

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
AIRCUIITY, INC.		07/18/2013	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	CCM AIRCUIITY, LLC		
Street Address:	1730 Massachusetts Avenue NW		
City:	Washington		
State/Country:	DISTRICT OF COLUMBIA		
Postal Code:	20036		
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Registration Number:	2832475	AIRCUIITY	
Registration Number:	3403963	OPTIMA	
Registration Number:	3370960	MICRODUCT	
Registration Number:	3305126	OPTINET	
CORRESPONDENCE DATA			
Fax Number:	6504936811		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	650-461-6125		
Email:	qlu@wsgr.com		
Correspondent Name:	WSGR, c/o Qui Lu		
Address Line 1:	650 Page Mill Road		
Address Line 2:	FH2-1 P10		
Address Line 4:	Palo Alto, CALIFORNIA 94304		
ATTORNEY DOCKET NUMBER:	44382.008		

CH \$115.00 2832475

NAME OF SUBMITTER:	Qui Lu
Signature:	/s/ Qui Lu
Date:	08/02/2013
Total Attachments: 23 source=Security Agreement (M0554723) PDF#page1.tif source=Security Agreement (M0554723) PDF#page2.tif source=Security Agreement (M0554723) PDF#page3.tif source=Security Agreement (M0554723) PDF#page4.tif source=Security Agreement (M0554723) PDF#page5.tif source=Security Agreement (M0554723) PDF#page6.tif source=Security Agreement (M0554723) PDF#page7.tif source=Security Agreement (M0554723) PDF#page8.tif source=Security Agreement (M0554723) PDF#page9.tif source=Security Agreement (M0554723) PDF#page10.tif source=Security Agreement (M0554723) PDF#page11.tif source=Security Agreement (M0554723) PDF#page12.tif source=Security Agreement (M0554723) PDF#page13.tif source=Security Agreement (M0554723) PDF#page14.tif source=Security Agreement (M0554723) PDF#page15.tif source=Security Agreement (M0554723) PDF#page16.tif source=Security Agreement (M0554723) PDF#page17.tif source=Security Agreement (M0554723) PDF#page18.tif source=Security Agreement (M0554723) PDF#page19.tif source=Security Agreement (M0554723) PDF#page20.tif source=Security Agreement (M0554723) PDF#page21.tif source=Security Agreement (M0554723) PDF#page22.tif source=Security Agreement (M0554723) PDF#page23.tif	

SECURITY AGREEMENT

This Security Agreement (as amended, modified or otherwise supplemented from time to time, this "*Security Agreement*"), dated as of July 18, 2013, is executed by Aircuity, Inc., a Delaware corporation (together with its successors and assigns, the "*Company*"), in favor of CCM Aircuity, LLC (the "*Investor*").

RECITALS

A. The Company and the Investor have entered into a Note and Warrant Purchase Agreement, dated as of the date hereof (the "*Purchase Agreement*"), pursuant to which the Company has issued a promissory note, dated as of the date hereof (as amended, modified or otherwise supplemented from time to time, the "*Note*") in the principal amount of \$3,000,000 in favor of the Investor.

B. In order to induce the Investor to extend the credit evidenced by the Note, the Company has agreed to enter into this Security Agreement and to grant the Investor the security interest in the Collateral described below.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company hereby agrees with the Investor as follows:

1. Definitions and Interpretation. When used in this Security Agreement, the following terms have the following respective meanings:

"*Collateral*" has the meaning given to that term in Section 2 hereof.

"*Obligations*" means all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Company to the Investor of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), now existing or hereafter arising under or pursuant to the terms of the Note and the other Transaction Documents, including, without limitation, any Catch-Up Payment and all interest, fees, charges, expenses, royalty payments, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Company hereunder and thereunder, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U.S.C. Section 101 et seq.), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding.

"*Permitted Liens*" means (a) Liens for taxes not yet delinquent or Liens for taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established; (b) Liens in respect of property or assets imposed by law which were incurred in the ordinary course of business, such as carriers', warehousemen's, materialmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings; (c) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, and other Liens to secure the performance of tenders, statutory obligations, contract bids, government contracts, performance and return of money bonds and other similar obligations, incurred in the ordinary course of business, whether pursuant to statutory requirements, common law or consensual

arrangements; (d) Liens in favor of the Investor; (e) Liens upon any equipment acquired or held by the Company or any of its Subsidiaries to secure the purchase price of such equipment or indebtedness incurred solely for the purpose of financing the acquisition of such equipment, so long as such Lien extends only to the equipment financed, and any accessions, replacements, substitutions and proceeds (including insurance proceeds) thereof or thereto; and (f) Liens in favor of Sand Hill Finance, LLC as in effect as of the date of this Security Agreement.

“UCC” means the Uniform Commercial Code as in effect in the State of Delaware from time to time.

All capitalized terms not otherwise defined herein shall have the respective meanings given in the Notes. Unless otherwise defined herein, all terms defined in the UCC have the respective meanings given to those terms in the UCC.

2. Grant of Security Interest. As security for the Obligations, the Company hereby pledges to the Investor and grants to the Investor a security interest in all right, title and interests of the Company in and to the property described in Attachment 1 hereto, whether now existing or hereafter from time to time acquired (collectively, the “*Collateral*”). Notwithstanding the foregoing, the security interest granted herein shall not extend to and the term “Collateral” shall not include the following assets (“*Excluded Assets*”): any equipment or other property financed by a third party, provided that such third party’s Liens are Liens of the type described in subsection (e) of the definition of Permitted Liens; provided further that such equipment or other property shall be deemed “Collateral” hereunder if such third party’s Lien is released or otherwise terminated.

