

## TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
ReliOn, Inc.		01/10/2013	CORPORATION: WASHINGTON
RECEIVING PARTY DATA			
Name:	Cummins, Inc.		
Street Address:	One American Square		
Internal Address:	Suite 1800		
City:	Indianapolis		
State/Country:	INDIANA		
Postal Code:	46282		
Entity Type:	CORPORATION: INDIANA		
PROPERTY NUMBERS Total: 9			
Property Type	Number	Word Mark	
Registration Number:	3160293	T-1000	
Registration Number:	3320345	T-2000	
Registration Number:	3012279	I-1000	
Registration Number:	2722895	MODULAR CARTRIDGE TECHNOLOGY	
Registration Number:	2974488	RELION	
Registration Number:	3438505	MODULAR FUEL CELL TECHNOLOGY	
Registration Number:	3387656	RELION	
Registration Number:	2683255	MODULAR CARTRIDGE TECHNOLOGY	
Registration Number:	1942028	PEAJOV	
CORRESPONDENCE DATA			
Fax Number:	3177133452		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	3177133500		

CH \$240.00 3160293

Email: mrich@taftlaw.com  
Correspondent Name: Taft Stettinius & Hollister LLP  
Address Line 1: One Indiana Square  
Address Line 2: Suite 3500  
Address Line 4: Indianapolis, INDIANA 46204

ATTORNEY DOCKET NUMBER:	10934-G1042
NAME OF SUBMITTER:	Stephen F. Rost
Signature:	/Stephen F. Rost/
Date:	12/13/2013

**Total Attachments: 21**

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NEITHER THIS NOTE, NOR THE SECURITIES INTO WHICH IT IS CONVERTIBLE, HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY APPLICABLE REGULATION OF ANY STATE AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM.

THIS NOTE AND ITS ENFORCEMENT ARE SUBJECT IN ALL RESPECTS TO THE TERMS AND CONDITIONS OF A SUBORDINATION AGREEMENT AS FURTHER DESCRIBED BELOW.

## Senior Secured Subordinated Convertible Promissory Note and Security Agreement

[REDACTED]  
January 10, 2013

FOR VALUE RECEIVED, ReliOn, Inc., a Washington corporation ("Borrower"), hereby promises to pay to the order of Cummins Inc., an Indiana corporation ("Lender"), the principal sum of [REDACTED] Dollars [REDACTED] together with interest, on the terms and subject to the conditions set forth herein.

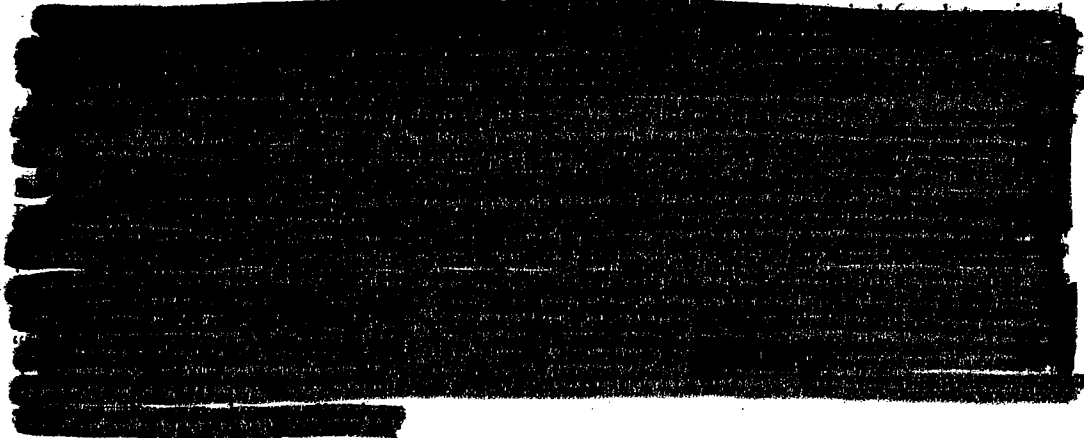
This Senior Secured Subordinated Convertible Promissory Note and Security Agreement (this "note") is the "Note" issued pursuant to Section 1.2 of the Securities Purchase Agreement, dated as of January 10, 2013, by and between Borrower and Lender (as amended, restated, supplemented or otherwise modified from time to time, the "Purchase Agreement").

