

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM386724

<b>SUBMISSION TYPE:</b>	RESUBMISSION
<b>NATURE OF CONVEYANCE:</b>	Partial Release of Security Interest Reel/Frame 4950/0911
<b>RESUBMIT DOCUMENT ID:</b>	900362463

## CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Comerica Bank		04/04/2016	A Texas Banking Association:

## RECEIVING PARTY DATA

<b>Name:</b>	California Natural Products
<b>Also Known As:</b>	AKA PAS
<b>Street Address:</b>	1250 East Lathrop Road
<b>City:</b>	Lathrop
<b>State/Country:</b>	CALIFORNIA
<b>Postal Code:</b>	95330
<b>Entity Type:</b>	Corporation: CALIFORNIA

## PROPERTY NUMBERS Total: 7

Property Type	Number	Word Mark
Registration Number:	3838174	POWERDOCKER
Registration Number:	3344781	POWER-WCS
Registration Number:	3344782	POWERSTAGE
Registration Number:	3344783	POWERBUILD
Registration Number:	3275958	PAS EDGE
Registration Number:	3117559	POWERSTOR
Registration Number:	2767465	POWER AUTOMATION SYSTEMS

## CORRESPONDENCE DATA

Fax Number: 3034732720

*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.*

Phone: (303) 473-2710

Email: docket@hollandhart.com

Correspondent Name: Scott S. Havlick

Address Line 1: Holland &amp; Hart LLP

Address Line 2: P.O. Box 8749

Address Line 4: Denver, COLORADO 80201

ATTORNEY DOCKET NUMBER: 78270.0018

<b>NAME OF SUBMITTER:</b>	Scott S. Havlick
<b>SIGNATURE:</b>	/SCOTT HAVLICK/
<b>DATE SIGNED:</b>	06/06/2016

**Total Attachments: 28**

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333 West Santa Clara St.  
San Jose CA 95113  
Attn: D Ferree MC4841

April 4, 2016

CALIFORNIA NATURAL PRODUCTS  
1250 East Lathrop Road  
Lathrop, California 95330  
Attn: Pat Mitchell

Re: Approval of Sale of the Power Automation Systems ("PAS") Division Assets to  
Swisslog Holding AG ("Swisslog") and Commitment to Release Liens

Ladies and Gentlemen:

California Natural Products ("Borrower") is indebted to Comerica Bank ("Bank") under the terms of that certain Letter Agreement dated September 10, 2015, as amended by that certain Amendment No. 1 to Letter Agreement dated January 15, 2016 between Borrower and Bank (collectively, the "Letter Agreement"). Such indebtedness is secured by, among other things, a security interests in all personal property assets of Borrower, including all PAS Division assets. Borrower and Swisslog desire to negotiate and enter into a definitive agreement (the "Purchase and Sale Agreement") whereby Swisslog agrees to purchase all of the PAS Division assets described in Section 2(a) of the Asset Purchase Agreement among Swisslog, Borrower and PAS, LLC (the "APA"), including but not limited to all patents, copyrights, trademarks and related intellectual property rights of the foregoing associated with the PAS Division (collectively the "Included Assets"); but excluding, however, the list of assets set forth in Section 2(d) of the APA (collectively, the "Excluded Assets"),

1. Commitment. Bank hereby commits, subject to the terms and conditions set forth herein, that in consideration of payment of the Net Sale Proceeds (in not less than the minimal amount as required herein) to Bank for application of such amount to the Borrower indebtedness simultaneous with the closing of the transactions under the Purchase and Sale Agreement (the "Closing"), it will release all of its liens and encumbrances on all PAS Division Included Assets. The term "Net Sales Proceeds" means the gross purchase price as set forth in the Purchase and Sale Agreement less all ordinary and customary closing and settlement costs allocated to Borrower under the Purchase and Sale Agreement or paid by Borrower in connection with such transaction (including, without limitation, appraisal fees, brokerage fees, attorney's fees, escrow fees and costs, transfer or other taxes, recording fees, and other miscellaneous fees and costs). The term "Net Sale Proceeds" excludes: (i) rental payments from Swisslog to Borrower for use of equipment and real property that constitute Excluded Assets; and (ii) post-Closing amounts in connection with the Borrower's sale of inventory constituting Excluded Assets in the ordinary course of its business.

2. Conditions. This Commitment shall be subject to: (a) the execution and delivery by Borrower and Pat Mitchell, as Guarantor, of a Third Amendment of Amended and Restated Master Revolving Note and Conditional Waiver of Covenant Defaults (With Consent of Guarantor) in form and substance satisfactory to Bank; (b) the execution and delivery by Borrower of a First Amendment to Amended and Restated Advance Formula Agreement in form and substance satisfactory to Bank; (c) the execution and delivery of the Purchase and Sale

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Agreement by Borrower and Swisslog, (d) Borrower's and Swisslog's delivery of the fully executed APA, including completed schedules to the extent these schedules reflect Included Assets and Excluded Assets, (e) the Closing occurring on or before April 6, 2016, and (f) the Net Sales Proceeds being not less than \$1,300,000.

