

TRADEMARK ASSIGNMENT COVER SHEET

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SUBMISSION TYPE:	RESUBMISSION		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
RESUBMIT DOCUMENT ID:	900364211		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
ANOVA APPLIED ELECTRONICS, INC.		07/31/2015	Corporation: DELAWARE
RECEIVING PARTY DATA			
Name:	SVAJIAN HOLDINGS, LLC		
Street Address:	580 Howard Street, Unit 104		
City:	San Francisco		
State/Country:	CALIFORNIA		
Postal Code:	94105		
Entity Type:	Limited Liability Company: DELAWARE		
Name:	STEPHEN SVAJIAN		
Street Address:	580 Howard Street, Unit 104		
City:	San Francisco		
State/Country:	CALIFORNIA		
Postal Code:	94105		
Entity Type:	INDIVIDUAL: UNITED STATES		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Serial Number:	86782271	ANOVA	
CORRESPONDENCE DATA			
Fax Number:	4156932222		
<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:	4156932000		
Email:	crhem@cooley.com		
Correspondent Name:	Cooley LLP		
Address Line 1:	101 California Street, 5th Floor		
Address Line 4:	San Francisco, CALIFORNIA 94111		
ATTORNEY DOCKET NUMBER:	325212-100 ANOVA		
NAME OF SUBMITTER:	C. Rhem		

SIGNATURE:	/CR/
DATE SIGNED:	05/18/2016
Total Attachments: 23 source=Anova Security Agreement#page1.tif source=Anova Security Agreement#page2.tif source=Anova Security Agreement#page3.tif source=Anova Security Agreement#page4.tif source=Anova Security Agreement#page5.tif source=Anova Security Agreement#page6.tif source=Anova Security Agreement#page7.tif source=Anova Security Agreement#page8.tif source=Anova Security Agreement#page9.tif source=Anova Security Agreement#page10.tif source=Anova Security Agreement#page11.tif source=Anova Security Agreement#page12.tif source=Anova Security Agreement#page13.tif source=Anova Security Agreement#page14.tif source=Anova Security Agreement#page15.tif source=Anova Security Agreement#page16.tif source=Anova Security Agreement#page17.tif source=Anova Security Agreement#page18.tif source=Anova Security Agreement#page19.tif source=Anova Security Agreement#page20.tif source=Anova Security Agreement#page21.tif source=Anova Security Agreement#page22.tif source=Anova Security Agreement#page23.tif	

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of July 31, 2015, is made by and among ANOVA APPLIED ELECTRONICS, INC., a Delaware corporation ("*Grantor*"), SVAJIAN HOLDINGS, LLC, a Delaware limited liability company ("*Holdings*"), and STEPHEN SVAJIAN ("*SS*").

RECITALS

A. On even date herewith, the Grantor and SS have entered into that certain Contribution Agreement (as the same may from time to time be amended, modified, supplemented or restated, the "*SS Contribution Agreement*"), pursuant to which, as partial consideration for the transactions contemplated under the SS Contribution Agreement, the Grantor has, on even date herewith, executed that certain Secured Promissory Note in the aggregate amount of \$5,639,247.90 (the "*SS Note Purchase Price Consideration*") payable to the order of the SS (as the same may from time to time be amended, modified, supplemented or restated, the "*SS Note*").

B. On even date herewith, the Grantor and Holdings have entered into that certain Contribution Agreement (as the same may from time to time be amended, modified, supplemented or restated, the "*Holdings Contribution Agreement*" and, collectively with the SS Contribution Agreement, the "*Contribution Agreements*"), pursuant to which, as total consideration for the transactions contemplated under the Holdings Contribution Agreement, the Grantor has, on even date herewith, executed that certain Secured Promissory Note in the aggregate amount of \$3,600,752.10 (the "*Holdings Note Purchase Price Consideration*" and, collectively with the SS Purchase Price Consideration, the "*Note Purchase Price Consideration*") payable to the order of the Secured Party (as the same may from time to time be amended, modified, supplemented or restated, the "*Holdings Note*" and, collectively with the SS Note, the "*Notes*").

C. Both Holdings and SS are willing to accept the Notes as consideration for the transactions contemplated under the Contribution Agreements, but only upon the condition, among others, that Grantor shall have executed and delivered to each of Holdings and SS this Security Agreement, and the Grantor is agreeable to the terms and conditions set forth herein. As used herein below, all references to the "*Lender*" or the "*Secured Party*" shall refer to each of Holdings and SS, and both of them, acting collectively or separately, as the case may be.

NOW, THEREFORE, in order to induce the Secured Party to execute, deliver and perform the Contribution Agreements and accept the Notes as consideration for the transactions contemplated under the Contribution Agreements and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

I. **DEFINED TERMS.** When used in this Security Agreement the following terms shall have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

"*Bankruptcy Code*" means Title XI of the United States Code.

“Business Day” means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of California or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close.

“Collateral” shall have the meaning assigned to such term in **Section 2** of this Security Agreement.

“Contracts” means all contracts (including any customer, vendor, supplier, service or maintenance contract), leases, licenses, undertakings, purchase orders, permits, franchise agreements or other agreements (other than any right evidenced by Chattel Paper, Documents or Instruments), whether in written or electronic form, in or under which Grantor now holds or hereafter acquires any right, title or interest, including, without limitation, with respect to an Account, any agreement relating to the terms of payment or the terms of performance thereof.