### Section 1. Accrual of Interest.

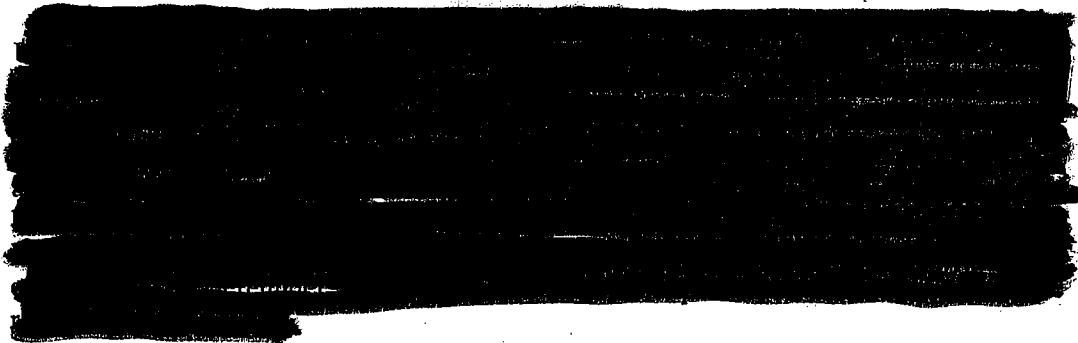
From the date hereof until paid in full, the outstanding principal balance of this note shall bear interest at a rate of [REDACTED] (the "Stated Interest Rate"), *except that* from and after the occurrence of an Event of Default (as hereinafter defined), the outstanding principal balance of this note shall bear interest at a rate of [REDACTED] (the "Default Interest Rate"). Interest, accrued as set forth above, shall be calculated on the basis of a year of 365 or 366 days, as applicable, and charged for the actual number of days elapsed.

Notwithstanding the foregoing, at no time shall Borrower be obligated or required to pay interest on the principal balance hereof at a rate in excess of the maximum rate permitted by applicable law. [REDACTED]

**Section 2. Payments in Respect of this Note.**



The outstanding principal balance of this note, all accrued and unpaid interest thereon, and all other amounts owed with respect hereto, shall become due and owing, shall mature, and shall be paid in full, without set off, on [REDACTED] (the "Maturity Date").



**Section 3. Collateral.**

(a) **Application of the UCC.** Unless otherwise defined in this Section 3, terms used in this Section 3 that are defined in the UCC shall have the meanings assigned to them in the UCC. However, if a term is defined in Article 9 of the UCC differently than in another Article of the UCC, the term has the meaning specified in Article 9.

(b) **Certain Defined Terms.** When used in this Section 3, the following terms have the following meanings:

(i) "Collateral" means the following, wherever located, whether now existing or hereafter from time to time arising or acquired:

(A) all of the Borrower's fixtures and personal property of every kind and nature including all accounts, goods (including inventory and equipment), documents (including, if applicable, electronic documents), instruments, promissory notes, chattel paper (whether tangible or electronic), letters of credit, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), securities and all other investment property, commercial tort claims described on Exhibit A hereto, as supplemented by any written notification given by Borrower to Lender pursuant to Section 3(d), general intangibles (including all payment intangibles and all intellectual property), money, deposit accounts, and any other contract rights or rights to the payment of money; and

(B) all Proceeds and products of each of the foregoing, all books and records relating to the foregoing, all supporting obligations related thereto, and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to Borrower from time to time with respect to any of the foregoing.

(ii) "Proceeds" means "proceeds" as such term is defined in section 9-102 of the UCC and, in any event, shall include, without limitation, all dividends or other income from the Collateral, collections thereon or distributions with respect thereto.

(iii) "Secured Obligations" means (A) the obligations of Borrower from time to time arising under this note, the Purchase Agreement and the other documents executed in connection therewith, or otherwise with respect to the due and punctual payment of (1) the principal of and premium, if any, and interest on this note (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (2) all other monetary obligations, including fees, costs, attorneys' fees and disbursements, reimbursement obligations, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of Borrower under this note, the Purchase Agreement and the other documents executed in connection herewith and therewith; and (B) all other agreements, duties, indebtedness, obligations and liabilities of any kind of Borrower under, out of, or in connection with this note, the Purchase Agreement or any other document made, delivered or given in

connection with any of the foregoing, in each case whether now existing or hereafter arising, whether evidenced by a note or other writing, whether allowed in any bankruptcy, insolvency, receivership or other similar proceeding, whether arising from an extension of credit, issuance of a letter of credit, acceptance, loan, guaranty, indemnification or otherwise, and whether direct or indirect, absolute or contingent, due or to become due, primary or secondary, or joint or several.

(iv) **"Second Priority"** means, with respect to any lien and security interest purported to be created in any Collateral pursuant to this Section 3, such lien and security interest is the most senior lien to which such Collateral is subject (subject only to liens securing the Senior Debt).

(v) **"Senior Debt"** means the indebtedness owed to Comerica Bank by Borrower, to which Lender has agreed to be subordinate as further provided in the Subordination Agreement, as defined below.

