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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): 6.20.02
Fresh Roast Systems, Inc.
Roger Allington, CEO

2. Name and address of receiving party(ies)
Name: Perkins & Associates
Internal Address: c/o Frederick G. Perkins

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:
☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other _____

Street Address: 485 West Matherson Dr.

City: Key Biscayne State: Fl. Zip: 33149

Execution Date: 05/18/2002

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or patent number(s): 06/06,877; 06/104,494; 09/187,472

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

B. Patent No.(s)

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Robert L. Anderson, Esq.

Internal Address: Lanahan & Reilley, LLP.

Street Address: _____

3558 Round Barn Blvd. Suite 300

City: Santa Rosa State: CA Zip: 95403

6. Total number of applications and patents involved: 3

7. Total fee (37 CFR 3.41).....\$ 120.00

☒ Enclosed

☐ Authorized to be charged to deposit-account

8. Deposit account number: _____

(Attach duplicate copy of this page if paying by deposit account)

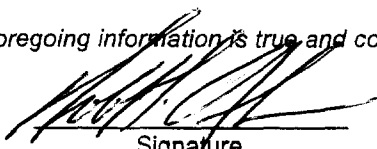
DO NOT USE THIS SPACE

9. 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.

Robert L. Anderson, Esq.

Name of Person Signing



Signature

June 19, 2002

Date

Total number of pages including cover sheet, attachments, and documents: 24

06/25/2002 LNUELLER 00000226 09187472
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120.00 00

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

PATENT
REEL: 013011 FRAME: 0252

INTELLECTUAL PROPERTY SECURITY AGREEMENT

INTELLECTUAL PROPERTY SECURITY AGREEMENT dated as of May 18, 2001, made by Fresh Roast Systems, Inc. a California corporation, (the "Grantor"), for the benefit of Perkins & Associates, (the "Grantee").

WHEREAS, the Grantor and the Grantee have entered into an Investment Agreement dated as of May 18, 2001 (as at any time amended, modified or supplemented, the "Investment Agreement"), pursuant to which the Grantee has issued a Secured Promissory Note (the "Note") to the Grantor;

WHEREAS, it is a condition to the issuance of the Note under the Investment Agreement that the Grantor enter into this Intellectual Property Security Agreement;

NOW THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Definitions. In addition to all other terms which are defined in this Agreement, all defined terms in the Investment Agreement and Secured Promissory Note shall have the same meaning in this Agreement, unless otherwise specified herein to the contrary.

SECTION 2. Grant of Security. The Grantor hereby grants and pledges to the Grantee for its benefit a security interest in the following, in each case, as to each type of property described below, whether now owned or hereafter acquired by the Grantor, and whether now or hereafter existing (collectively, the "Intellectual Property Collateral"):

(a) all patents, patent applications and patentable inventions, including, without limitation, each patent identified in Schedule I attached hereto and made a part hereof and each patent application identified in such Schedule I, and including, without limitation, (i) all inventions and improvements described and claimed therein and the right to make, use or sell the same, (ii) the right to sue or otherwise recover for any misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past and future infringements thereof), and (iv) all rights corresponding thereto throughout the world and all reissues, divisions, continuations, continuations-in-part, substitutes, renewals and extensions thereof, all improvements thereon and all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto (the "Patents");

(b) all trademarks, service marks, trade names, trade dress or other indicia of trade origin, trademark and service mark registrations, and applications for trademark or service mark registrations and any renewals thereof, including, without limitation, each registration and application identified in Schedule II attached hereto and made a part hereof, and including, without limitation, (i) the right to sue or otherwise recover for any and all past,

present and future infringements and misappropriations thereof, (ii) all income, royalties, damages and other payments now and hereafter due and/or payable 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), and (iii) all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark, service mark, trade name, trade dress or other indicia of trade origin (the "Trademarks");

(c) all copyrights, whether statutory or common law, and whether or not the underlying works of authorship have been published, and all works of authorship and other intellectual property rights therein, all copyrights of works based on, incorporated in, derived from or relating to works covered by such copyrights, all right, title and interest to make and exploit all derivative works based on or adopted from works covered by such copyrights, and all copyright registrations and copyright applications, and any renewals or extensions thereof, including, without limitation, each copyright registration and copyright application identified in Schedule III attached hereto and made a part hereof, and including, without limitation, (i) the right to reproduce, prepare derivative works, distribute copies, perform or display any of the foregoing, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable 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), and (iv) all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto (the "Copyrights");