“Event of Default” means any (i) subject to the applicable terms and conditions (including, without limitation, any notice and/or curative provisions) contained in the Note, failure by Grantor forthwith to pay or perform any of the Secured Obligations, (ii) material breach by Grantor of any warranty, representation, or covenant set forth herein, or (iii) the occurrence and continuation of an event of default under any other agreement between Grantor and Secured Party, unless, in the case of each of clauses (i), (ii) and (iii), such failure or material breach is (x) due to any action or inaction by Stephen Svajian taken (or failed to be taken), directly or indirectly, in bad faith, without authorization by Grantor's board of director or with the intent to cause such failure or material breach or (y) cured within five (5) Business Days following written notice from Lender.

“Lien” means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

“Permitted Lien” means: (a) any Liens existing on the date of this Security Agreement and set forth on Schedule A attached hereto; (b) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings; (c) Liens (i) upon or in any Equipment acquired or held by Grantor to secure the purchase price of such Equipment or indebtedness (including capital leases) incurred solely for the purpose of financing the acquisition of such Equipment or (ii) existing on such Equipment at the time of its acquisition, provided that the Lien is confined solely to the Equipment so acquired, improvements thereon and the Proceeds of such Equipment; (d) leases or subleases and licenses or sublicenses granted to others in the ordinary course of Grantor's business if such are not otherwise prohibited under this Security Agreement and do not interfere in any material adverse respect with the business of Grantor; (e) any right, title or interest of a licensor under a license provided that such license or sublicense does not prohibit the grant of the security interest granted hereunder; (f) Liens arising from judgments, decrees or attachments to the extent and only so long as such judgment, decree or attachment has not caused or resulted in an Event of Default; (g) easements, reservations, rights-of-way, restrictions, minor defects or irregularities in title and other similar Liens affecting real property not interfering in any material adverse respect with the ordinary conduct of the business of Grantor; (h) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; (i) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; (j) Liens in favor of a securities intermediary pursuant to such securities intermediary's customary customer account agreement; provided that any such Liens shall at no time secure any indebtedness or obligations other than customary fees and charges payable to such securities intermediary; (k) statutory or common law Liens of landlords, carriers, warehousemen, mechanics, materialmen, repairmen, construction contractors or other like Liens that secure amounts not overdue for a period of more than 60

days (or, if more than 60 days overdue, that are unfiled and no other action has been taken to enforce such Lien) or that are being contested in good faith by appropriate proceedings; (l) Liens on Equipment arising from precautionary UCC financing statements regarding operating leases of Equipment; and (m) Liens not otherwise permitted by this Security Agreement so long as the aggregate outstanding principal amount of the obligations secured thereby does not exceed \$100,000 at any one time.

“**Secured Obligations**” means (a) the obligation of Grantor to repay the Secured Party all of the unpaid principal amount of, and accrued penalties and interest on (including any interest that accrues after the commencement of any bankruptcy of Grantor), the Note Purchase Price Consideration and (b) the obligation of Grantor to pay any reasonable costs and expenses of Secured Party under the Note or this Security Agreement.

“**Security Agreement**” means this Security Agreement and all Schedules hereto, as the same may from time to time be amended, modified, supplemented or restated.

“**UCC**” means the Uniform Commercial Code as the same may from time to time be in effect in the State of Delaware (and each reference in this Security Agreement to an Article thereof (denoted as a Division of the UCC as adopted and in effect in the State of Delaware) shall refer to that Article (or Division, as applicable) as from time to time in effect, which in the case of Article 9 shall include and refer to Revised Article 9 from and after the date Revised Article 9 shall become effective in the State of Delaware); *provided, however*, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the Secured Party’ security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of Delaware, the term “**UCC**” shall mean the Uniform Commercial Code (including the Articles thereof) as in effect at such time in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

In addition, the following terms shall be defined terms having the meaning set forth for such terms in the UCC: “Account” , “Account Debtor”, “Chattel Paper”, “Commercial Tort Claims”, “Commodity Account”, “Deposit Account”, “Documents”, “Equipment”, “Fixtures”, “General Intangible”, “Goods”, “Instrument”, “Inventory”, “Investment Property”, “Letter-of-Credit Right”, “Money”, “Payment Intangibles”, “Proceeds”, “Promissory Notes”, “Securities Account”, and “Supporting Obligations”. Each of the foregoing defined terms shall include all of such items now owned, or hereafter acquired, by Grantor.

2. GRANT OF SECURITY INTEREST. As collateral security for the full, prompt, complete and final payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all the Secured Obligations and in order to induce the Secured Party to execute, deliver and perform the transactions contemplated by the Contribution Agreements, Grantor hereby collaterally assigns, conveys, mortgages, pledges, hypothecates and transfers to the Secured Party, and hereby grants to the Secured Party, a continuing first priority security interest in all of Grantor’s right, title and interest in, to and under the following, whether now owned or hereafter created or acquired, wherever located (all of which being collectively referred to herein as the “**Collateral**”):

- (a) All Accounts of Grantor;
- (b) All Chattel Paper of Grantor;
- (c) The Commercial Tort Claims of Grantor more particularly described on **Schedule E** attached hereto;