(vi) **"UCC"** means the Uniform Commercial Code as in effect from time to time in the State of Washington or, when the laws of any other state govern the method or manner of the perfection or enforcement of any security interest in any of the Collateral, the Uniform Commercial Code as in effect from time to time in such state.

(c) **Grant of Security Interest.** To secure the prompt payment and satisfaction in full of all the Secured Obligations, Borrower hereby pledges and grants to Lender, and hereby creates a Second Priority continuing lien and security interest in favor of Lender, in and to all of its right, title and interest in and to all of the Collateral.

(d) **Perfection of Security Interest.** Borrower shall, from time to time, as may be required by Lender with respect to all Collateral, immediately take all actions as may be requested by Lender to perfect the security interest of Lender in the Collateral, including, without limitation, with respect to all Collateral over which control may be obtained within the meaning of sections 8-106, 9-104, 9-105, 9-106 and 9-107 of the UCC, section 201 of the federal Electronic Signatures in Global and National Commerce Act and, as the case may be, section 16 of the Uniform Electronic Transactions Act, as applicable, Borrower shall immediately take all actions as may be requested from time to time by Lender so that control of such Collateral is obtained and at all times held by Lender. All of the foregoing shall be at the sole cost and expense of Borrower. Borrower hereby irrevocably authorizes Lender at any time and from time to time to file in any relevant jurisdiction any financing statements and amendments thereto that contain the information required by Article 9 of the UCC of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Collateral, including any financing or continuation statements or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by Borrower hereunder, without the signature of Borrower where permitted by law, including the filing

of a financing statement describing the Collateral as all assets now owned or hereafter acquired by Borrower, or words of similar effect. Borrower shall provide all information required by Lender pursuant to this **Section 3(d)** promptly to Lender upon request. Borrower further authorizes Lender to file with the United States Patent and Trademark Office and the United States Copyright Office (and any successor office and any similar office in any state of the United States or in any other country) this note and other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by Borrower hereunder, without the signature of Borrower where permitted by law. If Borrower shall at any time hold or acquire any certificated securities, promissory notes, tangible chattel paper, negotiable documents or warehouse receipts relating to the Collateral, Borrower shall immediately endorse, assign and deliver the same to Lender, accompanied by such instruments of transfer or assignment duly executed in blank as Lender may from time to time specify. If Borrower shall at any time hold or acquire a commercial tort claim, Borrower shall (i) immediately notify Lender in a writing signed by Borrower of the particulars thereof and grant to Lender in such writing a security interest therein and in the proceeds thereof, all upon the terms of this **Section 3**, with such writing to be in form and substance satisfactory to Lender and (ii) deliver to Lender an updated **Exhibit A** hereto. If any Collateral is at any time in the possession of a bailee, Borrower shall promptly notify Lender thereof and, at Lender's request and option, shall promptly obtain an acknowledgment from the bailee, in form and substance satisfactory to Lender, that the bailee holds such Collateral for the benefit of Lender and the bailee agrees to comply, without further consent of Borrower, at any time with instructions of Lender as to such Collateral.

(e) **Further Assurances.** Borrower shall at any time and from time to time, at the expense of Borrower, promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that Lender may request, in order to perfect and protect any security interest granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder or under any other agreement with respect to any Collateral.

(f) **Representations and Warranties.** Borrower hereby represents and warrants to Lender that:

(i) Borrower has attached hereto as **Exhibit B** a certificate entitled "Perfection Certificate" ("**Perfection Certificate**"), and that: (A) Borrower's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof, (B) Borrower is an organization of the type, and is organized in the jurisdiction, set forth in the Perfection Certificate, (C) the Perfection Certificate accurately sets forth Borrower's organizational identification number (or accurately states that Borrower has none), Borrower's place of business (or, if more than one, its chief executive office), and its mailing address, and (D) all other information set forth on the Perfection Certificate relating to Borrower is accurate and complete. All information set forth on the

Perfection Certificate relating to the Collateral is accurate and complete in all respects.

(ii) The Collateral consisting of securities have been duly authorized and validly issued, and are fully paid and non-assessable and subject to no options to purchase or similar rights. Borrower holds no commercial tort claims except as indicated on Exhibit A. None of the Collateral constitutes, or is the proceeds of, "farm products" as defined in section 9-102(a)(34) of the UCC. None of the account debtors or other persons obligated on any of the Collateral is a governmental authority covered by the Federal Assignment of Claims Act or like federal, state or local statute or rule in respect of such Collateral.

(iii) At the time the Collateral becomes subject to the lien and security interest created by this note, Borrower will be the sole, direct, legal and beneficial owner thereof, free and clear of any lien, security interest, encumbrance, claim, option or right of others except for the security interest created by this note and liens securing the Senior Debt. The pledge of the Collateral pursuant to this Section 3 creates a valid and perfected Second Priority security interest in the Collateral, securing the payment and performance when due of the Secured Obligations.

