no claim is then pending) and termination of the commitment to make additional loans or advances to Borrower, at which time the Lien granted by this Agreement will terminate and all rights to the Intellectual Property Collateral will revert to Pledgor (without representation, warranty or recourse). On any such termination, Lender will, at Pledgor's expense, sign and deliver to Pledgor such documents as Pledgor reasonably requests to evidence such termination (without representation, warranty or recourse).

13.17 Conflict. If there is any conflict, ambiguity, or inconsistency, in Lender's judgment, between the terms of this Agreement and any of the other Loan Documents, then the applicable terms and provisions, in Lender's judgment, providing Lender with greater rights, remedies, powers, privileges, or benefits will control. Without limiting the generality of the foregoing, the description of the Intellectual Property Collateral in this Agreement does not in any way limit the description of, or Lender's Lien on, the "Collateral" as defined in the Loan Agreement, or Lender's remedies respecting the "Collateral."

13.18 WAIVER OF JURY TRIAL. AS A SPECIFICALLY BARGAINED INDUCEMENT FOR LENDER TO ENTER INTO THIS AGREEMENT AND EXTEND CREDIT TO BORROWER, PLEDGOR AND LENDER EACH WAIVES TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS AGREEMENT OR THE CONDUCT OF THE RELATIONSHIP BETWEEN LENDER AND PLEDGOR.

13.19 Consents. Pledgor hereby unconditionally consents and agrees that, without notice to or further assent from Pledgor:

- a. the principal amount of the Obligations secured by Pledgor may be increased or decreased, and additional indebtedness or obligations of Borrower under the Loan Documents may be incurred, by one or more amendments, modifications, renewals or extensions of any of the Loan Documents or otherwise;

- b. the time, manner, place or terms of any payment under any Loan Document may be extended or changed, including by an increase or decrease in the interest rate on any Obligation or any fee or other amount payable under any such Loan Document, by an amendment, modification or renewal of any such Loan Document or otherwise;
- c. the time for Borrower's (or any other party's) performance of or compliance with any term, covenant or agreement on its part to be performed or observed under any Loan Document may be extended, or such performance or compliance waived, or failure in or departure from such performance or compliance consented to, all in such manner and upon such terms as Lender may deem proper;
- d. Lender may discharge or release, in whole or in part, any other Pledgor, any other guarantor or any other party liable for the payment and performance of all or any part of the Obligations, and may permit or consent to any such action or any result of such action, and shall not be obligated to demand or enforce payment upon any collateral securing any of the Obligations or any guaranty thereof, nor shall Lender be liable to Pledgor for any failure to collect or enforce payment or performance of the Obligations from any party or to realize on the collateral for any of the Obligations or any guaranty thereof;
- e. In addition to any collateral already securing any of the Obligations or any guaranty thereof, Borrower or another party may provide and Lender may take and hold other security (legal or equitable) of any kind, at any time, as collateral for the Obligations, and may, from time to time, in whole or in part, exchange, sell, surrender, release, subordinate, modify, waive, rescind, compromise or extend such security and may permit or consent to any such action or the result of any such action, and may apply such security and direct the order or manner of sale thereof;
- f. Lender may request and accept other guaranties of the Obligations and any other indebtedness, obligations or liabilities of the Borrower to Lender and may, from time to time, in whole or in part, surrender, release, subordinate, modify, waive, rescind, compromise or extend any such guaranty or any security therefor and may permit or consent to any such action or the result of any such action; and
- g. Lender may exercise, or waive or otherwise refrain from exercising, any other right, remedy, power or privilege (including

the right to accelerate the maturity of any Obligation and any power of sale) granted by any Loan Document or other security document or agreement, or otherwise available to Lender, with respect to the Obligations, or any collateral or other security for any or all of the Obligations or any guaranty thereof, even if the exercise of such right, remedy, power or privilege affects or eliminates any right of subrogation, reimbursement, contribution or any other right of Pledgor against Borrower or against any other guarantor; all as Lender may deem advisable, and all without impairing, abridging, releasing or affecting its guaranty or its obligations hereunder.

13.20 Waivers. Pledgor waives and agrees not to assert:

- a. any right to require Lender (A) to marshal assets in favor of Borrower, guarantor, or any other party, (B) to proceed against Borrower, any other guarantor or any other party, (C) to proceed against or exhaust any of the collateral or any other security held for any of the Obligations or any guaranty thereof, (D) to give notice of the terms, time and place of any public or private sale of personal property security held for any of the Obligations or any guaranty thereof or comply with any other provisions of the UCC (or any equivalent provision of any other applicable law) or (E) to pursue any other right, remedy, power or privilege of Lender whatsoever;
- b. the defense of the statute of limitations in any action hereunder or for the collection or performance of the Obligations;
- c. any defense arising by reason of any lack of corporate or other authority or any other defense of Borrower, guarantor or any other party;
- d. any defense based upon Lender's errors or omissions in the administration of the Obligations;
- e. any rights to set-offs, recoupments and counterclaims;
- f. until the date that is 91 days after the date on which all Obligations have been paid in full and all commitments to make additional loans or advances to Borrower have terminated, Pledgor's rights of subrogation, reimbursement, indemnification, and contribution and any other rights and defenses that are or may become available to Pledgor by reason of California Civil Code Sections 2787 to 2855, 2899 and 3433 inclusive;

