

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM318935

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
TELKONET, INC.		09/30/2014	CORPORATION: UTAH
ETHOSTREAM LLC		09/30/2014	LIMITED LIABILITY COMPANY: WISCONSIN
RECEIVING PARTY DATA			
Name:	HERITAGE BANK OF COMMERCE		
Street Address:	150 Almaden Blvd.		
City:	San Jose		
State/Country:	CALIFORNIA		
Postal Code:	95113		
Entity Type:	CORPORATION: CALIFORNIA		
PROPERTY NUMBERS Total: 7			
Property Type	Number	Word Mark	
Registration Number:	2922947		
Registration Number:	2911016	E-ZONE	
Registration Number:	2911015	ETHOSTREAM	
Registration Number:	4269097		
Registration Number:	4269096	TELKONET	
Registration Number:	3889185	TELKONET IBRIDGE	
Registration Number:	3699418	TELKONET SMARTENERGY	
CORRESPONDENCE DATA			
Fax Number:	8585506420		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	858-550-6403		
Email:	erin.obrien@cooley.com		
Correspondent Name:	Erin O'Brien		
Address Line 1:	c/o Cooley LLP		
Address Line 2:	4401 Eastgate Mall		
Address Line 4:	San Diego, CALIFORNIA 92121		
ATTORNEY DOCKET NUMBER:	308012-112 TELKONET		

CH \$190.00 2922947

NAME OF SUBMITTER:	Erin O'Brien
SIGNATURE:	/Erin O'Brien/
DATE SIGNED:	10/03/2014
Total Attachments: 6 source=Telkonet signed IPSA#page1.tif source=Telkonet signed IPSA#page2.tif source=Telkonet signed IPSA#page3.tif source=Telkonet signed IPSA#page4.tif source=Telkonet signed IPSA#page5.tif source=Telkonet signed IPSA#page6.tif	

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is entered into as of September 30, 2014 by and among HERITAGE BANK OF COMMERCE a California corporation (“**Bank**”) and TELKONET, INC., a Utah corporation and ETHOSTREAM LLC, a Wisconsin limited liability company (each, a “**Grantor**”, and collectively, “**Grantors**”).

RECITALS

Bank has agreed to make certain advances of money and to extend certain financial accommodations to Grantors in the amounts and manner set forth in that certain Loan and Security Agreement by and among Bank and Grantors (as amended from time to time, the “**Loan Agreement**”) dated of even date herewith. Capitalized terms used herein have the meaning assigned in the Loan Agreement. Bank is willing to make the financial accommodations to Grantors, but only upon the condition, among others, that each Grantor grants to Bank a security interest in all of such Grantor’s right title, and interest in, to and under all of the Collateral whether presently existing or hereafter acquired

NOW, THEREFORE, each Grantor agrees as follows:

AGREEMENT

To secure performance of Grantors’ obligations under the Loan Agreement, each Grantor grants to Bank a security interest in all of such Grantor’s right, title and interest in such Grantor’s intellectual property (including without limitation those Copyrights, Patents and Trademarks listed on Exhibits A, B and C hereto), including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits). This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. Each right, power and remedy of Bank provided for herein or in the Loan Agreement shall not preclude the simultaneous or later exercise by Bank of any or all other rights, powers or remedies.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

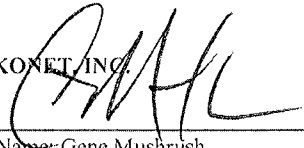
[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed as of the first date written above.

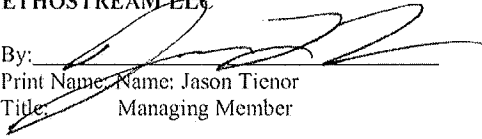
Address of Grantor:

20800 Swenson Drive, Suite 175
Waukesha, WI 53186
Attn: Gene Mushrush, CFO

TELKONET, INC.

By: 
Print Name: Gene Mushrush
Title: Chief Financial Officer

ETHOSTREAM LLC

By: 
Print Name: Name: Jason Tienor
Title: Managing Member

Address of Bank:

150 Almaden Blvd.
San Jose, California 95113
Attn: Mike Hansen
FAX: (408) 947-6910
Email: Mike.Hansen@herbank.com

HERITAGE BANK OF COMMERCE

By: _____
Print Name: Mike Hansen
Title: Senior Vice President and Manager

[Signature Page to Intellectual Property Security Agreement]

TRADEMARK
REEL: 005374 FRAME: 0216

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed as of the first date written above.

Address of Grantor:

20800 Swenson Drive, Suite 175
Waukesha, WI 53186
Attn: Gene Mushrush, CFO

TELKONET, INC.

By: _____
Print Name: Gene Mushrush
Title: Chief Financial Officer

ETHOSTREAM LLC

By: _____
Print Name: Name: Jason Tienor
Title: Managing Member

Address of Bank:

150 Almaden Blvd.
San Jose, California 95113
Attn: Mike Hansen
FAX: (408) 947-6910
Email: Mike.Hansen@herbank.com

HERITAGE BANK OF COMMERCE

By: Mike Hansen
Print Name: Mike Hansen
Title: Senior Vice President and Manager

/Signature Page to Intellectual Property Security Agreement/

TRADEMARK
REEL: 005374 FRAME: 0217

EXHIBIT A

Copyrights

Please Check Box if No Copyrights Exist

<u>Owner</u>	<u>Title</u>	<u>Registration Number</u>	<u>Registration Date</u>
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EXHIBIT B

Patents

Please Check Box if No Patents Exist

<u>Owner</u>	<u>Title</u>	<u>Serial/ Patent Number</u>	<u>Application/ Issue Date</u>
TELKONET, INC.	THERMOSTAT	D569279	D/249,372 5/20/2008

EXHIBIT C

Trademarks

Please Check Box if No Trademarks Exist

<u>Owner</u>	<u>Description</u>	<u>Serial / Registration Number</u>	<u>Application /Registration Date</u>
ETHOSTREAM	(DESIGN ONLY)	2,922,947	02/01/05
ETHOSTREAM	E-ZONE	2,911,016	12/14/04
ETHOSTREAM	ETHOSTREAM	2,911,015	12/14/04
TELKONET	(DESIGN ONLY)	4,269,097	01/01/13
TELKONET	TELKONET	4,269,096	01/01/13
TELKONET	TELKONET IBRIDGE	3,889,185	12/14/10
TELKONET	TELKONET SMARTENERGY	3,699,418	10/20/09