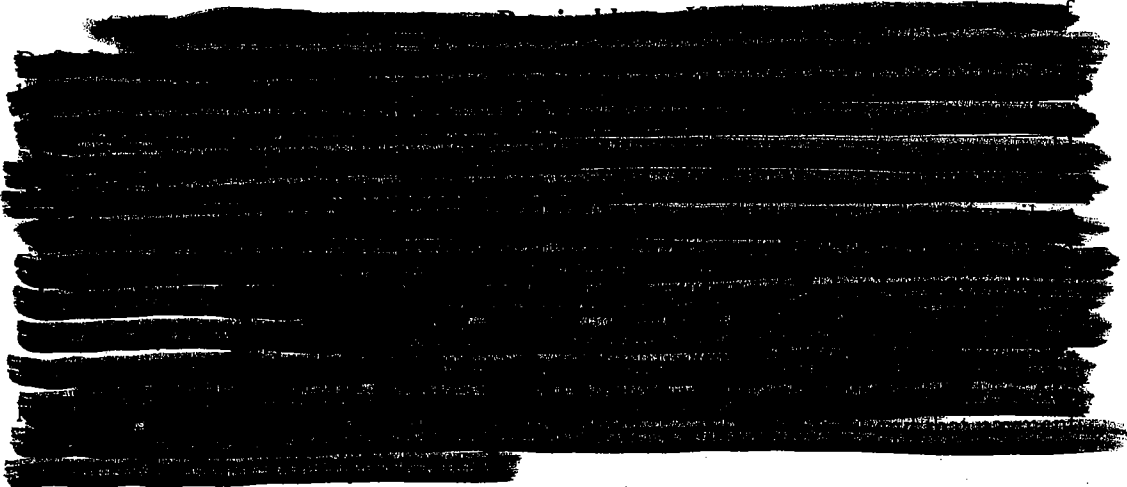
(iv) Borrower has full power, authority and legal right to borrow the amounts evidenced by this note and pledge the Collateral pursuant to this Section 3. This note has been duly authorized, executed and delivered by Borrower and constitutes a legal, valid and binding obligation of Borrower enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to equitable principles (regardless of whether enforcement is sought in equity or at law).

(v) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the borrowing of amounts evidenced hereby and the pledge by Borrower of the Collateral pursuant to this note or for the execution and delivery of this note by Borrower or the performance by Borrower of its obligations hereunder.

(vi) The execution and delivery of this note by Borrower and the performance by Borrower of its obligations thereunder, will not violate any provision of any applicable law or regulation or any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, applicable to Borrower or any of its property, or the organizational or governing documents of Borrower or any agreement or instrument to which Borrower is party or by which it or its property is bound.



(vii) Borrower has taken all action required on its part for control (as defined in sections 8-106, 9-104, 9-105, 9-106 and 9-107 of the UCC, section 201 of the federal Electronic Signatures in Global and National Commerce Act and, as the case may be, section 16 of the Uniform Electronic Transactions Act, as applicable) to have been obtained by Lender over all Collateral with respect to which such control may be obtained pursuant to the UCC. No person other than Lender, or Comerica Bank in respect of the Senior Debt, has control or possession of all or any part of the Collateral.



(h) **Covenants and Agreements.** Borrower covenants and agrees that:

(i) Borrower will not, without providing at least 30 days' prior written notice to Lender, change its legal name, identity, type of organization, jurisdiction of organization, corporate structure, location of its chief executive office or its principal place of business or its organizational identification number. Borrower will, prior to any change described in the preceding sentence, take all actions requested by Lender to maintain the perfection and priority of Lender's security interest in the Collateral.

(ii) The Collateral, to the extent not delivered to Lender pursuant to **Section 3(d)** above, will be kept at those locations listed on the Perfection Certificate and Borrower will not remove the Collateral from such locations without providing at least 30 days' prior written notice to Lender. Borrower will, prior to any change described in the preceding sentence, take all actions required by Lender to maintain the perfection and priority of Lender's security interest in the Collateral.

(iii) Borrower shall, at its own cost and expense, defend title to the Collateral and the Second Priority lien and security interest of Lender therein against the claim of any person claiming against or through Borrower and shall

maintain and preserve such perfected Second Priority security interest for so long as any of the Secured Obligations remain outstanding.

(iv) Borrower will not sell, offer to sell, dispose of, convey, assign or otherwise transfer, grant any option with respect to, restrict, or grant, create, permit or suffer to exist any mortgage, pledge, lien, security interest, option, right of first offer, encumbrance or other restriction or limitation of any nature whatsoever on, any of the Collateral or any interest therein. Borrower will keep the Collateral in good order and repair and will not use the same in violation of law or any policy of insurance thereon. Borrower will permit Lender, or its designee, to inspect the Collateral at any reasonable time, wherever located. Borrower will pay promptly when due all taxes, assessments, governmental charges, and levies upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this note.

