

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM342572

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Clean Energy Systems, Inc.		05/15/2015	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	Southern California Gas Company		
Street Address:	101 Ash Street		
City:	San Diego		
State/Country:	CALIFORNIA		
Postal Code:	92101		
Entity Type:	CORPORATION: CALIFORNIA		
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Registration Number:	2728294	CLEAN ENERGY SYSTEMS	
Registration Number:	3333072	CES	
Registration Number:	3333073	CES	
CORRESPONDENCE DATA			
Fax Number:			
<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:	2135965620		
Email:	bradharding@zuberlaw.com		
Correspondent Name:	Brad Harding		
Address Line 1:	777 S. Figueroa St. 37th Floor		
Address Line 4:	Los Angeles, CALIFORNIA 90017		
NAME OF SUBMITTER:	Brad Harding		
SIGNATURE:	/Brad Harding/		
DATE SIGNED:	05/27/2015		
Total Attachments: 12			
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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "Agreement") is made as of May 15, 2015, by and between CLEAN ENERGY SYSTEMS, INC., a Delaware corporation ("Borrower" or "Grantor"), and Southern California Gas Company ("Lender" and sometimes referred to herein as "Secured Party").

RECITALS

A. Pursuant to (i) that certain Loan and Security Agreement of even date herewith between Borrower, as borrower, and Lender, as lender, as such agreement may from time to time be amended, restated, supplemented or otherwise modified (individually and together, the "Loan Agreement"), Secured Party has agreed to make certain advances of money and to extend certain financial accommodations to Borrower (the "Loans") in the amounts and manner set forth in the Loan Agreement. All capitalized terms used herein without definition shall have the meanings ascribed to them in the Loan Agreement.

B. Secured Party is willing to make the Loans to Borrower, but only upon the condition, among others, that each of Borrower, CES Placerita, Inc., a Delaware Corporation ("Placerita"), and CES Kimberlina, Inc., a California corporation ("Kimberlina"), and together with Placerita, the "Guarantors") shall grant to Secured Party a security interest in substantially all of such party's personal property whether presently existing or hereafter acquired. To that end, Borrower has executed in favor of Secured Party the Loan Agreement granting a security interest in all Collateral, and each Guarantor has executed in favor of Secured Party a Subsidiary Guarantee and Grantor is executing this Agreement with respect to certain items of Intellectual Property, in particular.

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 Borrower's present or future Obligations, 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 Intellectual Property, now owned or hereafter acquired by Grantor or in which Grantor now holds or hereafter acquires any interest (all of which shall collectively be called the "IP Collateral" for purposes of this Agreement):

(a) Any and all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, any State thereof or of any other country; all registrations, applications and recordings in the United States Copyright Office or in any similar office or agency of the United States, and State thereof or any other country; all continuations, renewals, or extensions thereof; and any registrations to be issued under any pending applications, including without limitation those set forth on Exhibit A attached hereto (collectively, the "Copyrights");

(b) All letters patent of, or rights corresponding thereto in, the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of, or rights corresponding thereto in, the United States or any other country, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country; all reissues, continuations, continuations-in-part or extensions thereof; all petty patents, divisionals, and patents of addition; and all patents to be issued under any such applications, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "Patents");

(c) All trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or

appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, and reissues, extensions or renewals thereof, 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");

(d) 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;

(e) 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;

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

(g) 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.

Notwithstanding the foregoing the term "IP Collateral" shall not include: (a) "intent-to-use" trademarks at all times prior to the first use thereof, whether by the actual use thereof in commerce, the recording of a statement of use with the United States Patent and Trademark Office or otherwise, but only to the extent the granting of a security interest in such "intent to use" trademarks would be contrary to applicable law or (b) any contract, instrument or chattel paper in which Grantor has any right, title or interest if and to the extent such contract, instrument or chattel paper 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 contract, instrument or chattel paper to enforce any remedy with respect thereto; provided, however, 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 contract, instrument or chattel paper, or (ii) such prohibition would be rendered ineffective pursuant to Sections 9-407(a) or 9-408(a) 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 term "IP Collateral" shall include, and Grantor shall be deemed to have granted a security interest in, all its rights, title and interests in and to such contract, instrument or chattel paper 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 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 contract, instrument or chattel paper and in any such monies and other proceeds of such contract, instrument or chattel paper.

