

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
Arecont Intellectual Property Holdings, LLC	03/30/2007

RECEIVING PARTY DATA

Name:	Daniel Reich
Street Address:	7862 North Jensen Drive
City:	Tucson
State/Country:	ARIZONA
Postal Code:	85741

Name:	Boris Kaplinskiy
Street Address:	Apt. 84 Rubtsovskaya, Nab., 4, Kor. 1
City:	Moscow
State/Country:	RUSSIAN FEDERATION
Postal Code:	105082

Name:	Tatunjan Agasi Korunovich
Street Address:	17 Vavilova Street, Apt. 94
City:	Moscow
State/Country:	RUSSIAN FEDERATION
Postal Code:	117312

PROPERTY NUMBERS Total: 2

Property Type	Number
Application Number:	10440765
Patent Number:	6782294

CORRESPONDENCE DATA

Fax Number: (520)879-4722

PATENT

500250198

REEL: 019094 FRAME: 0141

CH \$80.00 10440765

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: (520) 629-4431
Email: MSweger@LRLaw.com
Correspondent Name: Matthew C. Sweger, Lewis and Roca LLP
Address Line 1: One South Church Avenue, Suite 700
Address Line 4: Tucson, ARIZONA 85701-1611

ATTORNEY DOCKET NUMBER:	42345-00001
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NAME OF SUBMITTER:	Bradley K. DeSandro
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Total Attachments: 9

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**RECORDATION FORM COVER SHEET
PATENTS ONLY**

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)

Arecont Intellectual Property Holdings, LLC, an
Arizona limited liability company

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

2. Name and address of receiving party(ies)

Name: Daniel Reich, as agent

Internal Address: _____

Street Address: 7862 North Jensen Drive

City: Tucson

State: Arizona

Country: U.S.A. Zip: 85741

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

3. Nature of conveyance/Execution Date(s):

Execution Date(s) March 30, 2007

☐ Assignment

☐ Merger

☒ Security Agreement

☐ Change of Name

☐ Joint Research Agreement

☐ Government Interest Assignment

☐ Executive Order 9424, Confirmatory License

☐ Other _____

4. Application or patent number(s):

☐ This document is being filed together with a new application.

A. Patent Application No.(s)

10/440,765

B. Patent No.(s)

6,782,294

Additional numbers attached? ☐ Yes ☒ No

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

Name: Matthew C. Sweger, Lewis and Roca LLP

Internal Address: _____

Street Address: One South Church Avenue, Suite 700

City: Tucson

State: Arizona Zip: 85701-1611

Phone Number: (520) 629-4431

Fax Number: (520) 879-4722

Email Address: MSweger@LRLaw.com

6. Total number of applications and patents involved: 2

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 80.00

☐ Authorized to be charged by credit card

☒ Authorized to be charged to deposit account

☐ Enclosed

☐ None required (government interest not affecting title)

8. Payment Information

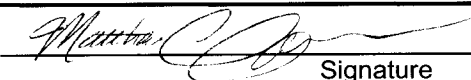
a. Credit Card Last 4 Numbers _____

Expiration Date _____

b. Deposit Account Number 502509

Authorized User Name Bradley K. DeSandro

9. Signature:


Signature

March 30, 2007

Date

Matthew C. Sweger
Name of Person Signing

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

9

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

RECORDATION FORM COVER SHEET
PATENTS ONLY

Continuation of Section 2.

Additional Names and Addresses of Receiving Parties:

Boris Kaplinskiy
Apt. 84 Rubtsovskaya
Nab., 4, Kor. 1
Moscow, Russia 105082

Tatunjan Agasi Korunovich
17 Vavilova Street, Apt. 94
Moscow, Russia 117312

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of March 30, 2007 (as amended, restated, supplemented or otherwise modified from time to time, this "**Agreement**"), is made by Arecont Intellectual Property Holdings, LLC, an Arizona limited liability company ("**Grantor**"), in favor of Daniel Reich, in his capacity as agent (together with his successors and assigns in such capacity, the "**Collateral Agent**") for the benefit of Daniel Reich, Boris Kaplinskiy and Tatunjan Agasi Korunovich (collectively, the "**Creditors**").

RECITALS

A. The Grantor, the Creditors and Current Energy Controls, LP, a Texas limited partnership (the "**Buyer**"), are parties to a Securities Purchase and Sale Agreement dated as of February 5, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "**Purchase Agreement**"), pursuant to which, among other things, the Buyer shall acquire from one or more of the Creditors 100% of the limited liability company membership interests in the Grantor.

B. It is a condition precedent to the effectiveness of the Purchase Agreement that this Agreement shall have been executed and delivered by the Grantor and shall be in full force and effect.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Creditors to enter into the Purchase Agreement, the Grantor hereby agrees with the Collateral Agent as follows:

Section 1. Defined Terms and Related Matters.

(a) Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings specified therein. Terms defined in the singular include the plural and terms defined in the plural include the singular.