If Borrower fails to perform any obligation contained in this note, Lender may itself perform, or cause performance of, such obligation, and the expenses of Lender incurred in connection therewith shall be payable by Borrower; *provided that* Lender shall not be required to perform or discharge any obligation of Borrower.

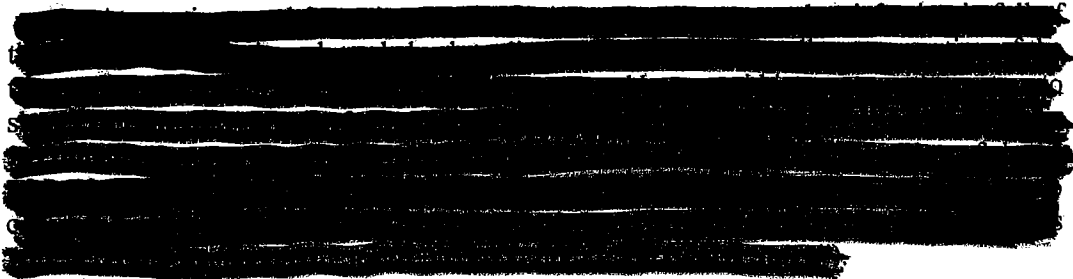
(i) **Continuing Security Interest; Further Actions.** The provisions of this **Section 3** shall create a continuing Second Priority lien and security interest in the Collateral and shall (i) remain in full force and effect until payment and performance in full of the Secured Obligations, (ii) be binding upon Borrower, its successors and assigns, and (iii) inure to the benefit of Lender and its successors, transferees and assigns; *provided that* Borrower may not assign or otherwise transfer any of its rights or obligations under this note without the prior written consent of Lender.

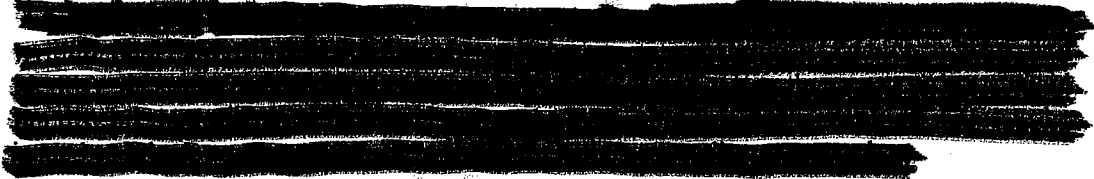
(j) **Appointment of Attorney-in-Fact.** Borrower hereby appoints Lender Borrower's attorney-in-fact, with full authority in the place and stead of Borrower and in the name of Borrower or otherwise, from time to time in Lender's discretion to take any action and to execute any instrument which Lender may deem necessary or advisable to accomplish the purposes of this note (but Lender shall not be obligated to and shall have no liability to Borrower or any third party for failure to do so or take action). This appointment, being coupled with an interest, shall be irrevocable. Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

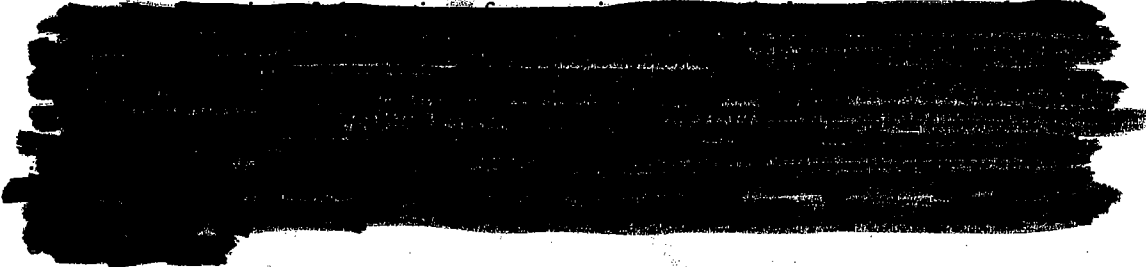
(k) **Reasonable Care.** Lender shall have no duty with respect to the care and preservation of the Collateral beyond the exercise of reasonable care. Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which Lender accords its own property, it being understood that Lender shall not have any responsibility for (i) ascertaining or taking action with respect to any claims, the nature or sufficiency of any payment or performance by any party under or pursuant to

any agreement relating to the Collateral or other matters relative to any Collateral, whether or not Lender has or is deemed to have knowledge of such matters, or (ii) taking any necessary steps to preserve rights against any parties with respect to any Collateral. Nothing set forth in this note, nor the exercise by Lender of any of the rights and remedies hereunder, shall relieve Borrower from the performance of any obligation on Borrower's part to be performed or observed in respect of any of the Collateral.