- (d) All Commodity Accounts of Grantor;
- (e) All Contracts of Grantor;
- (f) All Deposit Accounts of Grantor;
- (g) All Documents of Grantor;
- (h) All General Intangibles of Grantor, including, without limitation, Intellectual Property;
- (i) All Goods of Grantor, including, without limitation, Equipment, Inventory, and Fixtures;
- (j) All Instruments of Grantor, including, without limitation, Promissory Notes;
- (k) All Investment Property of Grantor;
- (l) All Letter-of Credit Rights of Grantor;
- (m) All Money of Grantor;
- (n) All Securities Accounts of Grantor;
- (o) All Supporting Obligations of Grantor;
- (p) All other goods and fixture and personal property of Grantor whether governed by Article 9 of the UCC or other law, wherever located, whether tangible or intangible, and whether now owned or hereafter created, acquired, existing, leased or consigned by or to Grantor; and
- (q) To the extent not otherwise included, all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for and rents, profits and products of each of the foregoing.

Notwithstanding the foregoing provisions of this **Section 2**, the grant, collateral assignment and transfer of a security interest as provided herein shall not extend to, and the term "*Collateral*" shall not include:

(a) "intent-to-use" applications for registration of trademarks at all times prior to the filing of a "Statement of Use" pursuant to Section 1(d) of the Lanham Act or an "Amendment to Allege Use" pursuant to Section 1(c) of the Lanham Act with respect thereto;

(b) any Account, Chattel Paper, General Intangible or Promissory Note in which Grantor has any right, title or interest if and to the extent such permit, lease, license, contract or agreement includes a provision containing a restriction on assignment such that the creation of a security interest in the right, title or interest of Grantor therein would be prohibited and would, in and of itself, cause or result in a default thereunder enabling another person party to such Account, Chattel Paper, General Intangible or Promissory Note to enforce any remedy with respect thereto; *provided* that the foregoing exclusion shall not apply if (i) such prohibition has been waived or such other person has otherwise consented to the creation hereunder of a security interest in such Account, Chattel Paper, General Intangible or Promissory Note or (ii) such prohibition would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC, as applicable and as then in effect in any relevant jurisdiction, or any other applicable

law (including the Bankruptcy Code) or principles of equity); *provided further* that immediately upon the ineffectiveness, lapse or termination of any such provision, the Collateral shall include, and Grantor shall be deemed to have granted on the date hereof a security interest in, all its rights, title and interests in and to such Account, Chattel Paper, General Intangible or Promissory Note as if such provision had never been in effect; and *provided further that* the foregoing exclusion shall in no way be construed so as to limit, impair or otherwise affect any Secured Party's unconditional continuing security interest in and to all rights, title and interests of Grantor in or to any payment obligations or other rights to receive monies due or to become due under any such Account, Chattel Paper, General Intangible or Promissory Note and in any such monies and other Proceeds of such Account, Chattel Paper, General Intangible or Promissory Note;

(c) property owned by Grantor that is subject to a purchase money Lien or capital lease constituting a Permitted Lien only if the agreement pursuant to which such Lien is granted (or the document providing for such capital lease) prohibits, or requires the consent of any person other than Grantor which has not been obtained as a condition to, the creation of any other Lien on such property; provided further that this exclusion shall not include any Proceeds of such property; and

(d) any Deposit Account maintained by the Grantor exclusively used for all or any of payroll, benefits, health care, withholding tax, escrow, customs or other fiduciary purposes.

3. RIGHTS OF SECURED PARTY; COLLECTION OF ACCOUNTS.

(a) Notwithstanding anything contained in this Security Agreement to the contrary, Grantor expressly agrees that it shall remain liable under each of its Contracts, Chattel Paper, Documents, Instruments and Licenses to observe and perform all the conditions and obligations to be observed and performed by it thereunder and that it shall perform all of its duties and obligations thereunder, all in accordance with and pursuant to the terms and provisions of each such Contract, Chattel Paper, Document, Instrument, and License. Secured Party shall not have any obligation or liability under such Contract, Chattel Paper, Document, Instrument or License by reason of or arising out of this Security Agreement or the granting to the Secured Party of a Lien therein or the receipt by any Secured Party of any payment relating to any such Contract, Chattel Paper, Document, Instrument or License pursuant hereto, nor shall any Secured Party be required or obligated in any manner to perform or fulfill any of the obligations of Grantor under or pursuant to any such Contract, Chattel Paper, Document, Instrument or License, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any such Contract, Chattel Paper, Document, Instrument or License, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(b) The Secured Party authorizes Grantor to collect its Accounts. Upon the occurrence and during the continuance of any Event of Default, at the request of the Lender, Grantor shall deliver to Secured Party all original and other documents evidencing and relating to the performance of labor or service that created such Accounts, including, without limitation, all original orders, invoices and shipping receipts.

(c) The Secured Party may at any time, upon the occurrence and during the continuance of any Event of Default and upon notice to Grantor, notify Account Debtors of Grantor, parties to the Contracts of Grantor, and obligors in respect of Instruments of Grantor and obligors in respect of Chattel Paper of Grantor that the Accounts and the right, title and interest of Grantor in and under such Contracts, Instruments and Chattel Paper have been assigned to the Secured Party and that payments shall be made directly to the Secured Party. Upon the occurrence and during the continuance of

any Event of Default, upon the request of the Lender, Grantor shall so notify such Account Debtors, parties to such Contracts, obligors in respect of such Instruments and obligors in respect of such Chattel Paper. Upon the occurrence and during the continuance of any Event of Default, the Secured Party may communicate with such Account Debtors, parties to such Contracts, obligors in respect of such Instruments and obligors in respect of such Chattel Paper to verify with such parties, to the Secured Party's satisfaction, the existence, amount and terms of any such Accounts, Contracts, Instruments or Chattel Paper.