3. General Representations and Warranties. The Company represents and warrants to the Investor that (a) the Company is the owner of the Collateral (or, in the case of after-acquired Collateral, at the time the Company acquires rights in the Collateral, will be the owner thereof) and that no other Person has (or, in the case of after-acquired Collateral, at the time the Company acquires rights therein, will have) any right, title, claim or interest (by way of Lien or otherwise) in, against or to the Collateral, other than Permitted Liens; (b) upon the filing of UCC-1 financing statements in the appropriate filing offices, and the performance by the Investor of its obligations under the Purchase Agreement, the Investor has (or in the case of after-acquired Collateral, at the time the Company acquires rights therein, will have) a perfected security interest in the Collateral to the extent that a security interest in the Collateral can be perfected by such filing, except for Permitted Liens; (c) all Inventory has been (or, in the case of hereafter produced Inventory, will be) produced in compliance with applicable laws, including the Fair Labor Standards Act; (d) all accounts receivable and payment intangibles are genuine and enforceable against the party obligated to pay the same; (e) the originals of all documents evidencing all accounts receivable and payment intangibles of the Company and the only original books of account and records of the Company relating thereto are, and will continue to be, kept at the chief executive office of the Company set forth on Schedule B or at such other locations as the Company may establish in accordance with Section 5(d), and (f) all information set forth in Schedules A and B hereto is true and correct.

4. Representations and Warranties regarding Intellectual Property. The Company represents and warrants to the Investor that: (a) the Company does not own any patents, trademarks, copyrights or mask works registered in, or the subject of pending applications in, the Patent and Trademark Office or the Copyright Office or any similar offices or agencies in any other country or any political subdivision thereof, other than those described on Schedule A hereto; (b) the Company has, except for Permitted Liens, the sole, full and unencumbered right, title and interest in and to the trademarks shown on Schedule A and the goods and services covered by the registrations thereof and, to the extent registered, such registrations are valid and enforceable and in full force and effect; (c) the Company has, except for Permitted Liens, the sole, full and unencumbered right, title and interest in and to each of the patents shown on Schedule A and the registrations

thereof are valid and enforceable and in full force and effect; (d) the Company has, except for Permitted Liens, the sole, full and unencumbered right, title and interest in and to each of the copyrights shown on Schedule A and according to the records of the Copyright Office, each of said copyrights is valid and enforceable and in full force and effect; (e) the Company has, except for Permitted Liens, the sole, full and unencumbered right, title and interest in and to the mask works shown on Schedule A and according to the records of the Copyright Office, each of said mask works is valid and enforceable and in full force and effect; (f) there is no claim by any third party that any patents, trademarks, copyrights or mask works are invalid and unenforceable or do or may violate the rights of any Person; (g) all licenses (other than non-exclusive licenses to end-users entered into in the ordinary course of business) of patents, trademarks, copyrights, mask works and trade secrets which the Company has granted to any Person are set forth in Schedule A hereto; (h) all licenses of patents, trademarks, copyrights, mask works and trade secrets which any Person has granted to the Company are set forth on Schedule A hereto; (i) the Company has obtained from each employee who may be considered the inventor of patentable inventions (invented within the scope of such employee's employment) an assignment to the Company of all rights to such inventions, including patents; and (j) the Company has taken all reasonable steps necessary to protect the secrecy and the validity under applicable law of all material trade secrets.

5. Covenants Relating to Collateral. The Company hereby agrees (a) to perform all acts that may be necessary to maintain, preserve, protect and perfect the Collateral, the Lien granted to the Investor therein and the perfection and priority of such Lien, except for Permitted Liens; (b) not to use or permit any Collateral to be used (i) in violation in any material respect of any applicable law, rule or regulation, or (ii) in violation of any policy of insurance covering the Collateral; (c) to pay promptly when due all taxes and other governmental charges, all Liens and all other charges now or hereafter imposed upon or affecting any Collateral; (d) without 30 days' written notice to the Investor, (i) not to change the Company's name or place of business (or, if the Company has more than one place of business, its chief executive office), or the office in which the Company's records relating to accounts receivable and payment intangibles are kept, (ii) not to change the Company's state of incorporation, (iii) not to keep Collateral consisting of chattel paper at any location other than its chief executive office set forth in item 1 of Schedule B hereto, and (iv) not to keep Collateral consisting of equipment or inventory at any location other than the locations set forth in item 4 of Schedule B hereto; (e) to procure, execute and deliver from time to time any endorsements, assignments, financing statements and other writings reasonably deemed necessary or appropriate by the Investor to perfect, maintain and protect its Lien hereunder and the priority thereof; (f) to appear in and defend any action or proceeding which may affect its title to or the Investor's interest in the Collateral; (g) if the Investor gives value to enable the Company to acquire rights in or the use of any Collateral, to use such value for such purpose; (h) to keep separate, accurate and complete records of the Collateral and to provide the Investor with such records and such other reports and information relating to the Collateral as the Investor may reasonably request from time to time; (i) not to surrender or lose possession of (other than to the Investor), sell, encumber, lease, rent, or otherwise dispose of or transfer any Collateral or right or interest therein, and to keep the Collateral free of all Liens except Permitted Liens; provided that the Company may sell, lease, transfer, license or otherwise dispose of any of the Collateral in the ordinary course of business consisting of (i) the sale of inventory, (ii) sales of worn-out or obsolete equipment, and (iii) non-exclusive licenses and similar arrangements for the use of the property of the Company; (j) if requested by the Investor, to type, print or stamp conspicuously on the face of all original copies of all Collateral consisting of chattel paper a legend satisfactory to the Investor indicating that such chattel paper is subject to the security interest granted hereby; (k) to collect, enforce and receive delivery of the accounts receivable and payment intangibles in accordance with past practice until otherwise notified by the Investor; (l) to comply with all material requirements of law relating to the production, possession, operation, maintenance and control of the Collateral (including the Fair Labor Standards Act); (m) to permit the Investor and its representatives the right, at any time during normal business hours, upon reasonable prior notice, to visit and inspect the properties of the Company and its corporate, financial and operating records, and make abstracts therefrom, and to discuss the Company's

