

Form PTO-1595 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) **RECORDATION FORM COVER SHEET PATENTS ONLY** U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): **Magnolia Broadband, Inc.**

2. Name and address of receiving party(ies)
 Name: **eCentury Capital Partners, L.P.**
 Internal Address: **Suite 1025**
 Street Address: **8270 Greensboro Drive**
 City: **McLean** State: **VA** Zip: **22102**

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

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

Execution Date: **April 30, 2004**

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

4. Application number(s) or patent number(s): **See attached Exhibit A**
 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: **Patricia A. Lamm**
 Internal Address:
Cooley Godward LLP
 Street Address: **11951 Freedom Drive**
 City: **Reston** State: **VA** Zip: **20190**

6. Total number of applications and patents involved: **11**

7. Total fee (37 CFR 3.41)\$ **440.00**
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: **50-1283**
 (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.

Patricia A. Lamm *[Signature]* **May 5, 2004**
 Name of Person Signing Signature Date

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

Mail documents to be recorded with required cover sheet information to: Commission of Patent & Trademarks, Box Assignment Washington, DC 20231

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

CH \$440.00 501283 60294290

EXHIBIT B
PATENTS

Description	Registration/ Application Number	Registration/ Application Date
Communication Device with Smart Antenna using a Quality-Indication Signal	60/294290 (US Provisional Application No.) 10/141342 (US Non-provisional Application No.)	
Communicating Signals According to a Quality Indicator Using Multiple Antenna Elements	10/766244	1/26/04
Processing Diversity Signals Using a Delay	10/696988	10/30/03
Amplifying Diversity Signals Using Power Amplifiers	10/695226	10/28/03
Adjusting A Signal At a Diversity System	10/766244	12/16/03
Determining Uplink Channel Estimates Using Phase Offsets	60/486587	US Filing Due 7/11/04
Method and System for Adaptively Combining Signals	10/334205	12/30/02
Smart Antenna Based Spectrum Multiplexing Using a Pilot Signal	10/082351	2/26/02
Smart Antenna Based Spectrum Multiplexing Using a Pilot Signal OFDM	10/131612	4/25/02
Determining Downlink Channel Estimates Using Phase Offset Introduced at a Mobile System	TBA (60/462625)	4/14/04

Form PTO-1595 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)	RECORDATION FORM COVER SHEET PATENTS ONLY CONTINUATION OF NUMBER 2. RECEIVING PARTIES	U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office
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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.		
1. Name of conveying party(ies): Magnolia Broadband, Inc.	2 Name and address of receiving party(ies) Name: SCP Private Equity Partners II, L.P. Internal Address: _____	
Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	_____	
	Street Address: 435 Devon Park Drive, Building 300 _____ _____ State City: Wayne : PA Zip: 19087 Additional name(s) & address(es) attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

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 Washington, D.C. 20231

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CONTINUATION OF NUMBER 2. RECEIVING PARTIES		
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.		
1. Name of conveying party(ies): <p style="text-align: center;">Magnolia Broadband, Inc.</p> Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2. Name and address of receiving party(ies) Name: <u>Selway Partners, LLC</u> Internal Address: _____ _____ Street Address: <u>100 Bomont Place</u> _____ City: <u>Totowa</u> State: <u>NJ</u> Zip: <u>07512</u> Additional name(s) & address(es) attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

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 Washington, D.C. 20231

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Tab settings ⇨ ⇨ ⇨ τ τ τ τ τ τ τ τ		
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1. Name of conveying party(ies): <p style="text-align: center;">Magnolia Broadband, Inc.</p> Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2. Name and address of receiving party(ies) <p style="text-align: center;">Draper Fisher Jurvetson Gotham</p> Name: <u>Venture Fund, L.P.</u> Internal Address: <u>Suite 1102</u> ----- Street Address: <u>132 West 31st Street,</u> ----- City: <u>New York</u> State: <u>NY</u> Zip: <u>10001</u> ----- Additional name(s) & address(es) attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

