(Rev. 03/01)	U.S. DEPARTMENT OF COMM U.S. Patent and Trademar 23217
Tab settings \Rightarrow \Rightarrow \checkmark \checkmark \checkmark	<u>, V V V</u>
To the Honorable Commissioner of Patents and Trademarks	: Please record the attached original documents or copy thereof.
1. Name of conveying party(ies): Home Safeguard Industries, LLC c/o Freeborn & Peters	Name: Home Safeguard Industries, Inc.
311 South Wacker Drive, Suite 3000 Chicago, IL 60606-6677	Internal Address: 29706 Baden Place
Additional name(s) of conveying party(ies) attached?	P.O. Box 6030
3. Nature of conveyance:	Malibu, CA 90265
	Street Address: 29706 Baden Place
Security Agreement Ghange of Name	P.O. Box 6030
□ Other))	
	City: Malibu State: CA Zip: 90
Execution Date: June 4, 2001	Additional name(s) & address(es) attached? Yes
4. Application number(s) or patent number(s):	
If this document is being filed together with a new app	lication, the execution date of the application is:N/A
A. Patent Application No.(s)	B. Patent No.(s) 5,139,699 5,785,891
N/A	07/560,138 6,015,230
	5,361,623 5,959,188 attached? Yes X No 5,611,620
Name and address of party to whom correspondence concerning document should be mailed:	6. Total number of applications and patents involve
Name: Leon Cooper	7. Total fee (37 CFR 3.41)\$ 280.00
	A Enclosed
Internal Address: 29706 Baden Place	
P.O. Box 6030	Authorized to be charged to deposit accour
Malibu CA 00265	
Malibu, CA 90265	8. Deposit account number:
Street Address: 29706 Baden Place	
P.O. Box 6030	
City: Malibu State: CA Zip: 90265	(Attach duplicate copy of this page if paying by deposit acco
City: MailDU State: CA Zip: 50205	
DO NOT US	E THIS SPACE
9. Statement and signature.	Ν
To the best of my knowledge and belief, the foregoing	information is true and correct and any attached cop
is a true copy of the original document.	TH
Lon T. Stephens, Esq Name of Person Signing	Signature Date
	5
	ver sheet, attachments, and documents:
	& Trademarks, Box Assignments on, D.C. 20231
::80.00 DP	
/	
/	PATENT
/	REEL: 12090 FRAME:

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT ("Agreement") is made as of June 4, 2001, by and between Home Safeguard Industries, LLC, a Delaware limited partnership ("Borrower"), and Home Safeguard Industries, Inc. (the "Seller").

WITNESSETH:

WHEREAS, Borrower and the Seller are parties to that certain Asset Purchase Agreement dated as of June 4, 2001 (the "Asset Purchase Agreement"); and

Whereas, Borrower and the Seller are parties to that certain Term Note (the "*Note*") of even date herewith pursuant to which Borrower has granted a security interest in certain of its assets to the Seller; and

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

1. DEFINED TERMS.

Unless otherwise defined herein, each capitalized term used herein that is defined in the Asset Purchase Agreement shall have the meaning specified for such term in the Asset Purchase Agreement. All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. SECURITY INTEREST IN PATENTS.

To secure the complete and timely payment, performance and satisfaction of all payments under the Note, Borrower hereby grants to the Company, a security interest in all of Borrower's now owned or existing and hereafter acquired or arising patents and patent applications, and the inventions and improvements described and claimed therein and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all of Borrower's rights corresponding thereto throughout the world (all of the foregoing hereinafter individually and/or collectively referred to as the "*Patents*"); and

3. NATURE AND CONTINUATION OF THE ADMINISTRATIVE AGENT'S SECURITY INTEREST; TERMINATION OF THE ADMINISTRATIVE AGENT'S SECURITY INTEREST.

This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Patents and shall terminate upon final payment in full

#402696 v1 - patent security assignment hsi

PATENT REEL: 12090 FRAME: 0427 of the Note. Upon such termination, and at the cost and expense of Borrower or its successors or assigns, the Seller shall execute in a timely manner such instruments, documents or agreements as are necessary or desirable to terminate the Seller's security interest in the Patents.

4. **DUTIES OF BORROWER.**

Borrower shall have the duty, to the extent desirable in the normal conduct of Borrower's business, to prosecute diligently any patent application that is part of the Patents pending as of the date hereof or hereafter until the termination of this Agreement. Borrower further agrees to use its best efforts to maintain in full force and effect the Patents that are or shall be necessary or economically desirable in the operation of Borrower's business. The Seller shall not have any duty with respect to the Patents.

5. WAIVERS.

The Seller's failure, at any time or times hereafter, to require strict performance by Borrower of any provision of this Agreement shall not waive, affect or diminish any right of the Seller thereafter to demand strict compliance and performance therewith nor shall any course of dealing between Borrower and the Seller have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of Borrower contained in this Agreement shall be deemed to have been suspended or waived by the Seller unless such suspension or waiver is in writing signed by the Seller and directed to Borrower specifying such suspension or waiver.

6. SEVERABILITY.

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part hereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

7. MODIFICATION.

This Agreement cannot be altered, amended or modified in any way, except as specifically provided herein or by a writing signed by the parties hereto.

8. CUMULATIVE REMEDIES.

The Seller shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents may be located or deemed located. All of the Seller's rights and remedies with respect to the

PATENT REEL: 12090 FRAME: 0428 Patents, whether established hereby, or by law, shall be cumulative and may be exercised separately or concurrently.

9. GOVERNING LAW.

This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the internal laws (as opposed to conflict of laws provisions) and decisions of the State of Illinois.

10. NOTICES.

All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Asset Purchase Agreement.

11. SECTION HEADINGS.

The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

12. EXECUTION IN COUNTERPARTS.

This Agreement may be executed in any number of counterparts hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Patent Security Assignment as of the day and year first above written.

HOME SAFEGUARD INDUSTRIES, LLC

By Medinah Partners, LLC, Manager

By Its Managing Member

Accepted and agreed to as of the day and year first above written.

HOME SAFEGUARD INDUSTRIES, INC.

By Leon Cooper, President



A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

ATTORNEYS AND COUNSELORS AT LAW 5000 BIRCH STREET, SUITE 410 NEWPORT BEACH, CALIFORNIA 92660 HTTP://MEMBERS.AOL.COM/ASSETLAW EMAIL ASSETLAW@PACBELL.NET TELEPHONE (949) 476-2106 FACSIMILE (949) 476-9320

> Our File No. 70400.01

August 15, 2001

Commissioner of Patent and Trademarks Box Assignments Washington, D.C. 20231

Re: Patent Security Agreement Assignment

Dear Sir or Madam:

Enclosed herewith is a Patent Security Agreement along with Recordation Form Cover Sheet for filing with your office.

Also enclosed is a check in the amount of \$280.00 to cover the cost of the filing fee.

Please file the enclosed Patent Security Agreement.

Should you have any questions, please do not hesitate to contact our office. Thank you for your assistance in this matter.

Very truly yours, STEPHENS & KRAY Lon TA Stephens of STEPHENS, a P.C. LON

LTS:YCTF874.WPD Enclosures cc: Leon Cooper w/o enclosure Thomas De Long, CPA w/o enclosure

RECORDED: 08/20/2001