affairs, finances and accounts with its directors, officers and independent public accountants; and (n) to promptly notify the Investor in writing if the Company acquires a Commercial Tort Claim, and to provide a summary description of such claim, and grant to the Investor in writing a security interest therein and in the proceeds thereof, all upon the terms of this Security Agreement, with such writing to be in form and substance reasonably satisfactory to the Investor.

6. Covenants Regarding Intellectual Property. The Company hereby agrees:

(a) The Company will perform all acts and execute all documents, including notices of security interest for each relevant type of intellectual property in forms suitable for filing with the Patent and Trademark Office or the Copyright Office, that may be necessary or desirable to record, maintain, preserve, protect and perfect the Investor's interest in the Collateral, the Lien granted to the Investor in the Collateral and the priority of such Lien;

(b) Except to the extent that the Investor gives its prior written consent:

(i) The Company (either itself or through licensees) will continue to use its material trademarks in connection with each and every trademark class of goods or services applicable to its current line of products or services as reflected in its current catalogs, brochures, price lists or similar materials in order to maintain such trademarks in full force and effect free from any claim of abandonment for nonuse, and the Company will not (and will not permit any licensee thereof to) do any act or knowingly omit to do any act whereby any material trademark may become invalidated;

(ii) The Company will not do any act or omit to do any act whereby any material patent registrations may become abandoned or dedicated to the public domain or the remedies available against potential infringers weakened and shall notify the Investor immediately if it knows of any reason or has reason to know that any material patent registration may become abandoned or dedicated; and

(iii) The Company will not do any act or omit to do any act whereby any material copyrights or mask works may become abandoned or dedicated to the public domain or the remedies available against potential infringers weakened and shall notify the Investor immediately if it knows of any reason or has reason to know that any material copyright or mask work may become abandoned or dedicated to the public domain.

(c) The Company will promptly (and in any event within five (5) days) notify the Investor upon the filing, either by the Company or through any agent, employee, licensee or designee, of (i) an application for the registration of any patent or trademark, with the Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, (ii) any assignment of any patent or trademark, which the Company may acquire from a third party, with the Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, or (iii) any assignment of any copyright or mask work, which the Company may acquire from a third party, with the Copyright Office or any similar office or agency in any other country or any political subdivision thereof. Upon the request of the Investor, the Company shall execute and deliver any and all agreements, instruments, documents and papers as the Investor may request to evidence the Investor's security interest in such patent, trademark (and the goodwill and general intangibles of the Company relating thereto or represented thereby), copyright or mask work, and the Company authorizes the Investor to amend an original counterpart of the applicable notice of security interest executed pursuant to Section 6(a) of this Security Agreement without first obtaining the Company's approval of or signature to such amendment and to record such document with the Patent and Trademark Office or Copyright Office, as applicable;

(d) While any Obligations remain outstanding, the Company shall not register or cause to be registered with the United States Copyright Office any copyright registrations with respect to any proprietary software of the Company or any other property that is subject to registration with the United States Copyright Office; provided, that the Company may register or cause to be registered such proprietary software or other property of the Company with the United States Copyright Office if (i) such copyright registration is made in connection with the enforcement against third parties of the Company's rights with respect to such proprietary software or other property and (ii) the Company provides the Investor five (5) business days prior notice of such copyright registration. While any Obligations remain outstanding, the Company shall file or cause to be filed with the United States Copyright Office a copyright application with respect to any major revisions or upgrades to any proprietary software that has previously been registered by the Company with the United States Copyright Office. The Company shall file for such registration within thirty (30) days from such major revision or upgrade and shall notify the Investor in writing five (5) business days prior to such filing.

(e) The Company will take all necessary steps in any proceeding before the Patent and Trademark Office, the Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to diligently prosecute or maintain, as applicable, each application and registration of all material patents, trademarks, copyrights and mask works, including filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings (except to the extent that dedication, abandonment or invalidation is permitted hereunder);

(f) The Company shall (i) use proper statutory notice in connection with its use of the patents, trademarks, copyrights and mask works, (ii) maintain consistent standards of quality in its manufacture of products sold under the trademarks or provision of services in connection with the trademarks, and (iii) take all steps necessary to protect the secrecy and the validity under applicable law of all material trade secrets;

(g) The Company agrees that if it learns of any use by any Person of any term or design likely to cause confusion with any trademark, the Company shall promptly notify the Investor of such use and of all steps taken and to be taken to remedy any infringement of any trademark; and

(h) The Company shall maintain with each employee who may have access to the trade secrets of the Company an agreement by which such employee agrees not to disclose such trade secrets and with each employee who may be the inventor of patentable inventions (invented within the scope of such employee's employment) an invention assignment agreement requiring such employee to assign all rights to such inventions, including patents and patent applications, to the Company and further requiring such employee to cooperate fully with the Company, its successors in interest, including the Investor, and their counsel, in the prosecution of any patent application or in any litigation involving the invention, whether such cooperation is required during such employee's employment with the Company or after the termination of such employment.