(d) all license agreements with any other Person in connection with any of the Patents, Trademarks or Copyrights, or such other Person's patents, trade names, trademarks, service marks, copyrights or works of authorship, or other intellectual property, whether the Grantor is a licensor or licensee under any such license agreement, including, without limitation, the license agreements listed on Schedule IV attached hereto and made a part hereof and any right to prepare for sale, sell and advertise for sale, all Inventory (as defined in the Security Agreement) now or hereafter owned by the Grantor and now or hereafter covered by any such licenses (the "Licenses" and each a "License"); and

(e) all proceeds of any of the foregoing Patents, Trademarks, Copyrights and Licenses, including, without limitation, any claims by any Guarantor against third parties for infringement of the Patents, Trademarks, Copyrights or Licenses.

SECTION 3. Security for Obligations. This Agreement secures the payment of all obligations of the Grantor now or hereafter existing under the Investment Agreement and all other documents or agreements executed in connection therewith, whether for principal, interest, fees, expenses or otherwise (the "Debt").

SECTION 4. Grantor Remains Liable. Anything herein to the contrary notwithstanding, (a) the Grantor shall remain liable under the contracts and agreements included in the Intellectual Property Collateral to which it is a party to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Grantee of any of the rights or remedies hereunder shall not release the Grantor from any of its duties or obligations under any of the contracts and agreements included in the Intellectual Property Collateral, and (c) the Grantee shall have no obligation or liability under any of the contracts and agreements included in the Intellectual Property Collateral by reason of this Agreement, nor shall the Grantee be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 5. Representations and Warranties. The Grantor represents and warrants as follows:

(a) the Grantor is the legal and beneficial owner of the Intellectual Property Collateral pledged by such Grantor free and clear of any lien, claim, option or right of others, except for the liens and security interests created under this Agreement or permitted under the Investment Agreement. No effective financing statement or other instrument similar in effect covering all or any part of the Intellectual Property Collateral or listing the Grantor or any of its Subsidiaries or any trade name of the Grantor or any of its Subsidiaries as debtor is on file in any recording office (including, without limitation, the United States Patent and Trademark Office and the United States Copyright Office), except such as may have been filed in favor of the Grantee relating to this Agreement or one of the other Documents except as provided under the Documents.

(b) Set forth in Schedule I is a complete and accurate list of all patents and patent applications owned by the Grantor. Set forth in Schedule II is a complete and accurate list of all trademark and service mark registrations and all trademark and service mark applications owned by the Grantor. Set forth in Schedule III is a complete and accurate list of all copyright registrations and copyright applications owned by the Grantor. Set forth in Schedule IV is a complete and accurate list of all Licenses in which the Grantor is (i) a licensor with respect to any of the Patents, Trademarks, or Copyrights or (ii) a licensee of any other Person's patents, trade names, trademarks, service marks, copyrights or works of authorship.

(c) No patent, patent application, trademark or service mark registration, trademark or service mark application, copyright registration, and copyright application of the Grantor set forth in Schedule I, II or III hereto has been adjudged invalid, unregistrable or unenforceable, in whole or in part. Each License of the Grantor identified in Schedule IV is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and is valid and enforceable.

(d) The Grantor has not made any previous assignment, transfer or agreement constituting a present or future assignment, transfer or encumbrance of any of the Intellectual Property Collateral. The Grantor has not granted any License (other than those listed on

Schedule IV hereto), release, covenant not to sue, or non-assertion assurance to any Person with respect to any part of the Intellectual Property Collateral.

(e) This Agreement creates in favor of the Grantee a valid and perfected security interest in the Intellectual Property Collateral of the Grantor, securing the payment of the Debt except as provided under the Investment Agreement.