3. Permission to File and Record. Bank hereby agrees that, promptly upon receiving the Net Sales Proceeds, Bank will execute and deliver (if requested by Borrower), and Bank hereby authorizes Borrower or Borrower's designee to (a) file a UCC Financing Statement Amendment with the applicable filing office(s) in order to release Bank's security interest in the PAS Division assets in the form attached as "Exhibit A", (b) record the Release of Security Interest attached hereto and incorporated in the instant agreement as "Exhibit B" with the United States Patent and Trademark Office, and (c) otherwise file the instant agreement. In the event following the closing of this transaction Borrower, Swisslog and Bank agree that an asset or assets in addition to those released at closing relate to the PAS Division and should have been released at closing (a "Post-Closing Asset"), Bank shall execute and deliver such releases required to release the Bank's lien thereon. Bank's consent to release such an asset agreed to by Borrower and Swisslog shall not be unreasonably withheld.

4. Enforceability. This letter agreement may only be enforced by Bank or Borrower. Notwithstanding anything to the contrary in this letter agreement, Borrower's creditors shall have no right to enforce this letter agreement or to cause Borrower to enforce this letter agreement and none of Borrower's equity holders or creditors shall have any right to enforce or cause Borrower or Bank to enforce this letter agreement. This letter agreement may not be specifically enforced. This paragraph 4 notwithstanding, Swisslog shall have the right to enforce Bank's obligation in paragraph 3 to release a Post-Closing Asset from Bank's liens.

5. Termination. The obligations of Bank hereunder will terminate automatically and immediately upon the earliest to occur of (a) the valid termination of the Purchase and Sale Agreement in accordance with its terms, (b) the Closing, at which time all obligations will be fulfilled; and (iii) on April 6, 2016 if the Closing does not occur on or prior to such date.

6. No Modification; Entire Agreement. This agreement may not be amended, modified or supplemented except by an agreement in writing signed by Borrower and Bank. This letter agreement constitutes the sole and entire agreement of Bank or any of its affiliates, on the one hand, and Borrower or any of its affiliates, on the other, with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

7. Parties in Interest; Third Party Beneficiaries. This letter agreement is for the sole benefit of and shall be binding upon Borrower and Bank and their respective successors and permitted assigns. Nothing in this letter agreement, express or implied, is intended to or shall confer upon any person other than Borrower and Bank any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this letter agreement.

8. Governing Law; Submission to Jurisdiction; Venue. This agreement shall be governed by and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of California.

Any legal suit, action or proceeding arising out of or based upon/relating to this agreement or the transactions contemplated hereby or shall be instituted in the federal courts of the United States of America or the courts of the State of California in each case located in the City of San Jose and County of Santa Clara, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

9. Waiver of Jury Trial. Each party acknowledges and agrees that any controversy which may arise under this letter is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this letter or the transactions contemplated hereby.

10. No Assignment. The Commitment evidenced by this letter shall not be assignable by Borrower without Bank's prior written consent, and the granting of such consent in a given instance shall be solely in the discretion of Bank and, if granted, shall not constitute a waiver of this requirement as to any subsequent assignment. Any purported transfer or assignment of any portion of a party's rights or obligations hereunder in contravention of this Section 9 shall be null and void *ab initio*.

11. Counterparts. This letter may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this letter delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this agreement.

12. Confidentiality. This letter agreement shall be treated as confidential and is being provided to Borrower solely in connection with the Purchase and Sale Agreement. This letter agreement may not be used, circulated, quoted or otherwise referred to in any document, except with the written consent of Bank and Borrower. Notwithstanding the foregoing, Borrower may provide a copy of this agreement to Swisslog without Bank's written consent.

Very truly yours,

COMERICA BANK

By David Ferree

Name: *David Ferree*

Title: *Vice President*

Agreed to and accepted:

CALIFORNIA NATURAL PRODUCTS

By \_\_\_\_\_

Name:

Title:

Any legal suit, action or proceeding arising out of or based upon/relating to this agreement or the transactions contemplated hereby or shall be instituted in the federal courts of the United States of America or the courts of the State of California in each case located in the City of San Jose and County of Santa Clara, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

9. Waiver of Jury Trial. Each party acknowledges and agrees that any controversy which may arise under this letter is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this letter or the transactions contemplated hereby.