7. Authorized Action by the Investor. The Company hereby irrevocably appoints the Investor as its attorney-in-fact (which appointment is coupled with an interest) and agrees that the Investor may perform (but the Investor shall not be obligated to and shall incur no liability to the Company or any third party for failure so to do) any act which the Company is obligated by this Security Agreement to perform, and to exercise such rights and powers as the Company might exercise with respect to the Collateral, including the right to (a) collect by legal proceedings or otherwise and endorse, receive and receipt for all dividends, interest, payments, proceeds and other sums and property now or hereafter payable on or on account of the Collateral; (b) enter into any extension, reorganization, deposit, merger, consolidation or other agreement pertaining to, or deposit, surrender, accept, hold or apply other property in exchange for the Collateral; (c) make any compromise or settlement, and take any action it deems advisable, with respect to the Collateral; (d) insure,

process and preserve the Collateral; (e) pay any indebtedness of the Company relating to the Collateral; and (f) file UCC financing statements and execute other documents, instruments and agreements required hereunder; provided, however, that the Investor shall not exercise any such powers granted pursuant to subsections (a) through (e) prior to the occurrence of an Event of Default and shall only exercise such powers during the continuance of an Event of Default. The Company agrees to reimburse the Investor upon demand for any reasonable costs and expenses, including attorneys' fees, the Investor may incur while acting as the Company's attorney-in-fact hereunder, all of which costs and expenses are included in the Obligations. It is further agreed and understood between the parties hereto that such care as the Investor gives to the safekeeping of its own property of like kind shall constitute reasonable care of the Collateral when in the Investor's possession; provided, however, that the Investor shall not be required to make any presentment, demand or protest, or give any notice and need not take any action to preserve any rights against any prior party or any other person in connection with the Obligations or with respect to the Collateral.

8. Litigation and Other Proceedings

(a) The Company shall have the right and obligation to commence and diligently prosecute such suits, proceedings or other actions for infringement or other damage, or reexamination or reissue proceedings, or opposition or cancellation proceedings as are reasonable to protect any of the patents, trademarks, copyrights, mask works or trade secrets. No such suit, proceeding or other actions shall be settled or voluntarily dismissed, nor shall any party be released or excused of any claims of or liability for infringement, without the prior written consent of the Investor, which consent shall not be unreasonably withheld.

(b) Upon the occurrence and during the continuation of an Event of Default, the Investor shall have the right but not the obligation to bring suit or institute proceedings in the name of the Company or the Investor to enforce any rights in the Collateral, including any license thereunder, in which event the Company shall at the request of the Investor do any and all lawful acts and execute any and all documents reasonably required by the Investor in aid of such enforcement. If the Investor elects not to bring suit to enforce any right under the Collateral, including any license thereunder, the Company agrees to use all reasonable measures, whether by suit, proceeding or other action, to cause to cease any infringement of any right under the Collateral by any Person and for that purpose agrees to diligently maintain any action, suit or proceeding against any Person so infringing necessary to prevent such infringement.

9. Default and Remedies

(a) Default. The Company shall be deemed in default under this Security Agreement upon the occurrence and during the continuance of an Event of Default (as defined in the Notes).

(b) Remedies. Upon the occurrence and during the continuance of any such Event of Default, the Investor shall have the rights of a secured creditor under the UCC, all rights granted by this Security Agreement and by law, including the right to: (a) require the Company to assemble the Collateral and make it available to the Investor at a place to be designated by the Investor; and (b) prior to the disposition of the Collateral, store, process, repair or recondition it or otherwise prepare it for disposition in any manner and to the extent the Investor deems appropriate. The Company hereby agrees that ten (10) days' notice of any intended sale or disposition of any Collateral is reasonable. In furtherance of the Investor's rights hereunder, the Company hereby grants to the Investor an irrevocable, non-exclusive license, exercisable without royalty or other payment by the Investor, and only in connection with the exercise of remedies hereunder, to use, license or sublicense any patent, trademark, trade name, copyright or other intellectual property in which the Company now or hereafter has any right, title or interest together with the right of access to all media in which any of the foregoing may be recorded or stored.

(c) Application of Collateral Proceeds. The proceeds and/or avails of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder (as well as any other amounts of any kind held by the Investor at the time of, or received by the Investor after, the occurrence of an Event of Default) shall be paid to and applied as follows:

(i) First, to the payment of reasonable costs and expenses, including all amounts expended to preserve the value of the Collateral, of foreclosure or suit, if any, and of such sale and the exercise of any other rights or remedies, and of all proper fees, expenses, liability and advances, including reasonable legal expenses and attorneys' fees, incurred or made hereunder by the Investor;

(ii) Second, to the payment to the Investor of the amount then owing or unpaid on the Note (to be applied first to accrued interest and second to outstanding principal);

(iii) Third, to the payment of other amounts then payable to the Investor under any of the Transaction Documents; and

(iv) Fourth, to the payment of the surplus, if any, to the Company, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

10. Miscellaneous.

(a) Tax Payments. The Company shall pay upon demand any stamp or other taxes, levies or charges of any jurisdiction with respect to the execution, delivery, registration, performance and enforcement of this Security Agreement. Upon request by the Investor, the Company shall furnish evidence satisfactory to the Investor that all requisite authorizations and approvals by, and notices to and filings with, governmental authorities and regulatory bodies have been obtained and made and that all requisite taxes, levies and charges have been paid.