(f) To the best of Grantor's knowledge, no consent of any Person and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or other Person is required (i) for the grant by the Grantor of the security interest granted hereby, for the pledge by the Grantor of the Intellectual Property Collateral pursuant hereto, or for the execution, delivery or performance of this Agreement by the Grantor, (ii) for the perfection or maintenance of the pledge and security interest created hereby, except for the filing of financing and continuation statements under the California Commercial Code, which financing statements are in proper form and are duly executed against each patent, patent application, trademark or service mark registration, trademark or service mark application, and in the U.S. Copyright Office against each copyright registration, and copyright application of the Grantor set forth in Schedule I, II or III hereto, or (iii) for the exercise by the Grantee of its rights provided for in this Agreement or the remedies in respect of the Intellectual Property Collateral pursuant to this Agreement.

(g) There are no judgments outstanding in the favor of any third party relating to any item of Intellectual Property Collateral.

(h) No claim has been made and is continuing or threatened that any item of Intellectual Property Collateral is invalid or unenforceable or that the use by the Grantor of any Intellectual Property Collateral does or may violate the rights of any Person. To the best of the Grantor's knowledge, there is currently no infringement or unauthorized use of any item of Intellectual Property Collateral.

SECTION 6. Further Assurances.

(a) The Grantor agrees that from time to time, at the expense of the Grantee, the Grantor shall promptly execute and deliver all further instruments and documents, and take all further action, that the Grantee believes may be reasonably necessary or reasonably desirable, or that the Grantee may reasonably request, in order to perfect and protect any pledge or security interest granted or purported to be granted hereby or to enable the Grantee to exercise and enforce its rights and remedies hereunder with respect to any part of the Intellectual Property Collateral. Without limiting the generality of the foregoing, the Grantor will, upon the reasonable request of the Grantee, and at Grantee's expense, with respect to the Intellectual Property Collateral owned by such Grantor, execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be reasonably necessary or desirable, or as the Grantee may reasonably request, in order to perfect and preserve the pledge and security interest granted or purported to be granted hereby.

(b) The Grantor hereby authorizes the Grantee to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Intellectual Property Collateral without the signature of such Grantor where permitted by law. A photocopy or other reproduction of this Agreement or any financing statement covering the Intellectual Property Collateral or any part thereof will be sufficient as a financing statement where permitted by law.

(c) The Grantor will furnish to the Grantee from time to time statements and schedules further identifying and describing the Intellectual Property Collateral and such other reports in connection with the Intellectual Property Collateral as the Grantee may reasonably request, all in reasonable detail.

(d) The Grantor shall continue to use proper statutory notice in connection with its use of each of its patents, registered trademarks and service marks, and copyrights contained in Schedule I, II or III.

(e) The Grantor shall take all commercially reasonable steps which it deems reasonably appropriate under the circumstances to preserve and protect its Intellectual Property Collateral, including, without limitation, maintaining the quality of any and all products or services used or provided in connection with any of the Intellectual Property Collateral, consistent with the quality of the products and services as of the date hereof, and taking commercially reasonable steps to ensure that all licensed users of any of the Intellectual Property Collateral use such consistent standards of quality.

SECTION 7. The Grantee Appointed Attorney-in-Fact. The Grantor hereby irrevocably appoints the Grantee's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, upon the occurrence and during the continuance of an Event of Default, as defined in Section 7 of the Note, and upon notice to such Grantor to take any action and to execute any instrument that the Grantee may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to ask for, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Intellectual Property Collateral;

(b) to receive, endorse and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above; and

(c) to file any claims or take any action or institute any proceedings that the Grantee may deem necessary or desirable to enforce the rights of the Grantee with respect to any of the Intellectual Property Collateral.

SECTION 8. The Grantee's Duties. The powers conferred on the Grantee hereunder are solely to protect its interest in the Intellectual Property Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Intellectual

Property Collateral in its possession and the accounting for moneys actually received by it hereunder, the Grantee shall have no duty as to any Intellectual Property Collateral, whether or not the Grantee has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Intellectual Property Collateral. The Grantee shall exercise reasonable care in the custody and preservation of any Intellectual Property Collateral in its possession and shall accord such Intellectual Property Collateral treatment equal to that which the Grantee accords its own property.