10. No Assignment. The Commitment evidenced by this letter shall not be assignable by Borrower without Bank's prior written consent, and the granting of such consent in a given instance shall be solely in the discretion of Bank and, if granted, shall not constitute a waiver of this requirement as to any subsequent assignment. Any purported transfer or assignment of any portion of a party's rights or obligations hereunder in contravention of this Section 9 shall be null and void *ab initio*.

11. Counterparts. This letter may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this letter delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this agreement.

12. Confidentiality. This letter agreement shall be treated as confidential and is being provided to Borrower solely in connection with the Purchase and Sale Agreement. This letter agreement may not be used, circulated, quoted or otherwise referred to in any document, except with the written consent of Bank and Borrower. Notwithstanding the foregoing, Borrower may provide a copy of this agreement to Swisslog without Bank's written consent.

Very truly yours,

COMERICA BANK

By \_\_\_\_\_

Name:

Title:

Agreed to and accepted:

CALIFORNIA NATURAL PRODUCTS

By [Signature]

Name: PAB MITCHELL

Title: PRESIDENT

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REEL: 005803 FRAME: 0945

**EXHIBIT A**

**UCC Financing Statement Amendment**

See attached.

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**TRADEMARK**  
**REEL: 005803 FRAME: 0946**

Exhibit A

# UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) <b>Stephanie Seigle</b> <span style="float: right;"><b>206.359.3833</b></span>	
B. E-MAIL CONTACT AT FILER (optional) <b>SSeigle@perkinscole.com</b>	
C. SEND ACKNOWLEDGEMENT TO: (Name and Address)	
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <b>Perkins Cole LLP</b>  <b>1201 Third Avenue, Suite 4900</b>  <b>Seattle, WA 98101</b>  <b>Attn: Stephanie Seigle</b> </div>	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER <b>13-7344380639 (Filed 1/10/13)</b>	1b. <input type="checkbox"/> This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS File: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in Item 13
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2.  **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement

3.  **ASSIGNMENT (full or partial):** Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9  
For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8

4.  **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5.  **PARTY INFORMATION CHANGE:**  
Check one of these two boxes:  
 This Change affects  Debtor or  Secured Party of record  
 AND Check one of these three boxes to:  
 CHANGE name and/or address: Complete item 6a or 6b, and item 7a or 7b and item 7c  
 ADD name: Complete item 7a or 7b, and item 7c  
 DELETE name: Give record name to be deleted in item 6a or 6b

6. **CURRENT RECORD INFORMATION:** Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME			
OR	6b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

7. **CHANGED OR ADDED INFORMATION:** Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME			
OR	7b. INDIVIDUAL'S SURNAME		
	INDIVIDUAL'S FIRST PERSONAL NAME		
	INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) SUFFIX		

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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8.  **COLLATERAL CHANGE:** Also check one of these four boxes:  ADD collateral  DELETE collateral  RESTATE covered collateral  ASSIGN collateral  
Indicate collateral:

The assets listed on Exhibit A attached hereto.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:** Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)  
If this is an Amendment authorized by a DEBTOR, check here  and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME <b>COMERICA BANK</b>			
OR	9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

10. **OPTIONAL FILER REFERENCE DATA:**  
**119119-0002/130398356.1 (FILE W/ CA DOS)**



**DEBTOR: CALIFORNIA NATURAL PRODUCTS**  
**SECURED PARTY: COMERICA BANK**

**EXHIBIT A TO  
 UCC FINANCING STATEMENT**

The following assets of Debtor are hereby deleted:

<u>Equipment</u>	Department	on hand	Purpose/ Project
Modex	General	1	PowerStor Test Track
Jordan Mfg Two-Out die	General	1	Row Rail bracket die
<b><u>Software</u></b>			
Salesforce Implementation	General	1	General
Pasware 3.0	Engineering	1	System Software
SOLIDWORKS OFFICE PROFESSIONAL	Engineering	6	Design Software
AUTOCAD ELECTRICAL 2014 UPGRADE	Engineering	4	Design Software
Allied Motion - Idler assembly tooling	General	1	Tooling
Allied Motion (Emoteq) - Motor tooling	General	1	Tooling
Winston Sit-Stand workstation (Miguel)	General	1	Office equipment
Canon IPF 750 Image ProGras plotter	Engineering	1	Documentation
Solidworks Professional network maintenance (12/1)	Engineering	6	CAD software
Solidworks Enterprise PDM CAD editor maintenance (12/1)	Engineering	6	CAD software
Solidworks simulation premium maintenance (12/1)	Engineering	1	CAD software
AutoCAD Electrical subscription	Engineering	2	CAD software
AutoCAD Electrical subscription	Controls	1	Electrical Engineering
Adobe Writer (Don C)	Engineering	1	Documentation
Adobe Standard	Controls	2	General Documentation
Visual Studio 2013, Visual Studio 2015	Controls	3	PASWare DEV
VMware Workstation	Controls	2	Controls Software
3D mouse (Craig)	Engineering	1	
SQL Server 2005, 2008, 2014	Controls	3	PASWare DEV
Wonderware - InTouch, Industrial Application Server**	Controls	2	PASWare DEV
Rockwell Toolbox (5 needed for Controls and Software group)	Controls	15	Controls
Node JS	Controls	3	PASWare DEV
Tortise SVN	Controls	3	PASWare DEV
Oracle Virtual Box	Controls	3	PASWare DEV
Pactware - laser	Controls	4	Equipment Config
Prosoft Radio Linx IH Browser - access point	Controls	6	Equipment Config
Siemens PST Tool - access point	Controls	6	Equipment Config
Sick SOPAS - barcode scanner	Controls	4	Equipment Config
OLDI eATM Manager - communication card	Controls	3	Equipment Config
SEW Movitools - MT-Manager, MotionStudio	Controls	5	Equipment Config