4. REPRESENTATIONS AND WARRANTIES. Grantor hereby represents and warrants to the Secured Party that:

(a) Except for the security interest granted to the Secured Party under this Security Agreement and Permitted Liens, Grantor is the sole legal and equitable owner of each item of the Collateral in which it purports to grant a security interest hereunder.

(b) No effective security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Collateral exists, except such as may have been filed by Grantor in favor of the Secured Party pursuant to this Security Agreement and except for Permitted Liens.

(c) The security interests granted pursuant to this Security Agreement constitute a legal and valid security interest in favor of the Secured Party securing the payment and performance of the Secured Obligations on and in all of the Collateral in which Grantor now has rights.

(d) Grantor's taxpayer identification number is set forth in the signature page hereof. Grantor's chief executive office or principal place of business and the address of the location where Grantor maintains its records concerning the Collateral as of the date hereof, are set forth on the signature page hereof. The Collateral consisting of Goods, other than Inventory and Equipment in transit and Inventory and Equipment with an aggregate value of less than \$50,000, is presently located at such address and at such additional addresses set forth on **Schedule B** attached hereto.

(e) All Collateral of Grantor consisting of Chattel Paper, Instruments or Investment Property is set forth on **Schedule C** attached hereto.

(f) The name and address of each depository institution at which Grantor maintains any Deposit Account constituting Collateral and the account number and account name of each such Deposit Account is listed on **Schedule D** attached hereto. The name and address of each securities intermediary or commodity intermediary at which Grantor maintains any Securities Account or Commodity Account and the account number and account name is listed on **Schedule D** attached hereto. Grantor agrees to amend **Schedule D** upon the Lender's request to reflect the opening of any additional Deposit Account constituting Collateral, Securities Account or Commodity Account, or closing or changing the account name or number on any existing Deposit Account, Securities Account, or Commodity Account.

5. COVENANTS. Unless the Lender otherwise consents (which consent shall not be unreasonably withheld), Grantor covenants and agrees with the Secured Party that from and after the date of this Security Agreement and until the Secured Obligations have been performed and paid in full:

5.1 Disposition of Collateral. Grantor shall not sell, exchange, assign, pledge, hypothecate, license, lease, transfer or otherwise dispose of any of the Collateral (each, a "*Transfer*"), or enter into any legally binding or otherwise enforceable agreement or understanding to do so, other than

(a) the sale of Inventory in the ordinary course of business, (b) the granting of Licenses in the ordinary course of business, (c) the disposal of worn-out, surplus or obsolete Equipment, (d) the sale or discount, in each case without recourse and in the ordinary course of business, of overdue accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof consistent with customary industry practice (and not as part of any bulk sale or financing of receivables), (e) dispositions and/or terminations of leases, subleases, licenses and sublicenses in the ordinary course of business and which do not materially interfere with the business of Grantor, and (f) Transfers of Collateral to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Transfer are promptly applied to the purchase price of such replacement property.

5.2 Change of Jurisdiction of Organization, Relocation of Business. Grantor shall not change its jurisdiction of organization or relocate its chief executive office, principal place of business or its records from such address(es) provided to the Secured Party pursuant to **Section 4(d)** above without at least seven (7) days prior notice to the Secured Party.

5.3 Limitation on Liens on Collateral. Grantor shall not, directly or indirectly, create, permit or suffer to exist, and shall defend the Collateral against and take such other action as is necessary to remove, any Lien on the Collateral, except (a) Permitted Liens and (b) the Lien granted to the Secured Party under this Security Agreement.

5.4 Insurance. Grantor shall maintain insurance policies insuring the Collateral against loss or damage from such risks and in such amounts and forms and with such companies as are customarily maintained by businesses similar to Grantor.

5.5 Taxes, Assessments, Etc. Grantor shall pay promptly when due all property and other taxes, assessments and government charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Goods, except to the extent the validity or amount thereof is being contested in good faith and adequate reserves are being maintained in connection therewith.

5.6 Commercial Tort Claims. If Grantor shall at any time acquire a Commercial Tort Claim with an expected value to Grantor in excess of \$50,000, Grantor shall immediately notify Secured Party in a writing signed by Grantor of the brief details thereof and grant to Secured Party in such 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 Secured Party.

5.7 Condition of Collateral. To the extent deemed prudent business conduct, the Grantor shall keep the Collateral in good order and repair.

5.8 Inspection. The Grantor will permit the Secured Party, or its designee, to inspect the Collateral at any reasonable time, wherever located, at the Secured Party's sole expense; provided that the parties hereto shall split the expense of any inspection occurring outside the United States so long as any such inspection is reasonably necessary to protect or otherwise preserve the Secured Party's security interest in such Collateral.