SECTION 9. Remedies. If any Event of Default, defined in Section 7 of the Note, shall have occurred and be continuing for more than thirty (30) days:

(a) The Grantee may exercise in respect of the Intellectual Property Collateral, in addition to other rights and remedies provided for herein or in any other Document or otherwise available to it, all the rights and remedies of a secured party upon default under the California Commercial Code in effect at such time, whether or not the California Commercial Code applies to the affected Intellectual Property Collateral, and also may: (i) require the Grantor to, and the Grantor hereby agrees that it will at its expense and upon request of the Grantee forthwith, assemble all or part of the documents and things embodying any part of the Intellectual Property Collateral as directed by the Grantee and make them available within thirty (30) days of Grantee's request; and (ii) give at least thirty (30) days notice of intent to sell the Intellectual Property Collateral or any part thereof in one or more parcels at public or private sale, at any of the Grantee's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Grantee may deem commercially reasonable. The Grantor agrees at least thirty (30) days' notice to the Grantor before the time and place of any public sale will constitute reasonable notification.

(b) All cash proceeds received by the Grantee in respect of any sale of, collection from, or other realization upon, all or any part of the Intellectual Property Collateral shall immediately be applied (after payment of any amounts payable to the Grantee pursuant to Section 11(a)) against all or the corresponding amount of the Debt. Any surplus of such cash or cash proceeds held by the Grantee and remaining after payment in full of all of the Debt shall be paid over to the Grantor.

(c) The Grantee may exercise any and all rights and remedies of the Grantor in respect of the Intellectual Property Collateral.

(d) All payments received by the Grantor in respect of the Intellectual Property Collateral shall be received in trust for the benefit of the Grantee, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Grantee in the same form as so received (with any necessary or desirable endorsement or assignment).

SECTION 10. Release and Termination.

(a) Upon any sale, lease, transfer or other disposition of any item of Intellectual Property Collateral in accordance with the terms of the Documents, the Grantee will, at the Grantor's expense, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence the release of such item of Intellectual Property Collateral from the security interest granted hereby; provided, however, that (i) at the time of such request and such release, no Default shall have occurred and be continuing, (ii) the Grantor shall have delivered to the Grantee, at least fifteen (15) Business Days prior to the date of the proposed release, a written request for release describing the item of Intellectual Property Collateral and the terms of the sale, lease, transfer or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a form of release for execution by the Grantee and a certification by the Grantor to the effect that the transaction is in compliance with the Documents and as to such other matters as the Grantee may request and (iii) the Grantee shall have approved such sale, lease, transfer or other disposition in writing.

(b) Upon the earliest of (i) the indefeasible payment in full in cash of the Debt or (ii) the conversion of the Note in its entirety into capital stock of the grantor pursuant to the Investment Agreement, the pledge and security interest granted the Grantee hereby shall terminate and all rights to the Intellectual Property Collateral shall revert to the Grantor. Upon any such termination, the Grantee will, upon receipt of a written request and at the Grantor's expense, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 11. Miscellaneous

(a) The Grantor will, upon demand, pay to the Grantee the amount of any and all reasonable expenses, that the Grantee may incur in connection with the custody, preservation, use, or operation of, or the sale of, collection from or other realization upon, any of the Intellectual Property Collateral.

(b) All notices, requests, consents and other communications under this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next business day; (c) three days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one day after deposit with a nationally recognized overnight courier, special next day delivery, with verification of receipt, at the address(es) set forth or specified below, or at such other address or addresses as may have been furnished in writing by the Borrower to the Secured Party, or by the Secured Party to the Borrower, as applicable:

(i) To Secured Party:

Perkins & Associates
c/o Frederick G. Perkins
485 West Matheson Drive
Key Biscayne, Florida 33149

(305) 361-8992
(305) 356-0027 (fax)

(ii) To Borrower:

Roger Allington
Fresh Roast Systems, Inc
1225 McDowell Blvd.
Petaluma, California 94954
(707) 763-1050
(707) 763-1946 (fax)

(iii) With a copy delivered in the same manner to:

William D. Evers, Esq.
Foley & Lardner
One Maritime Plaza, Sixth Floor
San Francisco, California 94111-3404
Facsimile: (415) 772-8101

(c) This Agreement sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof, and all prior agreements, understandings, communications and negotiations are superseded and merged herein.

(d) This Agreement may only be amended by a writing subscribed to by both parties.


(e) This Agreement may be executed in any number of counterparts and by the different parties 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. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be as effective as delivery of a manually executed counterpart of this Agreement.