- g. any rights or defenses Pledgor may have in respect of its obligations as a guarantor or other surety by reason of any election of remedies by the creditor;
- h. any rights or defenses it may have because the Obligations are secured by real property or an estate for years. These rights or defenses include, but are not limited to, any rights or defenses that are based upon, directly or indirectly, the application of Section 580a, 580b, 580d or 726 of the California Code of Civil Procedure to any of the Obligations. This means, among other things: (A) Lender may collect from Pledgor without first foreclosing on any real or personal property collateral pledged by Borrower or any other guarantor; and (B) if Lender forecloses on any real property collateral pledged by Borrower or any other guarantor: (1) The amount of the Obligations may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price; and (2) Lender may collect from Pledgor even if Lender, by foreclosing on the real property collateral, has destroyed any right Pledgor may have to collect from Borrower or other guarantor. This is an unconditional and irrevocable waiver of any rights and defenses Pledgor may have because Borrower's or other guarantor's debt is secured by real property;
- i. all rights and defenses arising out of an election of remedies by the creditor, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for the Obligations, has destroyed Pledgor's rights of subrogation and reimbursement against the principal by the operation of California Code of Civil Procedure Section 580d or otherwise;
- j. without limiting the generality of the foregoing, to the fullest extent permitted by law, but subject to Section 13.20(f) above, any defenses or benefits that may be derived from or afforded by applicable law limiting the liability of or exonerating guarantors or sureties, or which may conflict with the terms of this Agreement, including, without limitation, any and all benefits that otherwise might be available to Pledgor under California Civil Code Sections 1432, 2899 and 3433 and California Code of Civil Procedure Sections 580a, 580b, 580d, 580e and 726 (Pledgor specifically agreeing that the "fair value" provisions of Code of Civil Procedure Section 580a shall not apply when determining Pledgor's liability hereunder).

Pledgor waives any and all notice of the acceptance, and any and all notice of the creation, renewal, modification, extension or accrual of the Obligations, or the reliance by Lender upon any guarantor's guaranty, or the exercise of any right, power or privilege thereunder. The

Obligations shall conclusively be deemed to have been created, contracted, incurred and permitted to exist in reliance upon Pledgor's guaranty or pledge. Pledgor waives promptness, diligence, presentment, protest, demand for payment, notice of default, dishonor or nonpayment and all other notices to or upon Borrower, guarantor or any other party with respect to the Obligations.

The obligations of Pledgor hereunder are independent of and separate from the obligations of the Borrower and any other guarantor, and upon the occurrence and during the continuance of any event of default under any of the Loan Documents, a separate action or actions may be brought against Pledgor, whether or not Borrower or any other guarantor is joined therein or a separate action or actions are brought against Borrower or any other guarantor.

Pledgor agrees that it shall not have any right to require Lender to obtain or disclose any information with respect to: (i) the financial condition or character of Borrower or any other guarantor or the ability of Borrower or any other guarantor to pay and perform the Obligations; (ii) the Obligations; (iii) any collateral or other security for any or all of the Obligations or any guaranty thereof; (iv) the existence or nonexistence of any other guarantees of all or any part of the Obligations; or (v) any action or inaction on the part of Lender or any other party against Borrower or any other guarantors or any other pledgor.

#### 13.21 Judicial Reference.

(i) The parties prefer that any dispute between them be resolved in litigation subject to a jury trial waiver as set forth in Section 13.18 herein, but the California Supreme Court has held that such pre-dispute jury trial waivers are unenforceable. This Section will be applicable until: (i) the California Supreme Court holds that a pre-dispute jury trial waiver provision similar to that contained in Section 13.18 herein is valid or enforceable; or (ii) the California Legislature passes legislation and the governor of the State of California signs into law a statute authorizing pre-dispute jury trial waivers with respect to disputes under agreements such as this Agreement and as a result such waivers become enforceable.

(ii) Other than the exercise of provisional remedies (any of which may be initiated pursuant to applicable law), any controversy, dispute or claim (each, a "Claim") between the parties arising out of or relating to this Agreement will be resolved by a reference proceeding in California in accordance with the provisions of Section 638 et seq. of the California Code of Civil Procedure ("CCP"), or their successor sections, which shall constitute the exclusive remedy for the resolution of any Claim, including whether the Claim is subject to the reference proceeding. Venue for the reference proceeding will be in the Superior Court or Federal District Court in Los Angeles County, California (the "Court").