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 Commissioner of Patents & Trademarks, Box Assignments
 Washington, D.C. 20231

Form PTO-1595 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)	RECORDATION FORM COVER SHEET PATENTS ONLY	U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office
CONTINUATION OF NUMBER 2. RECEIVING PARTIES		
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.		
1. Name of conveying party(ies): <p style="text-align: center;">Magnolia Broadband, Inc.</p>	2. Name and address of receiving party(ies) <p style="text-align: center;">Draper Fisher Jurvetson Gotham</p> Name: Investments, LLC Internal Address: Suite 1102	
Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Street Address: 132 West 31st Street, City: New York State: NY Zip: 10001 Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

EXHIBIT A
PATENTS

Description	Registration/ Application Number	Registration/ Application Date
Communication Device with Smart Antenna using a Quality-Indication Signal	60/294290 (US Provisional Application No.) 10/141342 (US Non-provisional Application No.)	
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Smart Antenna Based Spectrum Multiplexing Using a Pilot Signal OFDM	10/131612	4/25/02
Determining Downlink Channel Estimates Using Phase Offset Introduced at a Mobile System	TBA (60/462625)	4/14/04

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is entered into as of April 30, 2004 by and between **MAGNOLIA BROADBAND, INC.**, a Delaware corporation (“**GRANTOR**”) and the secured parties listed on the signature page hereof (the “**SECURED PARTIES**”).

RECITALS

A. Secured Parties have made certain advances of money to Grantor (the “*Loans*”) in the amounts and manner set forth in those certain Secured Convertible Promissory Notes executed by Grantor in favor of Secured Parties (collectively, as the same may be amended, modified or supplemented from time to time, the “*Notes*”) and that certain Note Purchase Agreement, of even date hereof, by and between Grantor and Secured Parties (as the same may be amended, modified or supplemented from time to time, the “*Purchase Agreement*”). Secured Parties are willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Secured Parties a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Notes and Purchase Agreement.

B. Pursuant to the terms of that certain Security Agreement, dated of even date herewith, by and between Grantor and Secured Parties (as the same may be amended, modified or supplemented from time to time, the “*Security Agreement*”), Grantor has granted to Secured Parties a security interest in all of Grantor’s right, title and interest in, to or under all of the Grantor’s assets. All capitalized terms used but not otherwise defined herein shall have the respective meanings assigned to them in the Security Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Notes, Purchase Agreement and Security Agreement (collectively, the “*Loan Documents*”), Grantor hereby represents, warrants, covenants and agrees as follows:

To secure its obligations under the Loan Documents and under all other agreements now existing or hereafter arising between Grantor and Secured Parties, Grantor grants and pledges to Secured Parties a security interest in all of Grantor’s right, title and interest in, to and under its Intellectual Property (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Secured Parties under the Security Agreement. The rights and remedies of Secured Parties with respect to the security interest granted hereby are subject to the terms of the Security Agreement and are in addition to those set forth in the Security Agreement and the other Loan Documents, and those which are now or hereafter available to Secured Parties as a matter of law or equity.

Each right, power and remedy of Secured Parties provided for herein or in the Security Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Secured Parties of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Security Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Secured Parties, of any or all other rights, powers or remedies.

Grantor represents and warrants that Exhibits A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

[Signature pages follow.]

May 03 04 08:56a

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913 323 1927

P. 6

30/04 2004 17:40 FAX 212 838 8838

006

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

COMPANY:

* MAGNOLIA BROADBAND, INC.

By: _____

Print Name: Haim Harel

Title: CEO

Address: 64 Old Highway 22, 3rd Floor
Clinton, NJ 08809

PURCHASERS:

eCENTURY CAPITAL PARTNERS, L.P.

By: eCentury Capital, LLC,
its General Partner

By: _____

Print Name: _____

Title: _____

SCP PRIVATE EQUITY PARTNERS II, L.P.