5.9 Further Assurances. At any time and from time to time, upon the written request of the Lender, and at the sole expense of Grantor, Grantor shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Lender may reasonably deem necessary or desirable to obtain the full benefits of this Security Agreement, including, without limitation, (a) executing, delivering and causing to be filed any financing or continuation statements (including "in lieu" continuation statements) under the UCC with respect to the

security interests granted hereby (provided, however, that Grantor shall not have any obligation to track or monitor the status of or to file any such financing or continuation statements in the absence of a reasonable written request from Lender), (b) at the Lender's reasonable request, filing or cooperating with the Secured Party in filing any forms or other documents required to be recorded with the United States Patent and Trademark Office or United States Copyright Office in order for the Secured Party to obtain the full benefit of its security interest in the Intellectual Property constituting Collateral, (c) executing and delivering and using commercially reasonable efforts to cause the applicable depository institution, securities intermediary, commodity intermediary or issuer or nominated party under a letter of credit to execute and deliver a collateral control agreement with respect to any Deposit Account constituting Collateral, Securities Account or Commodity Account or Letter-of-Credit Right constituting Collateral in or to which Grantor has any right or interest and (d) at the Lender's reasonable request, using commercially reasonable efforts to obtain acknowledgments from bailees having possession of any Collateral (other than Inventory and Equipment in transit and Inventory and Equipment with an aggregate value of less than \$50,000) and waivers of liens from landlords and mortgagees of any location where any of the Collateral (other than Inventory and Equipment in transit and Inventory and Equipment with an aggregate value of less than \$50,000) may from time to time be stored or located. Grantor also hereby authorizes the Secured Party to file any such financing or continuation statement (including "in lieu" continuation statements) without the signature of Grantor to the extent permitted by applicable law.

6. SECURED PARTY'S APPOINTMENT AS ATTORNEY-IN-FACT; PERFORMANCE BY SECURED PARTY.

(a) Subject to **Section 6(b)** below, Grantor hereby irrevocably constitutes and appoints Secured Party, and any officer or agent of Secured Party, with full power of substitution, as its true and lawful attorney-in-fact with full, irrevocable power and authority in the place and stead of Grantor and in the name of Grantor or in its own name, from time to time at the Secured Party's discretion, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute and deliver any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Security Agreement and, without limiting the generality of the foregoing, hereby gives Secured Party the power and right, on behalf of Grantor, without notice to or assent by Grantor to do the following:

(i) to ask, demand, collect, receive and give acquittances and receipts for any and all monies due or to become due under any Collateral and, in the name of Grantor, in its own name or otherwise to take possession of, endorse and collect any checks, drafts, notes, acceptances or other Instruments for the payment of monies due under any Collateral and to file any claim or take or commence any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Secured Party for the purpose of collecting any and all such monies due under any Collateral whenever payable;

(ii) to pay or discharge any Liens, including, without limitation, any tax Lien, levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Security Agreement and to pay all or any part of the premiums therefor and the costs thereof, which actions shall be for the benefit of Secured Party and not Grantor;

(iii) to (1) direct any person liable for any payment under or in respect of any of the Collateral to make payment of any and all monies due or to become due thereunder directly to Secured Party or as Secured Party shall direct, (2) receive payment of any and all monies, claims and other amounts due or to become due at any time arising out of or in respect of any Collateral, (3) sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with Accounts and other

Instruments and Documents constituting or relating to the Collateral, (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral, (5) defend any suit, action or proceeding brought against Grantor with respect to any Collateral, (6) settle, compromise or adjust any suit, action or proceeding described above, and in connection therewith, give such discharges or releases as Secured Party may deem appropriate, (7) license, or, to the extent permitted by an applicable License, sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any Copyright, Patent or Trademark throughout the world for such term or terms, on such conditions and in such manner as Secured Party shall in its discretion determine and (8) sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Secured Party were the absolute owner thereof for all purposes; and

(iv) to do, at Secured Party's option and Grantor's expense, at any time, or from time to time, all acts and things that Secured Party may reasonably deem necessary to protect, preserve or realize upon the Collateral and Secured Party's security interest therein in order to effect the intent of this Security Agreement, all as fully and effectively as Grantor might do.

(b) Notwithstanding anything to the contrary in this **Section 6**, Secured Party agrees that, except upon the occurrence and during the continuation of an Event of Default, it shall not exercise the power of attorney or any rights granted to Secured Party pursuant to this **Section 6**. Grantor hereby ratifies, to the extent permitted by law, all that said attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted pursuant to this **Section 6** is a power coupled with an interest and shall be irrevocable until the Secured Obligations are completely paid and performed in full.

(c) If Grantor fails to perform or comply with any of its agreements contained herein and Secured Party, as provided for by the terms of this Security Agreement, shall perform or comply, or otherwise cause performance or compliance, with such agreement (provided that, unless an Event of Default has occurred and is continuing, the Secured Party shall not exercise the foregoing powers without first making demand on Grantor and the Grantor shall have failed to promptly comply therewith), the reasonable expenses, including reasonable attorneys' fees and costs of one counsel to Secured Party, of Secured Party incurred in connection with such performance or compliance, together with interest thereon at a rate of interest equal to the highest per annum rate of interest charged on the Note Purchase Price Consideration, shall be payable by Grantor to Secured Party within five (5) Business Days of demand and shall constitute Secured Obligations secured hereby.