Galil Tools - motion controller software	Controls	4	Equipment Config
RRC Commander - VB app	Controls	4	Equipment Config
P&F Ultra 3000 - DME config	Controls	4	Equipment Config
Driveware - servo drive	Controls	4	Equipment Config
Banner - Presence Plus, Sensors GUI Version	Controls	4	Equipment Config
Cisco VPN	Controls	5	Customer Access
FortiClient VPN	Controls	5	Customer Access
Checkpoint Endpoint VPN	Controls	5	Customer Access
Juniper Network	Controls	5	Customer Access
DraftSight	Controls	6	General
8' x 8' x 20' Steel Container	General	1	General
AB/SB/RB/Voyager Test Tracks	General	3	Assembly Area
Soldering Station	General	1	Assembly Area
Heat Gun	General	1	Assembly Area
Wire Stripper	General	1	Assembly Area
Crimper	General	1	Assembly Area
Shop vac	General	1	Assembly Area
Helicoil insertion tool	General	1	Assembly Area
Belt & disk sander (Sentinel)	General	1	Assembly Area
Saw (Hitachi)	General	1	Assembly Area
12T hydraulic jack	General	1	Assembly Area
Wire shelving on wheels (U-line)	General		Assembly Area

**EXHIBIT B**  
**USPTO Release**

See attached.

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**TRADEMARK**  
**REEL: 005803 FRAME: 0950**

RELEASE OF SECURITY INTEREST

This Release of Security Interest ("Release") is dated as of April 4, 2016, is by Comerica Bank (the "Lender").

- A An Intellectual Property Security Agreement, dated January 3, 2013, has been filed in the United States Patent and Trademark Office, as amended by that certain First Amendment to Intellectual Property Security Agreement, dated January 29, 2016, each is attached to and incorporated herein as "Exhibit A" (the "Security Agreement").
- B. In connection with the Security Agreement, California Natural Products ("Grantor") granted to Lender a security interest in certain of its intellectual property, as set forth in "Exhibit B" hereto (collectively, the "Collateral").
- C. Grantor has requested Lender to release any and all right, title and interest in and to the Collateral and Lender wishes to release any and all such right, title, and interest.

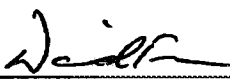
NOW, THEREFORE, FOR VALUE RECEIVED, Lender does hereby irrevocably and unconditionally release any and all right, title or interest of any kind that exists today and may exist in the future in and to the following intellectual property held as Collateral and all rights therein of any type or description including, without limitation: all Collateral identified in "Exhibit B" to this Release."

Lender hereby authorizes Grantor or Grantor's authorized representative to (a) record this Release with the United States Patent and Trademark Office (b) file UCC Financing Statement Amendments with the applicable filing office in order to terminate UCC financing statements filed on behalf of Lender against the Grantor and/or (c) otherwise file this Release.

This Release is governed by and in accordance with the laws of the State of California without regard to its rules of conflict of law. This Release will be binding upon Lender and its successors and assigns and inures to the benefit of Grantor, any acquirer of the Collateral and their respective successors and assigns.

IN WITNESS WHEREOF, Lender has caused this Release to be executed as of the date set forth above.

COMERICA BANK

By:   
Name: David Ferree  
Title: Vice President

**EXHIBIT A**

**Security Agreement**

See attached.

BN 20435449v3  
BN 20515769v2



## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (the "Agreement") is made as of January 3, 2013, by and between CALIFORNIA NATURAL PRODUCTS, a California corporation ("Grantor"), and COMERICA BANK ("Secured Party").