(b) Notices. Except as otherwise provided herein, all notices, requests, demands, consents, instructions or other communications to or upon Company or the Investor under this Security Agreement shall be in writing and faxed, mailed or delivered to each party to the facsimile number or its address set forth below (or to such other facsimile number or address as the recipient of any notice shall have notified the other in writing). All such notices and communications shall be effective (a) when sent by Federal Express or other overnight service of recognized standing, on the business day following the deposit with such service; (b) when mailed, by registered or certified mail, first class postage prepaid and addressed as aforesaid through the United States Postal Service, upon receipt; (c) when delivered by hand, upon delivery; and (d) when faxed, upon confirmation of receipt.

Investor:

CCM Aircoity, LLC
1730 Massachusetts Ave. NW
Washington, DC 20036
Telephone: (202) 315-2407
Facsimile: (202) 478-0100

with a copy, which
shall not constitute
notice, to:

Wilson Sonsini Goodrich & Rosati, Professional Corporation
900 South Capital of Texas Highway

Las Cimas IV, Fifth Floor
Austin, TX 78746
Attn: Joseph M. Alcorta
Telephone: (512) 338-5400
Facsimile: (512) 338-5499

Company:

Aircuity, Inc.
55 Chapel Street
Newton, Massachusetts 02458
Attn: President
Telephone: (866) 602-0700
Facsimile: (617) 969-3233

with a copy, which
shall not constitute
notice, to:

Morse, Barnes-Brown & Pendleton, P.C.
CityPoint
230 Third Avenue, 4th Floor
Waltham, Massachusetts 02451
Attn: Carl F. Barnes
Telephone: (781) 622-5930
Facsimile: (781) 622-5933

(c) Termination of Security Interest. Upon the payment in full of all Obligations, the security interest granted herein shall terminate and all rights to the Collateral shall revert to the Company. Upon such termination the Investor hereby authorizes the Company to file any UCC termination statements necessary to effect such termination and the Investor will, at the Company's expense, execute and deliver to the Company any additional documents or instruments as the Company shall reasonably request to evidence such termination.

(d) Nonwaiver. No failure or delay on the Investor's part in exercising any right hereunder shall operate as a waiver thereof or of any other right nor shall any single or partial exercise of any such right preclude any other further exercise thereof or of any other right.

(e) Amendments and Waivers. This Security Agreement may not be amended or modified, nor may any of its terms be waived, except by written instruments signed by the Company and the Investor. Each waiver or consent under any provision hereof shall be effective only in the specific instances for the purpose for which given.

(f) Assignments. This Security Agreement shall be binding upon and inure to the benefit of the Investor and the Company and their respective successors and assigns; provided, however, that the Company may not sell, assign or delegate rights and obligations hereunder without the prior written consent of the Investor.

(g) Cumulative Rights, etc. The rights, powers and remedies of the Investor under this Security Agreement shall be in addition to all rights, powers and remedies given to the Investor by virtue of any applicable law, rule or regulation of any governmental authority, any Transaction Document or any other agreement, all of which rights, powers, and remedies shall be cumulative and may be exercised successively or concurrently without impairing the Investor's rights hereunder. The Company waives any right to require

the Investor to proceed against any Person or to exhaust any Collateral or to pursue any remedy in the Investor's power.

(h) Payments Free of Taxes, Etc. All payments made by the Company under the Transaction Documents shall be made by the Company free and clear of and without deduction for any and all present and future taxes, levies, charges, deductions and withholdings. In addition, the Company shall pay upon demand any stamp or other taxes, levies or charges of any jurisdiction with respect to the execution, delivery, registration, performance and enforcement of this Security Agreement. Upon request by the Investor, the Company shall furnish evidence satisfactory to the Investor that all requisite authorizations and approvals by, and notices to and filings with, governmental authorities and regulatory bodies have been obtained and made and that all requisite taxes, levies and charges have been paid.

(i) Partial Invalidity. If at any time any provision of this Security Agreement is or becomes illegal, invalid or unenforceable in any respect under the law or any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Security Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

(j) Expenses. The Company shall pay on demand all reasonable fees and expenses, including reasonable attorneys' fees and expenses, incurred by the Investor in connection with custody, preservation or sale of, or other realization on, any of the Collateral or the enforcement or attempt to enforce any of the Obligations which is not performed as and when required by this Security Agreement.

(k) Construction. Each of this Security Agreement and the other Transaction Documents is the result of negotiations among, and has been reviewed by, the Company, the Investor and their respective counsel. Accordingly, this Security Agreement and the other Transaction Documents shall be deemed to be the product of all parties hereto, and no ambiguity shall be construed in favor of or against the Company or the Investor.

(l) Entire Agreement. This Security Agreement taken together with the other Transaction Documents constitute and contain the entire agreement of the Company and the Investor and supersede any and all prior agreements, negotiations, correspondence, understandings and communications among the parties, whether written or oral, respecting the subject matter hereof.