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

(a) Grantor is now the sole owner its IP Collateral, except for Permitted Liens;

(b) During the term of this Agreement, Grantor will not transfer or otherwise encumber any interest in the IP Collateral, except for Permitted Liens;

(c) To its knowledge, each of the Patents is valid and enforceable, and no part of the IP Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the IP Collateral violates the rights of any third party;

(d) 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 IP Collateral, including but not limited to any subsequent ownership right of the Grantor in or to any Trademark, Patent or Copyright not specified in this Agreement. If, with respect to any fiscal quarter a Guarantor is not aware of any event included herein that requires reporting, such Guarantor may dispense with the requirements of this Section 2(d) so long as Borrower complies with this Section 2(d) and includes in its report a statement as to the lack of any reportable event applicable to such Guarantor;

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

(f) Grantor shall apply for registration on an expedited basis (to the extent not already registered) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable: (i) those intellectual property rights listed on Exhibits A, B and C hereto within thirty (30) days of the date of this Agreement; and (ii) those additional intellectual property rights developed or acquired by Grantor from time to time in connection with any product or service, prior to the sale or licensing of such product or the rendering of such service to any third party (including without limitation revisions or additions to the intellectual property rights listed on such Exhibits A, B and C), except with respect to such rights that Grantor determines in its sole but reasonable commercial judgment need not be registered to protect its own business interests. Grantor shall, from time to time, execute and file such other instruments, and take such further actions as Secured Party may reasonably request from time to time to perfect or continue the perfection of Secured Party's interest in the IP Collateral. Grantor shall give Secured Party notice of all such applications or registrations; and

(g) 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, which consent shall not be unreasonably withheld. 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 IP Collateral acquired under such contracts.

3. 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 reasonably 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 IP 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 of or signature to such modification by amending Exhibits A, B and C, hereof, 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 IP Collateral without the signature of Grantor where permitted by law, and (iii) after the occurrence of an Event of Default, to transfer the IP Collateral into the name of Secured Party or a third party to the extent permitted under the California Uniform Commercial Code.

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

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

(b) Grantor's breach of 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 thirty (30) days of the sooner to occur of Grantor's receipt of notice of such breach from Secured Party or the date on which such breach first becomes known to Grantor.

5. General Provisions. The provisions of Article 9 "General Provisions" set forth in the Loan Agreement as they relate to Grantor, are hereby incorporated herein by reference and are applicable to this Agreement as if they were fully set forth herein.

[Signature Pages Follow]

[Signature page to Intellectual Property Security Agreement]

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

GRANTORS:

Address of Grantor:

CLEAN ENERGY SYSTEMS, INC.

By: Keith Pronske

Name: Keith L. Pronske

Its: President and Chief Executive Officer

SECURED PARTY:

Address of Secured Party:

SOUTHERN CALIFORNIA GAS COMPANY

By: _____

Name: _____

Its: _____

[Signature page to Intellectual Property Security Agreement]

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

GRANTOR:

Address of Grantor:

CLEAN ENERGY SYSTEMS, INC.

By: _____

Name: _____

Its: _____

SECURED PARTY:

Address of Secured Party:

SOUTHERN CALIFORNIA GAS COMPANY

Southern California Gas Company
555 West Fifth Street
Los Angeles, CA 90013

By:  _____

Name: Rodger Schwecke

Its: EMP, Customer solutions

EXHIBIT A

Copyrights

Description

N/A

Registration Number

Registration Date

EXHIBIT B

Patents

<u>Title</u>	<u>Patent Number</u>	<u>Date of Patent</u>	<u>Country</u>
US Patents			
Turbomachinery for Modified Ericsson Engines and Other Power/Refrigeration Applications	5,473,899	12/12/1995	U.S.
Turbocharged Reciprocation Engine for Power and Refrigeration using the Modified Ericsson Cycle	5,590,528	01/07/1997	U.S.
Clean Air Engines for Transportation and Other Power Applications	5,680,764	10/28/1997	U.S.
Process for Brine Disposal	5,695,643	12/09/1997	U.S.
Reduced Pollution Hydrocarbon Combustion Gas Generator	5,709,077	01/20/1998	U.S.
Reduced Pollution Power Generation System	5,715,673	02/10/1998	U.S.
Reduced Pollution Power Generation System Having Multiple Turbines and Reheater	5,956,937	09/28/1999	U.S.
Reduced Pollution Hydrocarbon Combustion Gas Generator	5,970,702	10/26/1999	U.S.
Hydrocarbon Combustion Power Generation System with CO2 Sequestration	6,170,264	01/09/2001	U.S.
Steam Generator Injector	6,206,684	03/27/2001	U.S.
Clean Air Engines for Transportation and Other Power Applications	6,247,316	06/19/2001	U.S.
Hydrocarbon Combustion Power Generation System with CO2 Sequestration	6,389,814	05/21/2002	U.S.
Clean Air Engines for Transportation and Other Power Applications	6,523,349	02/25/2003	U.S.
Hydrocarbon Combustion Power Generation System with CO2 Sequestration	6,598,398	07/29/2003	U.S.
Semi-Closed Brayton Cycle Gas Turbine Power Systems	6,622,470	09/23/2003	U.S.
Semi-Closed Brayton Cycle Gas Turbine Power Systems	6,637,183	10/28/2003	U.S.
Working Fluid Compositions for use in Semi-Closed Brayton Cycle Gas Turbine Power Systems	6,824,710	11/30/2004	U.S.
Combined Fuel Cell and Fuel Combustion Power Generation Systems	6,868,677	03/22/2005	U.S.
Semi-Closed Brayton Cycle Gas Turbine Power Systems	6,910,335	06/28/2005	U.S.

Low Pollution Power Generation System with Ion Transfer Membrane Air Separation	6,945,029	09/20/2005	U.S.
Reheat Heat Exchanger Power Generation System	7,021,063	04/04/2006	U.S.
Hydrocarbon Combustion Power Generation System with CO2 Sequestration	7,043,920	05/16/2006	U.S.
Ultra Low Emissions Fast Starting Power Plant	7,827,794	11/09/2010	U.S.
Zero Emissions Closed Rankine Cycle Power System	7,882,692	02/08/2011	U.S.
Method of Direct Steam Generation Using an Oxyfuel Combustor	8,522,871	09/03/2013	U.S.
Method and System for Enhancing Power Output of Renewable Thermal Cycle Power Plants	8,631,658	01/21/2014	U.S.
Arrangement with a Steam Turbine and a Condenser	8,833,080	09/16/2014	U.S.
Method of Direct Steam Generation Using an Oxyfuel Combustor	8,936,080	01/20/2015	U.S.
CA Patents			
Reduced Pollution Power Generation System and Gas Generator Therefore	2,198,252	05/10/2005	Canada
Clean Air Engines for Transportation and Other Power Applications	2,304,046	11/18/2008	Canada
Semi-Closed Brayton Cycle Gas Turbine Power Systems	2,409,700	02/09/2010	Canada
EP Patents			
Reduced Pollution Power Generation System and Gas Generator Therefore	0828929	09/22/2004	EPO
Clean Air Engines for Transportation and Other Power Applications	1040252	01/16/2008	EPO
Low Pollution Power Generation System with Ion Transfer Membrane Air Separation	1576266	09/03/2014	EPO
AU Patents			
Low Pollution Power Generation System with Ion Transfer Membrane Air Separation	2003295610	05/17/2010	Australia
CO Patents			
Method of Direct Steam Generation Using an Oxyfuel Combustor	5053	04/03/2010	Colombia
Zero Emission Steam Generation Process	78029	12/20/2011	Colombia
Patent Applications as of Apr 2015			
	Application No.	Filing Date	Country
Coal and Syngas Fueled Power Generation Systems Featuring Zero Atmospheric Emissions	02795766.1	11/25/2002	EPO
Hydrogen Production from an Oxyfuel Combustor	11/502,209	08/10/2006	U.S.