### RECITALS

A. Secured Party has agreed to lend to Grantor certain funds (the "Loan"), and Grantor desires to borrow such funds from Secured Party pursuant to the terms of that certain Letter Agreement dated as of even date herewith (the "Loan Agreement"). All initially capitalized terms used herein without definition shall have the meanings ascribed to them in the Loan Agreement).

B. In order to induce Secured Party to enter into the Loan Agreement, Grantor has agreed to grant a security interest in certain intangible property to Secured Party for purposes of securing the obligations of Grantor to Secured Party.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of Grantor's present or future indebtedness, obligations and liabilities to Secured Party, Grantor hereby grants a security interest and mortgage to Secured Party, as security, in and to Grantor's entire right, title and interest in, to and under the following (all of which shall collectively be called the "Intellectual Property Collateral"):

(a) Any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including without limitation those set forth on Exhibit A attached hereto (collectively, the "Copyrights");

(b) Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

(c) Any and all design rights which may be available to Grantor now or hereafter existing, created, acquired or held;

(d) All patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "Patents");

(e) Any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Grantor connected with and symbolized by such trademarks, including without limitation those set forth on Exhibit C attached hereto (collectively, the "Trademarks");

(f) Any and all claims for damages by way of past, present and future infringement of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(g) All licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights; and

(h) All amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents; and

(i) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

2. Authorization and Request. Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this security agreement.

3. Covenants and Warranties. Grantor represents, warrants, covenants and agrees as follows:

(a) Grantor is now the sole owner of the Intellectual Property Collateral, except for non-exclusive licenses granted by Grantor to its customers in the ordinary course of business;

(b) Performance of this Agreement does not conflict with or result in a breach of any agreement to which Grantor is party or by which Grantor is bound;

(c) During the term of this Agreement, Grantor will not transfer or otherwise encumber any interest in the Intellectual Property Collateral, except for non-exclusive licenses granted by Grantor in the ordinary course of business or as set forth in this Agreement;

(d) Each of the Patents is valid and enforceable, and no part of the Intellectual Property Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Intellectual Property Collateral violates the rights of any third party;

(e) Grantor shall register or cause to be registered (to the extent not already registered) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, those intellectual property rights listed on Exhibits A, B and C hereto within thirty (30) days of the date of this Agreement. Grantor shall register or cause to be registered with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, those additional intellectual property rights developed or acquired by Grantor from time to time in connection with any product prior to the sale or licensing of such product to any third party (including without limitation revisions or additions to the intellectual property rights listed on such Exhibits A, B and C);

(f) Grantor shall promptly give Secured Party written notice of any applications or registrations of any additional intellectual property rights filed with the United States Patent and Trademark Office, including the date of such filing and the registration or application numbers, if any.

(g) Grantor shall (i) give Secured Party not less than thirty (30) days prior written notice of the filing of any applications or registrations of any additional intellectual property rights with the United States Copyright Office, including the title of such intellectual property rights to be registered, as such title will appear on such applications or registrations, and the date such applications or registrations will be filed, and (ii) prior to the filing of any such applications or registrations, shall execute such documents as Secured Party may reasonably request for Secured Party to maintain its perfection in such intellectual property rights to be registered by Grantor, and upon the request of Secured Party, shall file such documents simultaneously with the filing of any such applications or registrations. Upon filing any such applications or registrations with the United States Copyright Office, Grantor shall promptly provide Secured Party with (i) a copy of such applications or registrations, without the exhibits, if any, thereto, (ii) evidence of the filing of any documents requested by Secured Party to be filed for Secured Party to maintain the perfection and priority of its security interest in such intellectual property rights, and (iii) the date of such filing.

(h) Grantor shall deliver to Secured Party within thirty (30) days of the last day of each fiscal quarter, a report signed by Grantor, in form reasonably acceptable to Secured Party, listing any applications or registrations that Grantor has made or filed in respect of any patents, copyrights or trademarks and the status of any outstanding applications or registrations. Grantor shall promptly advise Secured Party of any material change in the composition of the Intellectual Property Collateral, including but not limited to any subsequent ownership right of the Grantor in or to any Trademark, Patent or Copyright not specified in Exhibits A, B and C to this Agreement;

(i) Grantor shall promptly execute, deliver or file such additional instruments and documents and take such further actions as Secured Party may reasonably request from time to time to perfect, continue the perfection or maintain the priority of Secured Party's security interest in the Intellectual Property Collateral;

(j) Grantor shall: (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights; (ii) use its best efforts to detect infringements of the Trademarks, Patents and Copyrights and promptly advise Secured Party in writing of material infringements detected; and (iii) not allow any Trademarks, Patents or Copyrights to be abandoned, forfeited or dedicated to the public without the written consent of Secured Party, which shall

not be unreasonably withheld, unless Grantor determines that reasonable business practices suggest that abandonment is appropriate;

(k) Secured Party may audit Grantor's Intellectual Property Collateral to confirm compliance with this Section 3, provided such audit may not occur more often than twice per year, unless an Event of Default has occurred and is continuing. Secured Party shall have the right, but not the obligation, to take, at Grantor's sole expense, any actions that Grantor is required under this Section 3 to take but which Grantor fails to take within fifteen (15) days of notice thereof to Grantor. Grantor shall reimburse and indemnify Secured Party for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this Section 3.