**Section 4.** 









**Section 5. Subordination Provisions.**

Notwithstanding anything to the contrary contained herein, this note, the obligations evidenced by this note, and the rights of Lender under this note (including,

without limitation, as to receipt of payments hereunder and remedies from and after an Event of Default, as hereinafter defined) are subject in all respects to the Subordination and Purchase Option Agreement dated January 8, 2013, by and between Comerica Bank and Lender, and acknowledged by Borrower (the "Subordination Agreement"). No payment of principal or interest pursuant to this note shall be demanded, accepted or received by Lender that is contrary to the terms of the Subordination Agreement, and the failure by Borrower to make any payment prohibited by the Subordination Agreement shall not constitute a breach of this note or any Event of Default hereunder. Lender shall not (i) take any security interest, charge, or other liens, assignments, pledges or other rights and interests in or to any asset of Borrower, or (ii) accelerate this note or exercise any remedies hereunder, except as described herein and as permitted under the Subordination Agreement. Comerica Bank shall be a third party beneficiary of the provisions of this Section 5.

#### **Section 6. Events of Default.**

Subject to Section 5 above, Borrower shall be in breach of and default under this note if (each event enumerated in this Section 6, an "Event of Default"):

(a) Borrower fails to pay when due and in full any principal, interest, fees, costs, expenses or other amounts owed under this note, the Purchase Agreement, or any other Transaction Document (as defined in the Purchase Agreement), including without limitation the Option Agreement and the Security Agreement (as such terms are defined in the Purchase Agreement);

(b) Any representation or warranty made or deemed made by Borrower herein or in any other Transaction Document, or contained in any certificate, document or financial or other statement furnished by any of them under or in connection with this note or any other Transaction Document, shall prove to have been false or misleading in any material respect on or as of the date made, deemed made or furnished;

(c) Borrower or any of its subsidiaries shall default in the observance or performance of any other covenant, condition or agreement contained in this note or any other Transaction Document (other than as provided in clauses (a) or (b) of this Section 6), and such default shall continue unremedied for a period of ten (10) days after written notice to Borrower from Lender;

(d) Borrower or any of its subsidiaries shall fail to pay any indebtedness for borrowed money or the deferred purchase price of property, or any capital lease obligations on the scheduled or original due date with respect thereto and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such indebtedness or obligations;

(e) Any Event of Default, as defined in that certain Loan and Security Agreement dated August 2, 2010, and as heretofore amended, between Borrower and

Comerica Bank (the "Loan Agreement"), has occurred and is continuing, *provided* that any applicable cure period provided in the Loan Agreement has expired;

(f) Borrower or any of its subsidiaries (i) files any petition or commences any voluntary case or proceeding under any federal, state or other law relating to insolvency or relief of debtors, (ii) consents to the entry of an order for relief against it in any involuntary case or proceeding under any federal, state or other law relating to insolvency or relief of debtors, (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for itself or any of its assets, (iv) makes an assignment for the benefit of its creditors, or (v) admits in writing its inability to pay its debts as they become due; or

(g) A court of competent jurisdiction enters an order or decree against Borrower or any of its subsidiaries under any federal, state or other law relating to insolvency or relief of debtors that (i) is for relief in an involuntary case, or (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Borrower or any of its subsidiaries or any of their assets, and in each case the order or decree is not dismissed within sixty (60) days.

#### Section 7. Remedies Upon Default.

Subject to Section 5 above, upon the occurrence of, and at any time after, an Event of Default Lender may, at its option, (a) by written notice to Borrower, declare the entire unpaid principal balance of this note, together with all accrued and unpaid interest thereon, and all other amounts owing in respect hereof, immediately due and payable regardless of any prior forbearance, and (b) exercise any and all rights and remedies available to it under this note, the other Transaction Documents and applicable law, including, without limitation, the right to collect from Borrower all sums due under this note and to foreclose on the Collateral; *provided, however*, that in the case of an Event of Default under clauses (f) or (g) of Section 6 above, the entire unpaid principal balance of this note, together with all accrued and unpaid interest thereon, and all other amounts owing in respect hereof, shall become and shall be automatically and immediately due and payable, without declaration by Lender, and without presentment, demand, protest or further notice of any kind.