By: SCP Private Equity II General Partner, L.P., its
General Partner

By: SCP Private Equity II, LLC, its General Partner

By: _____

Print Name: _____

Title: _____

SELWAY PARTNERS, LLC

By: _____

Print Name: _____

Title: _____

DRAPER FISHER JURVETSON GOTHAM VENTURE
FUND, L.P.

By: _____

Print Name: _____

Title: _____

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

COMPANY:

MAGNOLIA BROADBAND, INC.

By: _____

Print Name: _____

Title: _____

Address: 64 Old Highway 22, 3rd Floor
Clinton, NJ 08809

PURCHASERS:

ECCENTURY CAPITAL PARTNERS, L.P.

By: eCentury Capital, LLC,
its General Partner

By: _____

Print Name: THOMAS DANN

Title: MANAGING DIRECTOR

SCP PRIVATE EQUITY PARTNERS II, L.P.

By: SCP Private Equity II General Partner, L.P., its
General Partner

By: SCP Private Equity II, LLC, its General Partner

By: _____

Print Name: _____

Title: _____

SELWAY PARTNERS, LLC

By: _____

Print Name: _____

Title: _____

**DRAPER FISHER JURVETSON GOTHAM VENTURE
FUND, L.P.**

By: _____

Print Name: _____

Title: _____

MAY-03-2004 MON 11:54 AM SCP

FAX NO. 610 975 9546

P. 08

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

COMPANY:

MAGNOLIA BROADBAND, INC.

By: _____

Print Name: _____

Title: _____

Address: 64 Old Highway 22, 3rd Floor
Clinton, NJ 08809

PURCHASERS:

E CENTURY CAPITAL PARTNERS, L.P.

By: eCentury Capital, LLC,
its General Partner

By: _____

Print Name: _____

Title: _____

SCP PRIVATE EQUITY PARTNERS II, L.P.

By: SCP Private Equity II General Partner, L.P., its
General Partner

By: SCP Private Equity II, LLC, its General Partner

By: *Thomas S. Rebar*

Print Name: *Tom Rebar*

Title: *Partner*

SELWAY PARTNERS, LLC

By: *[Signature]*

Print Name: *Yaron Eitan*

Title: *CEO*

**DRAPER FISHER JURVETSON GOTHAM VENTURE
FUND, L.P.**

By: _____

Print Name: _____

Title: _____

May. 3. 2004 12:55PM

No.1539 P. 7

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

COMPANY:

MAGNOLIA BROADBAND, INC.

By: _____

Print Name: _____

Title: _____

Address: 64 Old Highway 22, 3rd Floor
Clinton, NJ 08809

PURCHASERS:

E CENTURY CAPITAL PARTNERS, L.P.

By: eCentury Capital, LLC,
its General Partner

By: _____

Print Name: _____

Title: _____

SCP PRIVATE EQUITY PARTNERS II, L.P.

By: SCP Private Equity II General Partner, L.P., its
General Partner

By: SCP Private Equity II, LLC, its General Partner

By: _____

Print Name: _____

Title: _____

SELWAY PARTNERS, LLC

By: _____

Print Name: _____

Title: _____

**DRAPER FISHER JURVETSON GOTHAM VENTURE
FUND, L.P.**

By: *[Signature]*

Print Name: Daniel S. Schultz

Title: Managing Member

May. 3. 2004 12:55PM

No. 1539 P. 8

**DRAPER FISHER JURVETSON GOTHAM INVESTMENTS,
LLC**

By: *David S. Schultz*

Print Name: DAVID S. SCHULTZ

Title: MANAGING MEMBER

EXHIBIT A
COPYRIGHTS

none

EXHIBIT C
TRADEMARKS

Description	Registration/ Application Number	Registration/ Application Date
Diversity Plus,	Published/78189360	November 27, 2002
Diversity +	Published/78189350	November 27, 2002

NY 403375 v3
5/5/04 11:02 AM (36996.1003)