7. RIGHTS AND REMEDIES UPON DEFAULT. Beginning on the date that is ten (10) Business Days after Grantor receives written notice from Secured Party that any Event of Default shall have occurred and while such Event of Default is continuing:

(a) The Secured Party may exercise, in addition to all other rights and remedies granted to it under this Security Agreement or the Note, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, Grantor expressly agrees that in any such event the Secured Party, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Grantor or any other person, may (i) reclaim, take possession, recover, store, maintain, finish, repair, prepare for sale or lease, shop, advertise for sale or lease and sell or lease (in the manner provided herein) the Collateral, and in connection with the liquidation of the Collateral and collection of the accounts receivable pledged as Collateral, use any Trademark, Copyright, or process used or owned by Grantor and (ii) forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and may forthwith sell, lease, assign, give an option or options to purchase or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or

sales, at any exchange or broker's board or at the Secured Party's offices or elsewhere at such prices as it may deem commercially reasonable, for cash or on credit or for future delivery without assumption of any credit risk. Grantor further agrees, at the Lender's request, to assemble the Collateral and make it available to the Secured Party at places that the Secured Party shall reasonably select, whether at Grantor's premises or elsewhere. The Secured Party shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale as provided in **Section 7(e)**, below, with Grantor remaining liable for any deficiency remaining unpaid after such application. Grantor agrees that the Secured Party need not give more than twenty (20) days' notice of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters.

(b) As to any Collateral constituting certificated securities or uncertificated securities, in each case, covered by Article 8 of the UCC, if, at any time when Secured Party shall determine to exercise its right to sell the whole or any part of such Collateral hereunder, such Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under Securities Act of 1933, as amended (as so amended the "*Act*"), the Secured Party may, in its discretion (subject only to applicable requirements of law), sell such Collateral or part thereof by private sale in such manner and under such circumstances as the Secured Party may deem necessary or advisable, but subject to the other requirements of this **Section 7(b)**, and shall not be required to effect such registration or cause the same to be effected. Without limiting the generality of the foregoing, in any such event the Secured Party may, in its discretion, (i) in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Collateral or part thereof could be or shall have been filed under the Act; (ii) approach and negotiate with a single possible purchaser to effect such sale; and (iii) restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its own account, for investment, and not with a view to the distribution or sale of such Collateral or part thereof. In addition to a private sale as provided above in this **Section 7(b)**, if any of such Collateral shall not be freely distributable to the public without registration under the Act at the time of any proposed sale hereunder, then the Secured Party shall not be required to effect such registration or cause the same to be effected but may, in its discretion (subject only to applicable requirements of law), require that any sale hereunder (including a sale at auction) be conducted subject to such restrictions as the Secured Party may, in its discretion, deem necessary or appropriate in order that such sale (notwithstanding any failure so to register) may be effected in compliance with the Bankruptcy Code and other laws affecting the enforcement of creditors' rights and the Act and all applicable state securities laws.

(c) Grantor agrees to pay all reasonable fees, costs and expenses of the Secured Party, including, without limitation, the fees of one counsel to the Secured Party, incurred in connection with the enforcement of any of its rights and remedies hereunder.

(d) Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

(e) The Proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be distributed by the Secured Party in the following order of priorities:

FIRST, to the Secured Party in an amount sufficient to pay in full the costs of the Secured Party in connection with such sale, disposition or other realization, including all reasonable costs, expenses, liabilities and advances incurred or made by any Secured Party in connection therewith, including, without limitation, the fees of one counsel to the Secured Party;

SECOND, to the Secured Party in the amount of any then unpaid Secured Obligations of the Secured Party; and

FINALLY, upon payment in full of the Secured Obligations, to Grantor or its representatives, in accordance with the UCC or as a court of competent jurisdiction may direct.

8. INDEMNITY. Grantor agrees to defend, indemnify and hold harmless the Secured Party and its officers, employees, and agents against (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Security Agreement and (b) all losses or expenses in any way suffered, incurred, or paid by the Secured Party as a result of or in any way arising out of, following or consequential to transactions contemplated by this Security Agreement (including without limitation, reasonable attorney's fees and expenses), except for losses arising from or out of the Secured Party's gross negligence or willful misconduct.

9. REINSTATEMENT. This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's property and assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

10. MISCELLANEOUS.

10.1 Waivers; Modifications. None of the terms or provisions of this Security Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by Grantor and the Lender.

10.2 Termination of this Security Agreement and Release of Liens. Subject to **Section 9** hereof, this Security Agreement shall terminate upon the payment and performance in full of the Secured Obligations and immediately thereupon, the Collateral shall be released from the Liens created hereby, and this Security Agreement and all obligations of Secured Party and Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to Grantor. At the request and sole expense of Grantor following any such termination, Secured Party shall deliver to Grantor any Collateral held by Secured Party hereunder, and execute and deliver to Grantor such documents as Grantor shall reasonably request to evidence such termination. Any such documents shall be prepared by Grantor and shall be in form and substance reasonably satisfactory to Secured Party.

10.3 Successor and Assigns. This Security Agreement and all obligations of Grantor hereunder shall be binding upon the successors and assigns of Grantor, and shall, together with the rights and remedies of the Secured Party hereunder, inure to the benefit of the Secured Party, any future holder of any of the Secured Obligations and their respective successors and assigns. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Secured Obligations or any portion thereof or interest therein shall in any manner affect the lien granted to the Secured Party hereunder.