Hydrogen Production from an Oxyfuel Combustor	13/626,702	09/25/20012	U.S.
Hybrid Oxy-Fuel Combustion Power Process	07751369.5	02/21/2007	EPO
Method and System for Enhancing Power Output of Renewable Thermal Cycle Power Plants	12/381,278	03/09/2009	U.S.
Method and System for Enhancing Power Output of Renewable Thermal Cycle Power Plants	PCT/US2010/000476	02/19/2010	U.S.
Method and System for Enhancing Power Output of Renewable Thermal Cycle Power Plants	10751110.7	03/09/2009	EPO
Method of Oxy-Combustion Power Generation Using Low-Heating-Value Fuel	PCT/US2010/002432	09/03/2010	U.S.
Method of Oxy-Combustion Power Generation Using Low-Heating-Value Fuel	GC 2010-17509	12/29/2010	GCC
Method of Oxy-Combustion Power Generation Using Low-Heating-Value Fuel	389/2010	12/26/2010	Iraq
Methods of Oxy-Combustion Power Generation Using Low Heating Value Fuel	2010347244	09/03/2010	Australia
Methods of Oxy-Combustion Power Generation Using Low Heating Value Fuel	2,792,061	09/03/2010	Canada
Methods of Oxy-Combustion Power Generation Using Low Heating Value Fuel	10847124.4	09/03/2010	EPO
Methods of Oxy-Combustion Power Generation Using Low Heating Value Fuel	W00.2012.01138	10/30/2012	Indonesia
Methods of Oxy-Combustion Power Generation Using Low Heating Value Fuel	PI 2012003945	03/04/2010	Malaysia
Methods of Oxy-Combustion Power Generation Using Low Heating Value Fuel	2012141539	10/01/2012	Russian Federation
Methods of Oxy-Combustion Power Generation Using Low Heating Value Fuel	1201004505	09/04/2012	Thailand
Methods of Oxy-Combustion Power Generation Using Low Heating Value Fuel	1-2012-02805	09/21/2012	Vietnam
Method of Direct Steam Generation Using an Oxyfuel Combustor	PCT/US2010/000664	03/04/2010	U.S.
Method of Direct Steam Generation Using an Oxyfuel Combustor	PI1013228-7	03/04/2010	Brazil
Method of Direct Steam Generation Using an Oxyfuel Combustor	2,754,358	03/04/2010	Canada
Method of Direct Steam Generation Using an Oxyfuel Combustor	201080014998.0	03/04/2010	China
Method of Direct Steam Generation Using an Oxyfuel Combustor	2011/00184	03/04/2010	Oman
Ultra Low Emissions Fast Starting Power Plant	12/927,215	11/09/2010	U.S.
Ultra Low Emissions Fast Starting Power Plant	PCT/US2011/001877	11/08/2011	U.S.

Ultra Low Emissions Fast Starting Power Plant	11839262.0	11/08/2011	EPO
Zero Emission Steam Generation	13/221,975	08/31/2011	U.S.
Zero Emission Steam Generation Process	PCT/US2011/001992	12/20/2011	U.S.
Zero Emission Steam Generation Process	2011-001681	12/20/2011	Venezuela
Zero Emission Steam Generation Process	GC 2011-20117	12/24/2011	GCC
Zero Emission Steam Generation Process	2011/408	12/22/2011	Iraq
Zero Emission Steam Generation Process	BR112013016250-3	12/20/2011	Brazil
Zero Emission Steam Generation Process	201180066823.9	12/20/2011	China
Near Zero Emissions Production of Clean High Pressure Steam	14/048,867	10/08/2013	U.S.
Near Zero Emissions Production of Clean High Pressure Steam	PCT/US2013/00233	10/08/2013.	U.S.
Pressurized Oxy-Boiler Power Generation Cycles	62/044,362	09/01/2014	U.S.

EXHIBIT C

Trademarks

<u>Mark</u>	<u>U.S. Registration Number</u>	<u>Registration Date</u>
CLEAN ENERGY SYSTEMS	2,728,294	06/17/2003
CES (STYLIZED)	3,333,072	11/13/2007
CES	3,333,073	11/13/2007