(iii) The referee shall be a retired Judge or Justice selected by mutual written agreement of the parties. If the parties do not agree, the referee shall be selected by the Presiding Judge of the Court (or his or her representative). A request for appointment of a referee may be heard on an ex parte or expedited basis, and the parties agree that irreparable harm would result if ex parte relief is not granted. The referee shall be appointed to sit with all the powers provided by law. Pending appointment of the referee, the Court has power to issue temporary or provisional remedies.

(iv) The parties agree that time is of the essence in conducting the reference proceedings. Accordingly, the referee shall be requested, subject to change in the time periods specified herein for good cause shown, to (a) set the matter for a status and trial-setting conference within forty-five (45) days after the date of selection of the referee, (b) if practicable, try all issues of law or fact within one hundred twenty (120) days after the date of the conference and (c) report a statement of decision within twenty (20) days after the matter has been submitted for decision.

(v) The referee will have power to expand or limit the amount and duration of discovery. The referee may set or extend discovery deadlines or cutoffs for good cause, including a party's failure to provide requested discovery for any reason whatsoever. Unless otherwise ordered based upon good cause shown, no party shall be entitled to "priority" in conducting discovery, depositions may be taken by either party upon ten (10) days written notice, and all other discovery shall be responded to within twenty (20) days after service. All disputes relating to discovery which cannot be resolved by the parties shall be submitted to the referee whose decision shall be final and binding.

(vi) Except as expressly set forth in this Agreement, the referee shall determine the manner in which the reference proceeding is conducted including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. All proceedings and hearings conducted before the referee, except for trial, shall be conducted without a court reporter, except that when any party so requests, a court reporter will be used at any hearing conducted before the referee, and the referee will be provided a courtesy copy of the transcript. The party making such a request shall have the obligation to arrange for and pay the court reporter. Subject to the referee's power to award costs to the prevailing party, the parties will equally share the cost of the referee and the court reporter at trial.

(vii) The referee shall be required to determine all issues in accordance with existing case law and the statutory laws of the State of California. The rules of evidence applicable to proceedings at law in the State of California will be applicable to the reference proceeding. The referee shall be empowered to enter equitable as well as legal relief, provide all temporary or provisional remedies, enter equitable orders that will be binding on the parties and rule on any motion which would be authorized in a trial, including without limitation motions for summary judgment or summary adjudication. The referee shall issue a decision pursuant to CCP Section 644, and the referee's decision shall be entered by the Court as a judgment or an order in the same manner as if the action had been tried by the Court. The final judgment or order or from any appealable decision or order entered by the referee shall be fully appealable as provided by law. The parties reserve the right to findings of fact, conclusions of laws, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial, if granted, is also to be a reference proceeding under this provision.

(viii) If the enabling legislation which provides for appointment of a referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by reference procedure will be resolved and determined by arbitration. The arbitration will be conducted by a retired judge or Justice, in accordance with the California Arbitration Act Section 1280 through Section 1294.2 of the CCP as amended from time to time.

The limitations with respect to discovery set forth above shall apply to any such arbitration proceeding.

[Signature Page Follows]



**IN WITNESS WHEREOF**, this Agreement has been duly executed by Pledgor as of the date first written above.

PLEDGOR:

**ST IP, LLC**,  
a California limited liability company

By: 

Name: Pierre Andre Senizergues

Title: Manager

Address:

2912 Lafayette Road

Newport Beach, CA 92663

[Signature page to Intellectual Property Security Agreement – ST IP]


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**TRADEMARK**  
**REEL: 004931 FRAME: 0537**

Accepted as of the date first written above.

LENDER:

**FCC, LLC, d/b/a FIRST CAPITAL WESTERN REGION, LLC,**  
a Florida limited liability company

By:   
Name: Matthew Grimes  
Title: Executive Vice President

[Signature page to Intellectual Property Security Agreement – ST IP]

SCHEDULE I

COPYRIGHTS

None.

COPYRIGHT APPLICATIONS

None.

IP LICENSES

None.

SCHEDULE II

TRADEMARKS

<b>Owner</b>	<b>Mark</b>	<b>Registration No.</b>	<b>Registration or Filing Date</b>	<b>Expiration Date</b>
ST IP, LLC	E-SUEDE	3796630	06/01/10	06/01/20
ST IP, LLC	SYSTEM G2 PLATINUM	3807797	06/22/10	06/22/20

TRADEMARK APPLICATIONS

None.

IP LICENSES

License Agreement dated December 6, 2012 by and between ST IP, LLC  
and Sole Technology, Inc.

SCHEDULE III

PATENTS

None.

PATENT APPLICATIONS

None.

IP LICENSES

None.