(l) This Agreement creates in favor of Secured Party, and in the case of after acquired Intellectual Property Collateral, at the time Grantor first has rights in such after acquired Intellectual Property Collateral this Agreement will create in favor of Secured Party, a valid and perfected first priority security interest in the Intellectual Property Collateral in the United States securing the payment and performance of the obligations evidenced by the Loan Agreement upon making the filings referred to in clause (m) below;

(m) Except for, and upon, the filing with the State of California and the United States Patent and Trademark office with respect to the Patents and Trademarks and the Register of Copyrights with respect to the Copyrights such documents as are necessary to perfect the security interests created hereunder, and except as has been already made or obtained, no authorization, approval or other action by, and no notice to or filing with, any U.S. governmental authority or U.S. regulatory body is required either (i) for the grant by Grantor of the security interest granted hereby or for the execution, delivery or performance of this Agreement by Grantor in the U.S. or (ii) for the perfection in the United States or the exercise by Secured Party of its rights and remedies hereunder;

(n) All information heretofore, herein or hereafter supplied to Secured Party by or on behalf of Grantor with respect to the Intellectual Property Collateral is accurate and complete in all material respects;

(o) Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Secured Party's prior written consent. Grantor shall not permit the inclusion in any material contract to which it becomes a party of any provisions that could or might in any way prevent the creation of a security interest in Grantor's rights and interests in any property included within the definition of the Intellectual Property Collateral acquired under such contracts; and

(p) Upon any executive officer of Grantor obtaining actual knowledge thereof, Grantor will promptly notify Secured Party in writing of any event that materially adversely affects the value of any Intellectual Property Collateral, the ability of Grantor to dispose of any Intellectual Property Collateral or the rights and remedies of Secured Party in relation thereto, including the levy of any legal process against any of the Intellectual Property Collateral.

4. Secured Party's Rights. Secured Party shall have the right, but not the obligation, to take, at Grantor's sole expense, any actions that Grantor is required under this Agreement to take but which Grantor fails to take, after fifteen (15) days' notice to Grantor. Grantor shall reimburse and indemnify Secured Party for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this Section 4.

5. Inspection Rights. Grantor hereby grants to Secured Party and its employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable written notice to Grantor, any of Grantor's plants and facilities that manufacture, install or store products (or that have done so during the prior six month period) that are sold utilizing any of the Intellectual Property Collateral, and to inspect the products and quality control records relating thereto upon reasonable written notice to Grantor and as often as may be reasonably requested.

6. Further Assurances; Attorney-in-Fact.

(a) On a continuing basis, Grantor will make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademark Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as requested by Secured Party, to perfect Secured Party's security interest in all Copyrights, Patents and Trademarks and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to Secured Party the grant or perfection of a security interest in all Intellectual Property Collateral.



(b) Grantor hereby irrevocably appoints Secured Party as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, from time to time in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including (i) to modify, in its sole discretion, this Agreement without first obtaining Grantor's approval or signature to such modification by amending Exhibit A, Exhibit B and Exhibit C, thereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Grantor no longer has or claims any right, title or interest, (ii) to file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Intellectual Property Collateral without the signature of Grantor where permitted by law, and (iii) after the occurrence of an Event of Default, to transfer the Intellectual Property Collateral into the name of Secured Party or a third party to the extent permitted under the California Uniform Commercial Code.

7. Events of Default. The occurrence of any of the following shall constitute an Event of Default under the Agreement:

(a) An Event of Default occurs under the Loan Documents; or

(b) Grantor breaches any warranty or agreement made by Grantor in this Agreement and, as to any breach that is capable of cure, Grantor fails to cure such breach within five (5) days of the occurrence of such breach.