Without limiting the foregoing, upon the occurrence of, and at any time after, an Event of Default, Lender, without any other notice to or demand upon Borrower, may assert all rights and remedies of a secured party under the UCC or other applicable law, including, without limitation, the right to take possession of, hold, collect, sell, lease, deliver, grant options to purchase or otherwise retain, liquidate or dispose of all or any portion of the Collateral. If notice prior to disposition of the Collateral or any portion thereof is necessary under applicable law, written notice mailed to Borrower at its mailing address as provided the Perfection Certificate at least 10 days prior to the date of such disposition shall constitute reasonable notice, but notice given in any other reasonable manner shall be sufficient. So long as the sale of the Collateral is made in a commercially reasonable manner, Lender may sell such Collateral on such terms and to

such purchaser(s) as Lender in its absolute discretion may choose, without assuming any credit risk and without any obligation to advertise or give notice of any kind other than that necessary under applicable law. Without precluding any other methods of sale, the sale of the Collateral or any portion thereof shall have been made in a commercially reasonable manner if conducted in conformity with reasonable commercial practices of creditors disposing of similar property. At any sale of the Collateral, if permitted by applicable law, Lender may be the purchaser, licensee, assignee or recipient of the Collateral or any part thereof and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold, assigned or licensed at such sale, to use and apply any of the Secured Obligations as a credit on account of the purchase price of the Collateral or any part thereof payable at such sale. To the extent permitted by applicable law, Borrower waives all claims, damages and demands it may acquire against Lender arising out of the exercise by it of any rights hereunder. Borrower hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshaling the Collateral and any other security for the Secured Obligations or otherwise. At any such sale, unless prohibited by applicable law, Lender or any custodian may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. Neither Lender nor any custodian shall be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing, nor shall it be under any obligation to take any action whatsoever with regard thereto.

Further, upon the occurrence of, and at any time after, an Event of Default, all rights of Borrower to (i) exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 3(g) and (ii) receive the dividends and other distributions which it would otherwise be entitled to receive and retain pursuant to Section 3(g), shall immediately cease, and all such rights shall thereupon become vested in Lender, which shall have the sole right to exercise such voting and other consensual rights and receive and hold such dividends and other distributions as Collateral.

Any cash held by Lender as Collateral and all cash Proceeds received by Lender in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied in whole or in part by Lender to the payment of expenses incurred by Lender in connection with the foregoing or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of Lender hereunder, including reasonable attorneys' fees, and the balance of such proceeds shall be applied or set off against all or any part of the Secured Obligations in such order as Lender shall elect. Any surplus of such cash or cash Proceeds held by Lender and remaining after payment in full of all the Secured Obligations shall be paid over to Borrower or to whomsoever may be lawfully entitled to receive such surplus. Borrower shall remain liable for any deficiency if such cash and the cash Proceeds of any

sale or other realization of the Collateral are insufficient to pay the Secured Obligations and the fees and other charges of any attorneys employed by Lender to collect such deficiency.

If Lender shall determine to exercise its rights to sell all or any of the Collateral pursuant to this **Section 7**, Borrower agrees that, upon request of Lender, Borrower will, at its own expense, do or cause to be done all such acts and things as may be necessary to make such sale of the Collateral or any part thereof valid and binding and in compliance with applicable law.

Borrower shall pay all costs and expenses incurred by or on behalf of Lender in connection with Lender's exercise of any or all of its rights and remedies under this note or any of the other Transaction Documents, including, without limitation, reasonable attorneys' fees and costs.

The rights and remedies of Lender under this note and the other Transaction Documents shall be cumulative and not alternative. No waiver by Lender of any right or remedy under this note or any other Transaction Document shall be effective unless in writing and signed by Lender. Neither the failure to exercise nor any delay in exercising any right, power or privilege under this note or any other Transaction Document will operate as a waiver of such right, power or privilege and no single or partial exercise of any such right, power or privilege by Lender will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege.

Further, acceptance by Lender of any payment in an amount less than the amount then due shall be deemed an acceptance on account only, and the failure to pay the entire amount then due shall be and continue to be a default hereunder.

#### **Section 8. Waivers; Validity of Security Interest.**

To the maximum extent permitted by applicable law, (a) no claim or right of Lender arising out of this note or any other Transaction Document can be discharged by Lender, in whole or in part, by a waiver or renunciation of the claim or right unless in a writing, signed by Lender, (b) no waiver that may be given by Lender will be applicable except in the specific instance for which it is given, and (c) no notice to or demand on Borrower will be deemed to be a waiver of any obligation of Borrower or of the right of Lender to take further action without notice or demand as provided in this note.

Borrower hereby waives presentment, demand, protest and notice of dishonor and protest. Borrower further hereby waives relief from valuation and appraisal laws.

#### **Section 9. Severability.**

If any provision of this note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this note will remain in full force and

effect. Any provision of this note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

**Section 10. Parties in Interest.**

This note shall bind Borrower and its successors and assigns. This note shall not be assigned or transferred by Borrower, directly or indirectly (including by operation of law or otherwise), without the express prior written consent of Lender.

**Section 11. Time of the Essence.**

Time is of the essence with regard to all dates and time periods set forth or referred to in this note.