(m) Other Interpretive Provisions. References in this Security Agreement and each of the other Transaction Documents to any document, instrument or agreement (a) includes all exhibits, schedules and other attachments thereto, (b) includes all documents, instruments or agreements issued or executed in replacement thereof, and (c) means such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified and supplemented from time to time and in effect at any given time. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Security Agreement or any other Transaction Document refer to this Security Agreement or such other Transaction Document, as the case may be, as a whole and not to any particular provision of this Security Agreement or such other Transaction Document, as the case may be. The words "include" and "including" and words of similar import when used in this Security Agreement or any other Transaction Document shall not be construed to be limiting or exclusive.

(n) Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without reference to conflicts of law rules (except to the extent governed by the UCC).

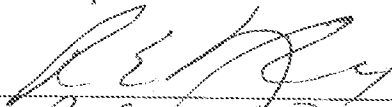
(o) Waiver of Jury Trial. The Investor and the Company each hereby agree to waive their respective rights to a jury trial of any claim or cause of action based upon or arising out of this Agreement or any of the Transaction Documents.

(p) Counterparts. This Security Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall be deemed to constitute one instrument.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the Company has caused this Security Agreement to be executed as of the day and year first above written.

AIRCUTY, INC.,
a Delaware corporation

By: 
Name: ROBERT G. BREALEY
Title: PRESIDENT

AGREED:

INVESTOR:

CCM AIRCUTY, LLC,

BY: COQUI DEVELOPMENT COMPANY, AS MANAGER

By: _____
Vadim Nikitine, President

[Signature page to Security Agreement]

IN WITNESS WHEREOF, the Company has caused this Security Agreement to be executed as of the day and year first above written.

AIRCUITY, INC.,
a Delaware corporation

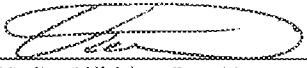
By: _____
Name: _____
Title: _____

AGREED:

INVESTOR:

CCM AIRCUITY, LLC,

BY: COQUI DEVELOPMENT COMPANY, AS MANAGER

By:  _____
Vadim Nikitine, President

[Signature page to Security Agreement]

ATTACHMENT 1
TO SECURITY AGREEMENT

All right, title, interest, claims and demands of the Company in and to the following property, except to the extent that such property is an Excluded Asset (as defined in the Agreement):

- (i) All Accounts;
- (ii) All Chattel Paper;
- (iii) All Commercial Tort Claims listed on Exhibit A;
- (iv) All Deposit Accounts and cash;
- (v) All Documents;
- (vi) All Equipment;
- (vii) All General Intangibles;
- (viii) All Goods;
- (ix) All Instruments;
- (x) All Intellectual Property;
- (xi) All Inventory;
- (xii) All Investment Property;
- (xiii) All Letter-of-Credit Rights; and
- (xiv) To the extent not otherwise included, all Proceeds and products of any and all of the foregoing, and all accessions to, substitutions and replacements for, and rents and profits of each of the foregoing.

The term "*Intellectual Property*" means all intellectual and similar property of every kind and nature now owned or hereafter acquired by the Company, including inventions, designs, patents (whether registered or unregistered), copyrights (whether registered or unregistered), trademarks (whether registered or unregistered), trade secrets, domain names, confidential or proprietary technical and business information, know-how, methods, processes, drawings, specifications or other data or information and all memoranda, notes and records with respect to any research and development, software and databases and all embodiments or fixations thereof whether in tangible or intangible form or contained on magnetic media readable by machine together with all such magnetic media and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

All capitalized terms used in this Attachment 1 and not otherwise defined herein, shall have the respective meanings given to such terms in the Uniform Commercial Code of the State of Delaware as in effect from time to time.

Exhibit A
to
Attachment 1 to Security Agreement
Commercial Tort Claims

None

**SCHEDULE A
TO SECURITY AGREEMENT**

COPYRIGHTS

<u>Description</u>	<u>Registration Date</u>	<u>Registration No.</u>
	None	

PATENTS

<u>Title</u>	<u>Date Issued</u>	<u>Patent No.</u>
	See Attachment A	

PATENT APPLICATIONS

<u>Title</u>	<u>Application Date</u>	<u>Application No.</u>
	See Attachment B	

TRADEMARKS

<u>Mark</u>	<u>Registration Date</u>	<u>Registration No.</u>
AIRCUITY	April 13, 2004	2832475
OPTIMA	April 1, 2008	3403963
MICRODUCT	January 15, 2008	3370960
OPTINET	October 9, 2007	3305126

TRADEMARK APPLICATIONS

<u>Mark</u>	<u>Application Date</u>	<u>Application No.</u>
	None	

MASK WORKS

<u>Description</u>	<u>Registration Date</u>	<u>Registration No.</u>
	None	

LICENSES OF PATENTS, TRADEMARKS, COPYRIGHTS OR MASK WORKS
(other than non-exclusive licenses to end-users)