(f) The validity, construction, interpretation and enforcement of this Agreement shall be determined and governed by the laws of the State of California. Further, in the event of any dispute between the parties relative to this Agreement, the inducements or representations to enter into this Agreement, or the parties' performance of the terms of this Agreement, said dispute(s) shall be resolved through binding arbitration pursuant to the rules of the American Arbitration Association or other mutually agreeable body, before one (1) arbitrator selected by the parties, with the sites of the arbitration agreed to be in Santa Rosa, California.

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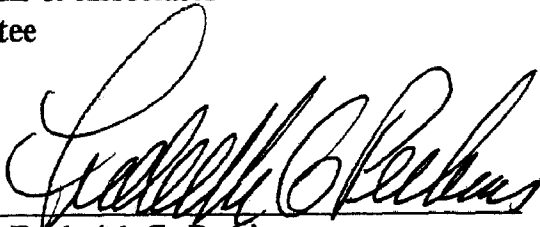
IN WITNESS WHEREOF, the Grantor has caused this Intellectual Property Security Agreement to be duly executed and delivered by its officer, thereunto duly authorized, as of the date first above written.

Fresh Roast Systems, Inc.

By: 
Name: Roger Allington
Title: CEO, Fresh Roast Systems, Inc.

ACCEPTED AND ACKNOWLEDGED BY:

**Perkins & Associates
Grantee**

By: 
Frederick G. Perkins

Schedule I: Patents

ISSUED PATENTS

1. Patent Number: 6,106,877
Date of Patent: 8/22/2000
Name: Method for terminating roasting of bulk materials in real time on basis of objectively determined color of materials.

Summary of Patent:

The invention objectively determines the color of the roasted product in real time and ends the roasting process at the instant when optimal characteristics have been reached. Optimal coffee is thereby assured and can be replicated whenever and wherever desired without requiring the attendance of an experienced roastmaster. Coffee quality is thereby enhanced at a cost less than what it costs to roast coffee with past methods with their inherent quality inconsistencies.

2. Patent Number: 6,104,494
Date of Patent: 8/15/2000
Name: Reflectometer for a roasting system

Summary of Patent:

A reflectometer for use with a roasting system includes a laser diode, a lens and a photodetector. The laser diode emits a laser beam having a wavelength corresponding to the maximum actinic response of the items being roasted. The laser beam is reflected off a mirror into a collecting volume of the items being roasted. The items being roasted then reflect light through the lens and to the photodetector. The system also includes a cross polarizer and a narrow band filter between the lens and photodetector in order to filter undesirable reflected light. The collecting volume and the detector are within the searchlight cone defined by the lens and its focal point such that the reflected light from the collecting volume has a constant illumination.

FRESH ROAST SYSTEMS, INC.

PENDING PATENT APPLICATIONS

1. Application Number: 09/187,472

Filing Date: 11/06/98

Name: Roasting System

Summary of pending patent:

The key concept of the Roasting System is its ability to control remote roasting machines from a centralized computer controlled master roasting machine and reflectometer, and may be applied to a wide range of automated/ventless roasting operations.

Schedule I: Patents

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Schedule II: Trademarks

Schedule II: Patents

Schedule III: Copyrights

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Schedule IV: License Agreements

TECHNOLOGY DEVELOPMENT AND ASSIGNMENT AGREEMENT

Fresh Roast Systems, Inc. "Fresh Roast" has an agreement with Ocean Beach Systems, LLC, "Ocean Beach" wherein Ocean Beach has agreed to develop a product called the Heterodyne Reflectometer "Reflectometer." After Ocean Beach has completed the development of the product, Fresh Roast will acquire all right, title and interest in the Reflectometer, including but not limited to all intellectual property rights pertaining to said product. In consideration for developing the Reflectometer and assigning all rights and title to the product to Fresh Roast, Fresh Roast will pay to Ocean Beach a royalty on gross sales derived from the sale of the Reflectometer to third parties in the following manner: seven percent (7%) of the first one million dollars (\$1,000,000) in gross sales, five percent (5%) of the gross sales between one million and one dollars (\$1,000,001) and ten million dollars (\$10,000,000), and three percent (3%) of gross sales starting at ten million and one dollars (\$10,000,001) and more. The Royalty payments will be paid to Ocean Beach for seven (7) years or the duration of the patent, whichever is longer.

TECHNOLOGY DEVELOPMENT AND ASSIGNMENT AGREEMENT

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