10.4 Governing Law. In all respects, including all matters of construction, validity and performance, this Security Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware applicable to contracts made and performed in such state, without regard to the principles thereof regarding conflict of laws, except to the extent that the UCC provides for the application of the law of a different jurisdiction.

[Signature pages follow.]

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

ADDRESS OF GRANTOR

ANOVA APPLIED ELECTRONICS, INC.

580 Howard Street _____

DocuSigned by:
By: Stephen Svajian _____
6B7BF01CC4E04F5...

Unit 403 _____

Printed Name:

San Francisco, CA 94105 _____

Title:

TAXPAYER IDENTIFICATION NUMBER OF GRANTOR

JURISDICTION OF ORGANIZATION OF GRANTOR

DELAWARE

ACCEPTED AND ACKNOWLEDGED BY THE LENDER/SECURED PARTY:

SVAJIAN HOLDINGS, LLC

DocuSigned by:
By: Stephen Svajian _____
6B7BF01CC4E04F5...

Printed Name: Stephen Svajian _____

Title: Manager _____

STEPHEN SVAJIAN

DocuSigned by:
Stephen Svajian _____
6B7BF01CC4E04F5...

[SECURITY AGREEMENT SIGNATURE PAGE]

SCHEDULE A

LIENS EXISTING ON THE DATE OF THIS SECURITY AGREEMENT

None.

SCHEDULE B
LOCATION OF GOODS

ENTITY	ADDRESS
Anova Applied Electronics, Inc.	580 Howard Street, Unit 403; San Francisco, CA 94105
Anova Industries, Inc.	10905 Cash Road; Stafford, TX 77477
Shipwire	Chicago: 2301 Ellis ct. STE B New Lenox, IL 60451 Los Angeles 1409 S Lilac Ave Bloomington, CA 92316 Pennsylvania 700 Indian Springs Drive Lancaster, PA 17601 Hong Kong Ground Floor, 3 Fat Tseung Street, Cheung Sha Wan, Kowloon, Hong Kong Vancouver 7451 Nelson Rd Door 22 Richmond, BC V6W1L7 UK Units 8, 9, 10 Parkside, Shortgate Lane Laughton, Lewes, East Sussex BN8 6DG United Kingdom

SCHEDULE C

**LIST OF CHATTEL PAPER, INSTRUMENTS,
AND INVESTMENT PROPERTY
(CERTIFICATED SECURITIES)**

None.

SCHEDULE D

**DEPOSIT ACCOUNTS CONSTITUTING COLLATERAL, SECURITIES ACCOUNTS
AND COMMODITY ACCOUNTS**

(Including Type of Account, Account Name, Account Number and Name and Address of Institution/Intermediary)

<u>Account Type</u>	<u>Account Name</u>	<u>Account Number</u>	<u>Institution</u>

SCHEDULE E
COMMERCIAL TORT CLAIMS

None.

Category	Title	Jurisdiction	App Number	Filing Date	Status	Description		
PRECISION COOKER	Circulator Cooker	US	13/935,971	7/5/2013	Published	A sous-vide circulator including an upper portion having a controller, a display, and an input device, a middle portion housing a motor, and a submersible lower portion housing a fluid agitator and a heater.		
		EP	14154528.5	2/10/2014	Allowed			
		BG DK SW ES SE GB DE						
		JP	2014-025539	4/11/2014	Allowed			
		AU	2014200334	10/16/2015	Pending			
	EP	15192763.9	11/3/2015	Pending				
	Sous-Vide Cooking Chamber	US	14/213792	3/13/2014	Published	A sous-vide cooker including a removable inner tank which fits within an outer enclosure having a temperature controller, an agitator, and a heater. A removable food-receiving structure fits within the inner tank.		
			US	14/907533	1/25/2016		Pending	
			PCT	US14/47838	7/23/2014		Published	
			CA	-	1/27/2016		Pending	
EP			-	-	Unfiled			
Heater Circulator	US	CN	-	-	Unfiled	A fluidic temperature control device including a temperature sensor, a processor, a pump, a heater, an LCD, a wireless radio transmitter, and an input unit. The processor receives control instructions from the input unit for the heater and pump, and receives and processes data from the remaining sensors for display on the LCD.		
		AU	-	-	Unfiled			
		Temperature Control Circulator Device	US	14/493,010	9/22/2014		Published	A sous-vide circulator including a top housing having a controller, a display, and a motor, and a removable bottom housing having a sensor, a heater, and an agitator. The circulator can connect to and control auxiliary heaters and pumps.
				Submersible Circulator Cooker	US		14/491,961	