8. Remedies. Upon the occurrence and continuance of an Event of Default, Secured Party shall have the right to exercise all the remedies of a secured party under the California Uniform Commercial Code, including without limitation the right to require Grantor to assemble the Intellectual Property Collateral and any tangible property in which Secured Party has a security interest and to make it available to Secured Party at a place designated by Secured Party. Secured Party shall have a nonexclusive, royalty free license to use the Copyrights, Patents and Trademarks to the extent reasonably necessary to permit Secured Party to exercise its rights and remedies upon the occurrence of an Event of Default. Grantor will pay any expenses (including reasonable attorneys' fees) incurred by Secured Party in connection with the exercise of any of Secured Party's rights hereunder, including without limitation any expense incurred in disposing of the Intellectual Property Collateral. All of Secured Party's rights and remedies with respect to the Intellectual Property Collateral shall be cumulative.

9. Indemnity. Grantor agrees to defend, indemnify and hold harmless 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 Agreement; and (b) all losses or expenses in any way suffered, incurred, or paid by Secured Party as a result of or in any way arising out of, following or consequential to transactions between Secured Party and Grantor, whether under this Agreement or otherwise (including without limitation reasonable attorneys' fees and reasonable expenses), except for losses arising from or out of Secured Party's gross negligence or willful misconduct.

10. Course of Dealing. No course of dealing, nor any failure to exercise, nor any delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

11. Attorneys' Fees. If any action relating to this Agreement is brought by either party hereto against the other party, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements.

12. Amendments. This Agreement may be amended only by a written instrument signed by both parties hereto.

13. Counterparts. 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.

14. California Law and Jurisdiction; Jury Waiver. This Agreement shall be governed by the laws of the State of California, without regard for choice of law provisions. Grantor and Secured Party consent to the exclusive jurisdiction of any state or federal court located in California. THE UNDERSIGNED ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS, HIS OR HER CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION

ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY OTHER DOCUMENT, INSTRUMENT OR AGREEMENT BETWEEN THE UNDERSIGNED PARTIES.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Address of Grantor:

1250 E. Lathrop Road  
Lathrop, California 95330

GRANTOR:

CALIFORNIA NATURAL PRODUCTS,  
a California corporation

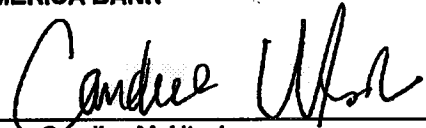
By:   
Name: Pat R. Mitchell  
Title: President

Address of Secured Party:

455 Capitol Mall  
Sacramento, California 95814

SECURED PARTY:

COMERICA BANK

By:   
Name: Candice M. Utush  
Title: Vice President

**EXHIBIT A**

**Copyrights**

**None.**

**EXHIBIT B**

**Patents**

<b>Title</b>	<b>App. No.</b>	<b>Filing Date</b>	<b>Reg. No.</b>	<b>Date Granted</b>
<b>Automated warehouse row cart and lift</b>	<b>10/724339</b>	<b>11/28/03</b>	<b>7,073,634</b>	<b>7/11/06</b>
<b>Rice-flour hydrolysates fat substitute</b>	<b>09/977106</b>	<b>10/12/01</b>	<b>6,753,023</b>	<b>6/22/04</b>
<b>Automated warehousing system and method</b>	<b>09/658703</b>	<b>9/8/00</b>	<b>6,652,213</b>	<b>11/25/03</b>

**EXHIBIT C**

Trademarks

Mark	App. No.	Filing Date	Reg. No.	Reg. Date
SVELTE	85/369641	7/12/11	n/a	n/a
ENJOY YOURSELF	85/289591	4/7/11	4,049,131	11/1/11
LOOKING GOOD	85/289580	4/7/11	4,049,129	11/1/11
JUST YOUR STYLE	85/289605	4/7/11	4,049,135	11/1/11
HELLO BEAUTIFUL	85/289597	4/7/11	4,049,133	11/1/11
ISO COCO	85/143594	10/1/10	n/a	n/a
RICEVIA	85/061238	6/11/10	n/a	n/a
Design Only	77/929734	2/6/10	3,972,092	5/31/11
SVELTE	77/880089	11/24/09	4,096,596	2/7/12
CALNATURALE	77/864277	11/3/09	n/a	n/a
CALNATURALE	77/981367	11/3/09	n/a	n/a
CALNATURALE	77/854382	10/21/09	3,799,419	6/8/10
CALNATURALE SVELTE	77/850964	10/16/09	3,958,813	5/10/11
CALNATURALE (and Design)	77/701023	3/27/09	3,797,172	6/1/10
POWERDOCKER	76/660021	5/12/06	3,838,174	8/24/10
POWER-WCS	76/660020	5/12/06	3,344,781	11/27/07
POWERBUILD	76/660023	5/12/06	3,344,783	11/27/07
POWERSTAGE	76/660022	5/12/06	3,344,782	11/27/07
PAS EDGE (and Design)	76/659706	5/8/06	3,275,958	8/7/07
BAKE-TRIM	76/567909	12/22/03	3,009,216	10/25/05
POWERSTOR	76/537225	8/14/03	3,117,559	7/18/06
POWER AUTOMATION SYSTEMS	76/244947	4/24/01	2,767,465	9/23/03

