

08-03-2000

FORM PTO-1619A
Expires 06/30/99
OMB 0651-0027U.S. Department of Commerce
Patent and Trademark Office
PATENT

101421949

**RECORDATION FORM COVER SHEET
PATENTS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- ☒ New
- ☐ Resubmission (Non-Recordation)
Document ID#
- ☐ Correction of PTO Error
Reel # Frame #
- ☐ Corrective Document
Reel # Frame #

Conveyance Type

- ☒ Assignment ☐ Security Agreement
- ☐ License ☐ Change of Name
- ☐ Merger ☐ Other
- U.S. Government**
(For Use ONLY by U.S. Government Agencies)
- ☐ Departmental File ☐ Secret File

Conveying Party(ies)

- ☐ Mark if additional names of conveying parties attached
- Execution Date
Month Day Year
6/9/2000

Name (line 1) The X Furniture Corp.

Name (line 2)

Second Party

Name (line 1)

Name (line 2)

Execution Date
Month Day Year**Receiving Party**

- ☐ Mark if additional names of receiving parties attached

Name (line 1) Los Angeles Community Development Bank

Name (line 2)

Address (line 1) 5312 South Vermont Avenue, #B

Address (line 2)

Address (line 3) Los Angeles

City

California, USA

State/Country

90037

Zip Code

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

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Mail documents to be recorded with required cover sheet(s) information to:
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FORM PTO-1619B

Expires 06/30/99
OMB 0651-0027

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U.S. Department of Commerce
Patent and Trademark Office
PATENT**Correspondent Name and Address**

Area Code and Telephone Number (323) 759-7759 x120

Name Anita Gray

Address (line 1) Los Angeles Community Development Bank

Address (line 2) 5312 South Vermont Avenue, #B

Address (line 3) Los Angeles, CA 90037

Address (line 4)

PagesEnter the total number of pages of the attached conveyance document
including any attachments.

5

Application Number(s) or Patent Number(s)☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

5,984,406

If this document is being filed together with a new Patent Application, enter the date the patent application was
signed by the first named executing inventor.

Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number

PCT

PCT

PCT

only if a U.S. Application Number
has not been assigned.

PCT

PCT

PCT

Number of Properties

Enter the total number of properties involved.

1

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$ 40.00

Method of Payment:

Enclosed ☒Deposit Account ☐

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes ☐No ☐**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any
attached copy is a true copy of the original document. Charges to deposit account are authorized, as
indicated herein.

Anita Gray



6/22/2000

Name of Person Signing

Signature

Date

COLLATERAL ASSIGNMENT OF LICENSE AGREEMENT

THIS COLLATERAL ASSIGNMENT OF LICENSE AGREEMENT (this "Collateral Assignment") has been executed and delivered as of June 9, 2000, by The X Furniture Corp., a California corporation (the "Borrower"), and The Los Angeles Community Development Bank (Not a Commercial Bank) (the "Lender"), in light of the following facts:

WHEREAS, Borrower and Howard Y. Lee (aka: Yuk R. Lee) (the "Third Party") have previously entered into that certain Patent License Agreement, dated as of June 9, 2000 (together with all amendments, modifications and extensions thereto, and substitutions or replacements therefor, which may from time to time be entered into between Borrower and Lender, the "License Agreement");

WHEREAS, Borrower and Lender have entered into that certain Commercial Security Agreement, dated as of June 9, 2000 (together with all amendments, modifications and extensions thereto, and substitutions or replacements therefor, which may from time to time be entered into between Borrower and Lender, the "Security Agreement"), in order to provide security for certain indebtedness to be governed by that certain Business Loan Agreement (Asset Based) dated as of June 9, 2000, between Borrower and Lender (together with all amendments, modifications and extensions thereto, and substitutions or replacements therefor, which may from time to time be entered into between Borrower and Lender, the "Loan Agreement"); and

WHEREAS, Borrower and Lender wish to further clarify and declare their respective rights and obligations with regard to the License Agreement, in an instrument to be recorded with the United States Patent and Trademark Office and elsewhere.

NOW, THEREFORE, in consideration of the facts set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Borrower and Lender hereby agree as follows:

1. As security for all Obligations (as such term is defined herein), Borrower hereby grants a security interest in and collaterally assigns and transfers to Lender all of its now-owned or hereafter-acquired rights and remedies with respect to the License Agreement, including, without limitation, all of Borrower's rights and remedies with respect to the license of the patent referred to therein.

For purposes of this Collateral Assignment, "Obligations" means the Indebtedness (as such term is defined in the Security Agreement) and all other obligations, debts and liabilities, plus interest thereon, of Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note (as such term is defined in the Security Agreement), whether voluntary or otherwise, whether due or not due, direct or indirect, absolute or contingent, liquidated or unliquidated and whether Borrower may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

2. Prior to the occurrence of an Event of Default under the Loan Agreement, Borrower will enforce all rights, privileges, and claims against Third Party under the License Agreement diligently and in good faith.

3. Effective from and after the occurrence of an Event of Default under the Loan Agreement, Borrower hereby irrevocably authorizes and empowers Lender or its agent, in Lender's sole discretion, to assert, as Lender may deem proper, either directly or on behalf of Borrower, any right, privilege, or claim that Borrower may, from time to time, have against Third Party or any other person or entity, which right, privilege or claim arises under or from, or otherwise relates to, the License Agreement or Borrower's status as a licensee of the patent licensed thereunder, and to receive and collect any and all damages, awards, and other moneys resulting therefrom and to apply the same on account of any of the Obligations owing by Borrower to Lender arising under or in connection with the Loan Documents. The foregoing rights may be exercised in addition to any other rights and remedies which may be available to Lender under applicable law, or under any other agreement.