Category	Title	Jurisdiction	App Number	Filing Date	Status	Description
						submersible lower portion housing a fluid agitator and a heater. A ring clamp is secured to the middle and lower portions.
PRECISION COOKER	Circulator Cooker with Alarm System	US	14/559,530	12/3/2014	Published	A sous-vide circulator including an upper portion having a controller, a display, and an input device, a middle portion housing a motor, and a submersible lower portion housing a fluid agitator and a heater. The circulator can contain a speaker to sound an alarm when a predetermined temperature is reached.
	Heating Circulator Cooker with Openable Pump Housing	US	14/632743	2/26/2015	Published	A sous-vide circulator including an upper portion having a controller, a middle portion housing a motor and a submersible heater, and a lower portion housing a pump mechanism, the pump mechanism having a housing and an impeller accessible by a removable cover.
	Programmable Heating Circulator	US	14/678403	4/3/2015	Published	A sous-vide circulator including an upper portion having a controller and a speaker that notifies users of events, a middle portion housing a pump coupler and a submersible heater, and a lower portion housing a removable modular pump system, the pump system having a housing, a motor, and an impeller accessible by a removable cover.
		AU	2015201720	4/3/2015	Pending	
		EP	15162683.5	4/7/2015	Published	
		HK				
	Event Tracking Precision Sous Vide Cooker Device	CA	14/678,403	4/3/2015	Published	A sous-vide circulator including a battery to power the circulator under a loss of power condition, a processor to generate an event in response to the condition, and a communication module to send the event to a remote device. The communication module receives an action from the remote device which is implemented by the processor.
		US	14/727369	6/1/2015	Published	
AU		2015202981	6/1/2015	Pending		
CA		2,893,374	6/1/2015	Pending		
EP		15170165.3	6/1/2015	Published		
Code Translation Method for Precision Sous	JP	2015-111594	6/1/2015	Pending	A method for a sous-vide circulator including translating machine-readable code into cooking attributes, determining a temperature and cook time based on the	
	US	14/727402	6/1/2015	Published		
	AU	2015202982	6/1/2015	Pending		

Category	Title	Jurisdiction	App Number	Filing Date	Status	Description
Vide Cooker Device		CA	2,893,329	6/1/2015	Pending	cooking attributes, and configuring the circulator for the temperature and cook time.
		EP	15170175.2	6/1/2015	Published	
		JP	2015-111595	6/1/2015	Pending	
Sous-Vide Cooker with Image Translation Functionality		US	14/727431	6/1/2015	Published	A method for a sous-vide circulator including receiving a selection of a pre-cooked food picture, the picture associated with a cook time and temperature, receiving a selection of a second pre-cooked food picture, the second picture associated with a supplemental cook time and temperature, and modifying the circulator with the supplemental cook time and temperature.
		AU	2015202983	6/1/2015	Pending	
		CA	2,893,335	6/1/2015	Pending	
		EP	15170176.0	6/1/2015	Published	
		JP	2015-111598	6/1/2015	Pending	
Circulator Cooker		US	14/885845	10/16/2015	Pending, Track One	A sous-vide circulator including a body having an agitator, a heater, and a temperature controller, the controller configured to actuate the agitator and heater to heat a fluid in a container to a constant temperature. A clamp is connected to the body to submerge the body in the fluid.
Circulator Cooker		US	14/987265	1/4/2016	Pending	A sous-vide circulator including an upper portion having a rotatable, tiltable display and a controller and a submersible lower portion having a motor and a heater. The controller is configured to receive a temperature reading and, in response, activate the motor and heater to heat a fluid to a constant temperature.
COMBINATION COOKER	Combination Cooker	PCT	US15/13105	1/27/2015	Published	A combination cooker assembly. An upper portion includes a controller, display, and input device. A middle portion (to be immersed in a fluid) contains a motor and agitator. A lower portion contains a heating element and controller. The lower element may operate independently or in conjunction with the two other portions. The lower element may be a hot plate.
		US	-	-	Unfiled	
COMBINATION COOKER	Combination Cooker with Sous	US	14/727444	6/1/2015	Published	A combination cooking range containing one or more burners and a fluidic temperature control device. The
		UA	2015202985	6/1/2015	Pending	

INTELLECTUAL PROPERTY

Category	Title	Jurisdiction	App Number	Filing Date	Status	Description
	Vide Functionality	CA	2,893,500	6/1/2015	Pending	temperature control device is placed in a container on one of the burners, and controls the temperature of the range, the temperature of its own heating element, and actuates a fluid agitator.
		CN	201510293958.9	6/1/2015	Pending	
		EP	15170168.7	6/1/2015	Published	
		JP	2015-111599	6/1/2015	Pending	
	Combination Sous Vide Cooker	US	-	-	Provisional, Unfiled	-
MISCELLANEOUS	Wireless Temperature Sensor for Sous Vide Cooking	US	62/235171	9/30/2015	Provisional, Filed	A wireless temperature sensor for sous vide, consisting of an upper portion with a radio and battery, a hollow middle portion, and a lower portion containing a temperature sensing mechanism. It may be water resistant and sealed inside of a bag with the food items to be cooked.
		US	62/235182	9/30/2015	Provisional, Filed	A method for controlling a sous vide cooker, wherein a cooking temperature is lowered to a holding temperature after a predetermined time based on user and/or sensor inputs.
	Minimum Safe Temperature Method for Cooking Sous vide	US				

Trademarks

Mark	Registration Number	Registration Date	Jurisdiction	Status
Precision	86253374	4/16/2014	US	Live
Souschef	86353998	7/31/2014	US	Live
Anova	86782271	10/8/2015	US	Live

Domain Names

Sousvides.com; Precisioncooker.com; Precisiontemperaturecooking.com; Precisiontemperaturecooking.net; Precisiontemperaturecooking.org; Precisiontemperaturecooker.com; Precisiontemperaturecooker.net; Precisiontemperaturecooker.org

TRADEMARK

REEL: 005794 FRAME: 0499

RECORDED: 05/11/2016