**FIRST AMENDMENT TO  
INTELLECTUAL PROPERTY SECURITY AGREEMENT**

January 29, 2016


This FIRST AMENDMENT TO INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Amendment") amends and shall be considered a part of that certain Intellectual Property Security Agreement (the "Agreement"), dated as of January 3, 2013, entered into between CALIFORNIA NATURAL PRODUCTS, a California corporation ("Grantor") and COMERICA BANK, a Texas banking corporation ("Secured Party"), which was filed and recorded with the United States Patent and Trademark Office on January 25, 2013, in Reel 2698 Frame 414 (patents) and on December 4, 2013, in Reel 005167 Frame 0459 (trademarks). Grantor and Secured Party agree as follows:

1. Exhibit A is hereby amended by adding the copyright registration described on Exhibit A-1 attached hereto to the list of copyrights set forth in that schedule.
2. Exhibit B is hereby amended by adding the patent registrations described on Exhibit B-1 attached hereto to the list of patents set forth in that schedule.
3. Exhibit C is hereby amended by adding the trademark registrations described on Exhibit C-1 attached hereto to the list of trademarks set forth in that schedule.
4. Except as expressly amended or modified pursuant to this Amendment, the Agreement shall remain otherwise unchanged and in full force and effect.

*[Remainder of page intentionally left blank.]*

IN WITNESS WHEREOF, Grantor and Secured Party have executed this Amendment as of the date first set forth above.

**CALIFORNIA NATURAL PRODUCTS**  
(Grantor)

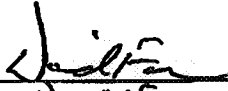
By:   
Name: PAT MITCHELL  
Title: PRESIDENT

Amendment to Intellectual Property Security Agreement

TRADEMARK  
REEL: 005803 FRAME: 0963



**COMERICA BANK**  
(Secured Party)

By:   
Name: David Ferree  
Title: Vice President

Amendment to Intellectual Property Security Agreement

TRADEMARK  
REEL: 005803 FRAME: 0964

Exhibit A-I

Copyrights

Title	Registration Number	Reg./File Date
Milk Packaging Design	VAu001189636	11/03/2014

Exhibit B-I

Patents

Title	Reg. No./ Serial No.	Reg./File Date
Treated pectinic acid process and product	5498702	03/12/1996
Food sweetener composition and process	5510123	04/23/1996

BN 20030531v1

Exhibit C-I

Trademarks

Trademark	Reg. No/ Serial No.	Reg./File Date
BECAUSE EVERY WAREHOUSE DESERVES AUTOMATION	86380577	08/29/2014
SVELTE	86496828	01/06/2015
BAYSIDE RANCH	86355309	12/02/2014
BAYSIDE	86355300	08/01/2014

**EXHIBIT B**

**Released Intellectual Property**

a. The following PAS Patents ("PAS Patents"):

<b>Title</b>	<b>Reg. No./Serial No.</b>	<b>Reg./File Date</b>
Automated warehouse row cart and lift	7,073,634	11/28/03; 7/11/06
Automated warehousing system and method	6,652,213	9/8/00; 11/25/03

b. The following PAS Trademarks ("PAS Trademarks"):

<b>Mark</b>	<b>App. No.</b>	<b>Filing Date</b>	<b>Reg. No./Serial No.</b>	<b>Reg. Date</b>
POWER AUTOMATION		07/08/13	86004738	
POWER AUTOMATION SYSTEMS		07/08/13	4779835/86004741	07/28/15
POWERDOCKER	76/660021	05/12/06	3,838,174	8/24/10
POWER-WCS	76/660020	05/12/06	3,344,781	11/27/07
POWERBUILD	76/660023	05/12/06	3,344,782	11/27/07
POWERSTAGE	76/660022	05/12/06	3,344,783	11/27/07
PAS EDGE (and Design)	76/659706	05/08/06	3,275,958	08/07/07
POWERSTOR	76/537225	08/14/03	3,117,559	07/18/06
POWER AUTOMATION SYSTEMS	76/2444947	04/24/01	2,767,465	09/23/03
BECAUSE EVERY WAREHOUSE DESERVES AUTOMATION			86380577	08/29/14

c. Any and all claims for damages by way of past, present and future infringement of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the PAS Patents and/or PAS Trademarks identified above;

d. All licenses or other rights to use any of such PAS Patents and/or PAS Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights;

e. All amendments, renewals and extensions of any of such PAS Patents and/or PAS Trademarks; and

- f. **All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.**

BN 20515769v2