1. Software licensing agreement with Cimetrics, Inc., for the use and re-sale of its BACstac software product.

Matters REPORT

Matter ID	Client Ref. No.	Matter Description	Status	Patent Number	Issue Date	Filing Date	Application Number	FA Ref. No.
AIRCU-002BCH		Air Monitoring System Having Tubing With An Electrically Conductive Inner Surface For Transporting Air Samples	Issued	1893970	7/27/2011	1/10/2008	06784523.0	
AIRCU-002BCN		Air Monitoring System Having Tubing With An Electrically Conductive Inner Surface For Transporting Air Samples	Issued	ZL	2/6/2013	1/30/2008	200690027980.8	USDAL56770-56770-WYJ
AIRCU-002BDE		Air Monitoring System Having Tubing With An Electrically Conductive Inner Surface For Transporting Air Samples	Issued	602006023981.7	7/27/2011	1/10/2008	06784523.0	
AIRCU-002BEP		Air Monitoring System Having Tubing With An Electrically Conductive Inner Surface For Transporting Air Samples	Issued	1893970	7/27/2011	1/10/2008	06784523.0	P/60312EP01/EP/C/L
AIRCU-002BES		Air Monitoring System Having Tubing With An Electrically Conductive Inner Surface For Transporting Air Samples	Issued	1893970	7/27/2011	1/10/2008	06784523.0	
AIRCU-002BFR		Air Monitoring System Having Tubing With An Electrically Conductive Inner Surface For Transporting Air Samples	Issued	1893970	7/27/2011	1/10/2008	06784523.0	
AIRCU-002BGB		Air Monitoring System Having Tubing With An Electrically Conductive Inner Surface For Transporting Air Samples	Issued	1893970	7/27/2011	1/10/2008	06784523.0	
AIRCU-002BJP		Air Monitoring System Having Tubing With An Electrically Conductive Inner Surface For Transporting Air Samples	Issued	4955667	3/23/2012	12/10/2007	2008-515761	EL.FN.A-1180-0003/622477
AIRCU-002BSE		Air Monitoring System Having Tubing With An Electrically Conductive Inner Surface For Transporting Air Samples	Issued	1893970	7/27/2011	1/10/2008	06784523.0	
AIRCU-002BUS		Air Monitoring System Having Tubing With An Electrically Conductive Inner Surface For Transporting Air Samples	Issued	7,360,461	4/22/2008	6/10/2005		

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Matters REPORT

Matter ID	Client Ref. No.	Matter Description	Status	Patent Number	Issue Date	Filing Date	Application Number	FA Ref. No.
ARQU-002CUS		Transporting Air Samples Tubing For Transporting Air Samples In An Air Monitoring System	Issued	7,389,704	6/24/2008	1/25/2007	11627,093	11149,941
ARQU-002PUS		Tubing For Transporting Air Samples In An Air Monitoring System	Issued	7,216,556	5/15/2007	9/23/2004	101948,787	
ARQU-002TUS		OPTNET	Issued	3,305,126	10/9/2007	3/27/2006	76167,467	
ARQU-003ACN		Dynamic Control Of Dilution Ventilation In One-Pass, Critical Environments	Issued	ZL20068001467500/6/2010	10/31/2007	200680014675,0	HE073296	
ARQU-003AJP		Dynamic Control Of Dilution Ventilation In One-Pass, Critical Environments	Issued	4989622	5/11/2012	9/7/2007	2006-500962	TUS1048CT
ARQU-003AUS		Multipoint Air Sampling System Having Common Sensors To Provide Blended Air Quality Parameter Information For Monitoring And Building Control	Issued	8,147,302	4/3/2012	3/10/2006	11373,033	
ARQU-003BCA	N/A	Multipoint Air Sampling System Having Common Sensors Providing Blended Air Quality Parameter Information For Monitoring And Building Control	Issued	2,600,529	8/7/2012	9/6/2007	2,600,529	LB0004228CA
ARQU-003BCN	N/A	Multipoint Air Sampling System Having Common Sensors To Provide Blended Air Quality Parameter Information For Monitoring And Building Control	Issued	ZL200680014430216/2012	10/30/2007	200680014430,2	HE073296	
ARQU-003TUS		MICRODUCT	Issued	3,370,960	1/15/2008	3/27/2006	76167,488	
ARQU-004TUS		OPTIMA	Issued	3,403,953	4/1/2008	3/27/2006	76167,491	
ARQU-005AUS		Method Of Making Comparisons Of Indoor Air Quality Scores	Issued	7,389,158	6/17/2008	3/28/2006	111391,105	
ARQU-005JEP		Air Quality Monitoring Systems And Methods Using Expert Systems	Issued	1390742	11/7/2007	2/7/2002	02713555,7	100176GB

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Maters REPORT

Mater ID	Client Ref. No.	Mater Description	Status	Patent Number	Issue Date	Filing Date	Application Number	FA Ref. No.
AIRCU-005PGB		Air Quality Monitoring Systems And Methods Using Expert Systems	Issued	1390742	11/7/2007	2/7/2002	02713555.7	100 178
AIRCU-006PUS		Air Quality Monitoring Systems And Methods	Issued	7,302,313	11/27/2007	2/7/2001	09779,379	
AIRCU-005TUS		ARCURITY	Issued	2,832,475	4/13/2004	5/14/2001	76/256,825	
AIRCU-006AUS		Networked Air Measurement System	Issued	6,425,297	7/30/2002	10/3/2000	09/677,917	
AIRCU-006PCN		Networked Air Measurement System	Issued	ZL98806058.X	11/19/2003	12/10/1999	98806058	P-055364
AIRCU-006SEP		Networked Air Measurement System	Issued	0975948	8/7/2002	4/15/1998	99918300.9	79 849 c/bra
AIRCU-006PHK		Networked Air Measurement System	Issued	HK1024054	11/1/2002	5/25/2000	00103119.0	62 900 c/bra
AIRCU-006FJP		Networked Air Measurement System	Issued	3676826	5/13/2005	10/14/1999	544289/98	DP-KYM,A-180-0001/613169
AIRCU-006PUS		Networked Air Measurement System	Issued	6,125,710	10/3/2000	4/15/1997	08/843,413	
AIRCU-007AUS		Duct Probe Assembly System For Multipoint Air Sampling	Issued	7,415,901	8/26/2008	5/30/2007	11755,040	
AIRCU-007PUS		Duct Probe Assembly System For Multipoint Air Sampling	Issued	7,421,911	9/9/2008	12/20/2005	11/312,164	