(b) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(c) The following terms, as used herein, shall have the meanings specified therefor in this Section 1(c):

"**Event of Default**" means the failure of the Grantor or the Buyer to pay or perform any of the Secured Obligations (as defined below) when payment or performance is due, and the expiration of thirty days after written notice from the Collateral Agent to the Grantor and the Buyer of such failure.

"**Lien**" shall mean any lien, charge or encumbrance.

"Person" shall mean an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

(d) Unless otherwise defined herein, the terms defined in Article 9 of the Uniform Commercial Code as enacted in the State of Texas as in effect from time to time (the "UCC"), are used herein as therein defined.

Section 2. Pledge, Assignment and Grant of Security. The Grantor hereby pledges to the Collateral Agent, and hereby grants to the Collateral Agent a Lien on and security interest in, all of the Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired by the Grantor (collectively, the "**Collateral**");

(a) all patents (or equivalents or other rights of interest of whatever kind, including, without limitation, utility and design patents and industrial design registrations) relating to the Business (as defined in the Purchase Agreement), including any divisions, continuations, continuations in part, reissues, re-examinations, extensions and renewals thereof either now or hereafter existing, as well as any application (including any provisional application) for a United States or foreign patent made by the Grantor existing (any and all of the foregoing being the "**Patents**"), including without limitation the Patents listed on Exhibit A;

(b) all copyrights relating to the Business, including, without limitation, any registration of any copyright in the United States Copyright Office or in any foreign country, as well as any application for a United States copyright registration with the United States Copyright Office by the Grantor (any and all of the foregoing, together with any reissues, renewals or extensions thereof, being the "**Copyrights**");

(c) All computer programs of the Grantor relating to the Business and all intellectual property rights therein (any and all of the foregoing being the "**Software**" and together with the Patents and the Copyrights, the "**Intellectual Property**"; provided that if granting a security interest in licenses or other contracts pertaining to Intellectual Property would materially harm the Grantor's rights thereunder, then Intellectual Property shall be deemed to include only such rights as are permitted under the relevant licenses or contracts and such rights as to which the applicable third party shall have consented to such security interest); and

(d) the proceeds, in cash or otherwise, of the Collateral described in the foregoing clauses (a) – (c), including, without limitation, the proceeds of any sale or other disposition of such Collateral and all insurance proceeds of any kind paid at any time in connection with such Collateral, all Liens (whether possessory, contractual, statutory or otherwise) with respect to such Collateral, and all rights and claims (whether in the nature of indemnities, warranties, guaranties or otherwise) of the Grantor with respect to such Collateral, including, without limitation, the right of the Grantor to bring suit to enforce its rights with respect to such Collateral.

Section 3. Security for Obligations. This Agreement secures the full and prompt payment and performance of (a) all obligations and liabilities of Buyer to the Creditors under the Purchase Agreement and (b) all obligations and liabilities of the Grantor under this Agreement (all such obligations and liabilities described in the foregoing clauses (a) and (b) being hereinafter collectively referred to as the "**Secured Obligations**").

Section 4. Further Assurances.

(a) The Grantor agrees that from time to time the Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that may be reasonably necessary and that the Collateral Agent may reasonably request, in order to perfect and protect any Lien granted or purported to be granted hereby or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Such instruments will include, without limitation, a short form security agreement recordable in the PTO.

(b) The Grantor hereby authorizes the Collateral Agent to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral without the signature of the Grantor where permitted by law and using such language as the Collateral Agent reasonably deems necessary or appropriate. A photocopy or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) The Grantor hereby authorizes the Collateral Agent to file, once executed by the Grantor on or after the date hereof, assignments of security interests in the Collateral, in such forms as may be reasonably acceptable to the Grantor. The Creditors shall be responsible for fees charged by the filing office of such assignments.

(d) The Creditors shall pay all filing and recording fees incurred in connection with the filing or recording of instruments, documents, financing or continuation statements, and any amendments thereto and assignments thereof pursuant to this Section 4. The Grantor and the Creditors shall each pay their respective attorneys fees incurred in connection with the preparation and review of such items.

Section 5. Change of Legal Name or Jurisdiction of Organization. The Grantor shall not change its legal name or change its jurisdiction of organization unless it shall have given to the Collateral Agent not less than 30 days' prior written notice of its commencing to do so, clearly describing such new name or such new jurisdiction of organization and providing such other information in connection therewith as the Collateral Agent may reasonably request.

Section 6. As to Patents and Copyrights.

(a) The Grantor hereby agrees not to divest itself of any right under any Patent or Copyright other than in the ordinary course of business absent prior written approval of the Collateral Agent. Grantor shall have the right hereunder to sell or otherwise transfer any and all Collateral to the Buyer (subject to the prior Lien of the Collateral Agent granted hereunder) without approval of the Collateral Agent provided

that Buyer first assumes and ratifies each of the obligations of the Grantor under this Agreement pursuant a written agreement acceptable in form and content to Collateral Agent, in his reasonable discretion.

(b) At its own expense, the Grantor shall make timely payment of all fees required to maintain in force rights under each of its material Patents and Copyrights (including in each case applications therefor).