4. Borrower hereby irrevocably makes, constitutes, and appoints Lender (and all officers, employees or agents designated by Lender) as its true and lawful attorney (and agent-in-fact) for the purposes of enabling Lender or its agent to assert and collect such claims and to apply such moneys in the manner set forth hereinabove.

5. Borrower shall keep Lender informed of all circumstances bearing upon its rights and remedies under the License Agreement, and Borrower shall not waive, amend, alter, or modify any of its rights or remedies under the License Agreement without the prior written consent of Lender. Borrower hereby authorizes Lender to contact directly Third Party and any of Third Party's agents, representatives, or authorities (including, without limitation, any franchising representatives or authorities) with respect to Borrower's compliance with the terms and provision of the License Agreement, including, without limitation, Borrower's obligation to make payments due under the License Agreement.

6. This Collateral Assignment shall continue in effect until all of the Obligations of Borrower owing to Lender shall have been paid and discharged in full.

7. Notwithstanding the foregoing, Borrower expressly acknowledges and agrees that it shall remain liable under the License Agreement to observe and perform all of the conditions and obligations therein contained that Borrower is bound to observe and perform, and that neither this instrument, nor any action taken pursuant hereto, shall cause Lender to be under any obligation or liability in any respect whatsoever to any party to the License Agreement or to any other person or entity for the observance or performance of any of the representations, warranties, conditions, covenants, agreements, or terms therein contained.

8. This Collateral Assignment shall be binding upon the parties hereto and their successors and assigns, and shall inure to the benefit of Lender and its successors and assigns; provided that Borrower shall not assign its rights or obligations hereunder without Lender's prior written consent.

9. Except to the extent U.S. federal law preempts, this Collateral Assignment is to be governed by the law of the State of California, without regard to conflict of law statutes or principles.

10. The failure by Lender to exercise any right under this Collateral Assignment shall not operate as a waiver thereof and shall not bar Lender from continuing to exercise said rights in the future. The terms of this Collateral Assignment are severable. If any term shall be found to be invalid or unenforceable, it shall not affect the validity of the remaining terms. Borrower agrees to execute any other documents and take any further action upon the request of Lender as may be deemed necessary to effectuate the terms of this Collateral Assignment.

11. This Collateral Assignment is a supplement to the Security Agreement, and Lender's rights and remedies, and Borrower's obligations and waivers, under the Security Agreement, and the interpretive principles stated in the Security Agreement, shall be applicable hereunder. This Agreement and the Security Agreement shall be construed together as a single agreement and in such manner as to grant Lender the greatest rights and remedies with regard to the License Agreement. Lender's rights and remedies hereunder may be expressly modified by amendments to the Security Agreement from time to time. Nothing in this Agreement shall be construed to limit in any way the rights of Lender under the Security Agreement or the scope of the definition of the term "Collateral" in the Security Agreement.

{Signature Page to Follow}

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first set forth above.

"BORROWER"

The X Furniture Corp.

By: [Signature]

Title: CEO

By: [Signature]

Title: Secretary

By: [Signature]

Title: President

"LENDER"

The Los Angeles Community Development Bank
(Not a Commercial Bank)

By: [Signature]

Title: EVPLCA

Exhibit A**ACKNOWLEDGMENT AND CONSENT OF HOWARD LEE**

The undersigned, being the Third Party named in the foregoing Collateral Assignment of License Agreement, hereby acknowledges such assignment and consents to and agrees to all of its terms and conditions.

In addition, the undersigned hereby represents that the License Agreement referred to in the foregoing Collateral Assignment of License (the "License Agreement") is in full force and effect and that no event of default or breach under the License Agreement has occurred and is continuing. The undersigned further represents that there exists no unsatisfied condition to the rights granted to The X Furniture Corp. (the "Borrower") or the obligations of the undersigned under the License Agreement. The undersigned further agrees that any notice, including, without limitation, any notice of default, delivered to Borrower in connection with the License Agreement shall be delivered to Los Angeles Community Development Bank (Not a Commercial Bank) ("Lender") (Attention: Manager, Loan Administration), at Lender's address 5312 S. Vermont Ave., Los Angeles, CA 90037, concurrently with the delivery of such notice to Borrower. Notwithstanding anything to the contrary in the License Agreement, the undersigned agrees, for good and valuable consideration, the receipt of which is acknowledged by the undersigned, that, so long as any Obligation (as such term is defined in the foregoing Collateral Assignment) of the undersigned or of the Borrower remains outstanding, (1) the undersigned shall not waive, amend, alter, or modify any of his rights or remedies under the License Agreement without the prior written consent of the Lender, and (2), in the event of a default under the License Agreement, the undersigned shall not terminate the License Agreement without first giving Lender notice of the default and an opportunity to cure the default within sixty (60) days from the receipt of the notice.

The undersigned further acknowledges that, pursuant to the Commercial Guaranty executed by the undersigned in favor of Lender in connection with the Loan Agreement referred to in the foregoing Collateral Assignment of License Agreement, the undersigned's rights against Borrower under the License Agreement are subordinated to all of Lender's present and future claims against Borrower, as provided in the aforementioned Commercial Guaranty.

Dated: June 9, 2000


Howard Y. Lee

Approved as to Form
William J. Adams
6/9/00