**Section 12. Governing Law.**

This note will be governed by and construed in accordance with the laws of the State of Illinois without regard to conflicts of laws principles.

**Section 13. WAIVER OF JURY TRIAL.**

BORROWER HEREBY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR OTHER PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND LENDER MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT OF BORROWER IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY LITIGATION OR OTHER PROCEEDING WHATSOEVER RELATING TO THIS NOTE SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

**Section 14. Right of Assignment.**

Lender may, at any time, assign some or all of its interest in this note and all or any of the Secured Obligations, to one or more of its Affiliates, as defined below, and upon assignment the assignee shall become vested with all the benefits granted to Lender herein with respect to this note, the Collateral and the Secured Obligations. "Affiliate" means any other entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, Lender.



**Section 15. Washington State Notice.**

Lender hereby notifies Borrower as follows:

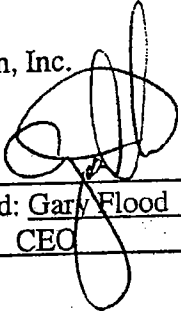
ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING PAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

1722488

**[signature page follows]**

IN WITNESS WHEREOF, Borrower has executed and delivered this note as of the date first stated above.

ReliOn, Inc.

By:   
Printed: Gary Flood  
Title: CEO

Accepted, acknowledged and agreed  
to this \_\_\_ day of \_\_\_\_\_.

Cummins Inc.

By: \_\_\_\_\_  
Name: Thaddeus B. Ewald  
Title: Vice President, Corporate Strategy &  
Business Development

[Signature Page to Senior Secured Subordinated Convertible Promissory Note  
and Security Agreement]

TRADEMARK  
REEL: 005173 FRAME: 0175

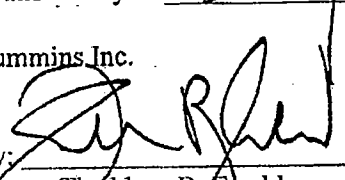
IN WITNESS WHEREOF, Borrower has executed and delivered this note as of the date first stated above.

ReliOn, Inc.

By: \_\_\_\_\_  
Printed: Gary Flood  
Title: CEO

Accepted, acknowledged and agreed  
to this 10<sup>th</sup> day of January 2013.

Cummins Inc.

By:   
Name: Thaddeus B. Ewald  
Title: Vice President, Corporate Strategy &  
Business Development

[Signature Page to Senior Secured Subordinated Convertible Promissory Note  
and Security Agreement]

TRADEMARK  
REEL: 005173 FRAME: 0176

**EXHIBIT A**  
**COMMERCIAL TORT CLAIMS**

None.

**EXHIBIT B**

**PERFECTION CERTIFICATE**

Borrower's Legal Name: ReliOn, Inc.  
 Borrower's Organization Type: Corporation  
 Borrower's Jurisdiction of Organization: Washington  
 Borrower's Organizational Number: 602304748  
 Borrower's Place of Business and Mailing Address: 15913 East Euclid Avenue  
 Spokane, WA 99216  
 Borrower's location of Collateral:

Location ID	Organization	Location Address	City, State, Zip	Notes
WA Location #1	ReliOn	15913 E Euclid	Spokane, WA 99216	Primary office location
WA Location #2	ReliOn	16005 E Euclid	Spokane, WA 99216	Primary office location
WA Location #3	Servatron	12825 East Mirabeua	Spokane, WA 99216	Contract Manufacturer - Test Fixtures
WA Location #4	H&H Molds	119 S. Adams Rd	Spokane, WA 99216	Contract Manufacturer - Molds
WA Location #5	Keytronic	4424 N Sullivan Rd	Spokane, WA 99216	Contract Manufacturer - Test Fixtures
WA Location #6	Interior Solutions	1229 N Monroe	Spokane, WA 99201	Excess Office Furniture
WA Location #7	Logan	3808 North Sullivan Rd, Building 3-M	Spokane, WA 99216	Contract Manufacturer - Test Fixtures
WA Location #8	Ken Hydzik	4328 S Greystone	Spokane, WA 99223	Home Office - Computer Equip
WA Location #9	Dana Saad	3808 North Sullivan Rd, Building 105	Spokane, WA 99216	Contract Manufacturer - Molds
OK Location	Bill Stafford	4826 Oak Leaf Drive	Tulsa, OK 74132	Home Office - Computer Equip
NY Location	Gene Connely	29 Throggs Neck Blvd	Bronz, NY 10465	Home Office - Computer Equip
KS Location	Darin Painter	2225 W 79th Terrace	Prairie Village, KS 66208	Home Office - Computer Equip
NH Location	Freudenberg-NOK	100 Commercial Street	Manchester, NH 03101	Contract Manufacturer - Molds