Matters REPORT

Matter ID	Client Ref. No.	Matter Description	Status	Patent Number	Issue Date	Filing Date	Application Number	FA Ref. No.
AIROU-003AEP		Dynamic Control Of Dilution Ventilation In One-Pass, Critical Environments	Pending			3/10/2006	06737726.7	Jg-3642-EPO
AIROU-003BEP	N/A	Multiple Air Sampling System Having Common Sensors Providing Blended Air Quality Parameter Information For Monitoring And Building Control	Pending			3/10/2006	06738073.3	Jg-3643-EPO
AIROU-003BUP	N/A	Multiple Air Sampling System Having Common Sensors Providing Blended Air Quality Parameter Information For Monitoring And Building Control	Pending			9/7/2007	2008-501040	TUS1049CT
AIROU-004PUS		Methods And Apparatus For Differential Energy Based Airside Economizer Changeover	Pending			7/8/2011	13/178.800	
AIROU-004PWO		Methods And Apparatus For Differential Energy Based Airside Economizer Changeover	Pending			5/17/2012	PCT/US2012/038322	
AIROU-008PUS		Methods And Apparatus For Indoor Air Contaminant Monitoring	Pending			3/15/2013	13/834.719	
AIROU-009PUS		Air Sampling System Providing Compound Discrimination Via Comparative PID Approach	Pending			6/28/2013	13/930.017	

**SCHEDULE B
TO SECURITY AGREEMENT**

COMPANY PROFILE

1. **Name.** The legal name of the Company is and the address of its chief executive office is:

Aircuity, Inc.
55 Chapel Street
Newton, Massachusetts 02458

2. **Organizational Identification Number; Federal Employer Identification Number.** The Company's organizational identification number in its state of incorporation is 3154904 and the Company's federal employer identification number is 04-3496703.

3. **State of Incorporation; Prior Names.** The Company was incorporated on January 5, 2000, in the state of Delaware. Since its incorporation the Company has had the following legal names (other than its current legal name):

<u>Prior Name</u>	<u>Date the Company's Name Was Changed From Such Name</u>
AirStats.com, Inc.	January 10, 2000
AirStat.com, Inc.	March 23, 2000
MyIndoorAir.com, Inc.	August 11, 2000
MyIndoorAir, Inc.	March 1, 2001

4. The Company does business under the following trade names:

<u>Trade Name</u>	<u>Is This Name Registered?</u>	<u>Registration No.</u>	<u>Registration Date</u>
None			

5. **Place of Business.** The Company has the following places of business:

<u>Address</u>	<u>Owner of Location</u>	<u>Brief Description of Assets and Value</u>
55 Chapel Street Newton, MA 04258	Chapel Bridge Park	Headquarters facility with light assembly

6. Assets in Possession of Third Parties. The following are names and addresses of all persons or entities other than the Company, such as lessees, consignees, warehousemen or purchasers of chattel paper, which have possession or are intended to have possession of any of the Collateral consisting of instruments, chattel paper, inventory or equipment:

<u>Name</u>	<u>Mailing Address</u>
Anixter, Inc.	340 Progress Dr., Manchester, CT
Argos Corp.	84 Independence Dr., Taunton, MA
Arkema, Inc.	PO Box 841334, Dallas, TX
Chromatics, Inc.	PO Box 742, Danbury, CT
Hyperios Catalysis	38 Smith Place, Cambridge, MA

7. Qualification To Do Business. The Company is qualified to do business in the following states:

California
Massachusetts
Illinois (not currently in good standing)
Pennsylvania
New Jersey
New York

8. Existing Security Interests. The Company's assets are subject to the following security interest of Persons other than the Investor:

<u>Assets</u>	<u>Name of Investor</u>
All assets	Sand Hill Finance, LLC
All assets but accounts receivable	IDF Investments GmbH

9. Tax Assessments. The following tax assessments are currently outstanding and unpaid:

<u>Assessing Authority</u>	<u>Amount and Description</u>
None	

10. Guaranties. The Company has directly or indirectly guaranteed the following obligations of third parties:

<u>Investor</u>	<u>Amount</u>	<u>Company</u>
None		

11. Subsidiaries. The Company has the following subsidiaries (list jurisdiction and date of incorporation, federal employer identification number, type and value of assets):

None

12. Securities; Instruments. The following is a complete list of all stocks, bonds, debentures, notes and other securities and investment property owned by the Company (*provide name of issuer, whether certificated or uncertificated, certificate no. (if applicable), number of shares*):

None

13. Bank Accounts; Securities Accounts. The following is a complete list of all bank accounts and securities accounts maintained by the Company (*provide name and address of depository bank (or brokerage firm), type of account and account number*):

Silicon Valley Bank 3003, Tasman Drive, Santa Clara, CA 95054

14. Commercial Tort Claims. The following is a complete list of all commercial tort claims held by the Company:

None