(c) Within 30 days of the acquisition or issuance of a United States Patent, registration of a Copyright, or acquisition of a registered Copyright, or filing of an application for a United States Patent or Copyright, the Grantor shall deliver to the Collateral Agent a copy of said Copyright or certificate of registration of, or application for, said Patent, as the case may be, with an assignment for security as to such Patent or Copyright, as the case may be, to the Collateral Agent, confirming the assignment for security.

(d) If an Event of Default shall occur and be continuing, the Collateral Agent may, by written notice to the Grantor, take any or all of the following actions: (i) declare the entire right, title and interest of the Grantor in each of the Patents and Copyrights vested, in which event such right, title and interest shall immediately vest in the Collateral Agent; (ii) take and practice or sell the Patents and Copyrights; and (iii) direct the Grantor to refrain, in which event the Grantor shall refrain, from practicing or otherwise exploiting the Patents and Copyrights, directly or indirectly, and the Grantor shall execute such other and further documents as the Collateral Agent may reasonably request further to confirm this and to transfer ownership of the Patents and Copyrights to the Collateral Agent.

(e) To the extent this Agreement is deemed not to grant a security interest to the Collateral Agent with respect to any Intellectual Property, then the Grantor agrees to grant and hereby does grant to the Collateral Agent, effective upon the occurrence and during the continuance of an Event of Default, a world-wide, paid-up, royalty-free, transferable, non-exclusive license (with the right to grant sublicenses) with respect to all Intellectual Property of the Grantor, to make, use, sell, offer for sale, copy, publicly perform, publicly display, distribute, prepare derivative works, or otherwise exploit the same.

Section 7. Collateral Agent Appointed Attorney-in-Fact. The Grantor hereby designates, makes, constitutes and appoints the Collateral Agent the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Collateral Agent's discretion upon the occurrence and during the continuance of an Event of Default:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for monies due and to become due under or in connection with the Collateral; and

(b) to file any claims or take any action or institute any proceedings which the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce compliance with the terms and conditions of any contract or agreement included in the Collateral or the rights of the Collateral Agent with respect to any of the Collateral.

Section 8. Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Collateral Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the UCC (but only to the extent that the UCC applies to the affected Collateral).

(b) Any cash proceeds received by the Collateral Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied by the Collateral Agent against the Secured Obligations. Any surplus of such cash or cash proceeds held by the Collateral Agent and remaining after payment in full of all the Secured Obligations shall be paid over to the Grantor or to whomever may be lawfully entitled to receive such surplus.

Section 9. Amendments. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Grantor herefrom shall in any event be effective unless the same shall be in writing and signed by the Collateral Agent and the Grantor.

Section 10. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing and sent by first-class mail or nationwide overnight delivery service (with charges prepaid), and (i) if to Grantor, addressed to it at the addresses for the Buyer set forth in the Purchase Agreement and (ii) if to the Collateral Agent, addressed to it at the addresses for the Sellers set forth in the Purchase Agreement. Notices by first class mail shall be effective on the third business day following the mailing thereof, notices by nationwide overnight delivery service shall be effective on the business day following delivery thereof by the sender to such service, and notices by facsimile transmission shall be effective when sent and receipt has been confirmed.

Section 11. Continuing Lien and Security Interest; Assignments, Termination. This Agreement shall create a continuing Lien on and security interest in the Collateral and shall (a) remain in full force and effect until the payment and performance in full of the Secured Obligations (other than contingent liabilities and obligations claims in respect of which have not been asserted); (b) be binding upon the Grantor and its successors and assigns; and (c) inure to the benefit of, and be enforceable by, the Collateral Agent and its successors, transferees and assigns, under the terms of the Intercreditor Agreement or otherwise. Upon the payment and performance in full of the Secured Obligations (other than contingent liabilities and obligations claims in respect of which have not been asserted), the security interest granted hereby shall automatically terminate without any further action by or on behalf of the Collateral Agent or any other Person, and all rights to the Collateral shall revert to the Grantor. Upon any such termination, the Collateral Agent will, at its expense, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

Section 12. Captions. The captions in this Agreement have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this Agreement.

Section 13. Governing Law. **THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF TEXAS, EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.**

Section 14. Collateral Agent. In the event that Daniel Reich resigns or is unable or unwilling to serve as Collateral Agent, Michael Burdett shall become and serve as the successor Collateral Agent without any further action on the part of the Creditors.

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

ARECONT INTELLECTUAL PROPERTY HOLDINGS, LLC

By: CURRENT ENERGY CONTROLS, LP
its sole member

By: CURRENT ENERGY CONTROLS GP, LLC
its general partner

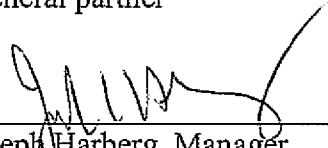
By: 
Joseph Harberg, Manager

EXHIBIT A
to the Intellectual Property Security Agreement

Patent No. 6,782,294

Patent Application No. 10/440,765