

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
Intellectual Property, LLC	05/30/2007

RECEIVING PARTY DATA

Name:	The Geraldine R. Cohen Trust
Street Address:	23545 E. Phillips Place
City:	Aurora
State/Country:	COLORADO
Postal Code:	80016

PROPERTY NUMBERS Total: 2

Property Type	Number
Patent Number:	6000192
Patent Number:	6253504

CORRESPONDENCE DATA

Fax Number: (303)893-1379

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

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Correspondent Name: Pantea Garroussi, Davis Graham & Stubbs

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ATTORNEY DOCKET NUMBER:

031663-9999

NAME OF SUBMITTER:

Pantea Garroussi

Total Attachments: 7

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PATENT

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**PATENT SECURITY AGREEMENT**

This PATENT SECURITY AGREEMENT (this “**Agreement**”), dated as of May 30, 2007, is by and between Intellectual Property, LLC, a Colorado limited liability company (the “**Guarantor**”), and The Geraldine R. Cohen Trust (“**Secured Party**”).

**W I T N E S S E T H:**

WHEREAS, the Guarantor has entered into a Guaranty dated of even date herewith (the “**Guaranty**”) in connection with a Senior Revolving Loan Agreement (the “**Loan Agreement**”) dated of even date herewith between Cohen Brothers Homes, LLC, a Colorado limited liability company and the sole member of Guarantor (“**Borrower**”), and Secured Party, the related Senior Secured Promissory Note in favor of Secured Party dated of even date herewith (the “**Note**”) and certain agreements, documents and instruments entered into pursuant thereto (the “**Loan Documents**”); and

WHEREAS, in light of the benefits and advantage to be received by Guarantor as a direct subsidiary of Borrower and as a condition to the consummation of the transactions contemplated by the Loan Agreement and the Note and to induce the Secured Party to consummate the transactions set forth in the Loan Agreement and the Note, the Guarantor has agreed to secure its obligations under the Guaranty by entering into this Agreement.

NOW, THEREFORE, in consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees for the benefit of Secured Party as follows:

1. **DEFINITIONS.**

1.1 Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Loan Agreement.

1.2 “**PTO**” shall mean the United States Patent and Trademark Office.

1.3 “**Patents**” shall mean all of the following now or hereafter owned by the Guarantor:

(a) all letters patent of the United States and all applications for letters patent of the United States;

(b) all re-issues, continuations, divisions, continuations-in-part, renewals or extensions thereof;

(c) the inventions disclosed or claimed therein, including the right to make, use, practice and/or sell (or license or otherwise transfer or dispose of) the inventions disclosed or claimed therein; and

(d) the right (but not the obligation) to make and prosecute applications for such Patents.

Patents shall include, but not be limited to, those set forth on Schedule A attached hereto.

1.4 “Patent Collateral” shall mean all of the Guarantor’s right, title and interest in and to all of the Patents, the Patent License Rights, and the Patent Rights, and all additions, improvements, and accessions to, all substitutions for and replacements of, and all products and Proceeds (including insurance proceeds) of any and all of the foregoing, and all books and records and technical information and data describing or used in connection with any and all such rights, interests, assets or property.

1.5 “Patent License Rights” shall mean any and all past, present or future rights and interests of the Guarantor pursuant to any and all past, present and future licensing agreements in favor of the Guarantor, or to which the Guarantor is a party, pertaining to any Patents or Patent Rights, owned or used by third parties in the past, present or future, including the right to enforce, sue and recover for, any past, present or future breach or violation of any such agreements but only to the extent that the inclusion thereof in this Agreement does not and will not cause a default under the terms of any agreement (except that all payment rights of Guarantor shall be included in this Agreement).

1.6 “Patent Rights” shall mean any and all past, present or future rights in, to and associated with the Patents, whether arising under federal law, state law, common law, foreign law, or otherwise, including but not limited to the following: all such rights arising out of or associated with the Patents; the right (but not the obligation) to register claims under any federal, state or foreign patent law or regulation; the right (but not the obligation) to sue or bring opposition or bring cancellation proceedings for any and all past, present and future infringements of or any other damages or injury to the Patents or the Patent Rights, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, damage or injury; and the Patent License Rights.

1.7 “Proceeds” shall mean any consideration received from the sale, exchange, license, lease or other disposition or transfer of any right, interest, asset or property which constitutes Patent Collateral, any value received as a consequence of the ownership, possession, use or practice of any Patent Collateral, and any payment received from any insurer or other person or entity as a result of the destruction or the loss, theft or other involuntary conversion, of whatever nature, of any right, interest, asset or property which constitutes Patent Collateral.

2. GRANT OF SECURITY. As collateral security for the complete and timely performance and satisfaction of all Obligations (as defined in the Guaranty), the Guarantor

hereby unconditionally grants to Secured Party a continuing security interest in and lien on the Patent Collateral, and pledges, mortgages and hypothecates the Patent Collateral to Secured Party.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE GUARANTOR. The Guarantor represents and warrants to, and covenants and agrees with, Secured Party, as follows:

3.1 Good Standing; Ownership of Assets. Guarantor is a limited liability company duly organized, legally existing and in good standing under the laws of Colorado, and has the power to own its property and to carry on its business as presently conducted.

3.2 Authority. Guarantor has the full power and authority to enter into this Agreement, to execute and deliver all documents and instruments required hereunder and to incur and perform the obligations provided for herein, all of which have been duly authorized by all necessary and proper limited liability company action.

3.3 No Conflicting Agreements. The execution, delivery and performance by Guarantor of this Agreement will not (i) violate any provision of applicable law or any order, rule or regulation of any court or agency of government; or (ii) be in contravention of any articles of organization or operating agreement provisions, or of any instrument or undertaking to which the Guarantor is a party or by which the Guarantor or its property is bound.

3.4 Sale of Collateral. Guarantor shall not sell, assign, transfer, convey, license, lease or otherwise dispose of, or grant an option or similar rights to any of the Patent Collateral.

3.5 Title. The Guarantor will, subject to its reasonable business judgment, take all actions as it shall determine to defend its right, title and interests in and to the Patents and the Patent Collateral against claims of any third parties.

3.6 Maintenance of Patent Collateral. The Guarantor shall take such actions (including but not limited to institution and maintenance of suits, proceedings or actions) it determines to be appropriate to maintain, protect, preserve, care for and enforce the Patent Collateral.

3.7 No Infringements. The Guarantor shall use reasonable efforts consistent with past practices to protect against any infringement or unauthorized or improper use of the Patents. In the event any such infringement or unauthorized or improper use by any third party has been reasonably established by the Guarantor, the Guarantor shall promptly notify Secured Party.

3.8 Recording at the PTO. Guarantor acknowledges that Secured Party may cause this Agreement to be recorded with the PTO.

4. REMEDIES UPON AN EVENT OF DEFAULT. During the continuance of an Event of Default:

(a) Secured Party may, by giving prior written notice to the Guarantor, declare all Obligations secured hereby immediately due and payable and shall have all of the rights and remedies of a secured party under the UCC as now in effect in the state of Colorado or under other applicable law.

(b) Secured Party may notify any obligors with respect to the Patent Collateral of Secured Party's security interest and that such obligors are to make payments directly to Secured Party. Secured Party may send this notice in Guarantor's name or in Secured Party's name, and at Secured Party's request Guarantor will join in Secured Party's notice, provide written confirmation of Secured Party's security interest and request that payment be sent to Secured Party. Secured Party may enforce this obligation by specific performance. Secured Party may collect all amounts due from such obligors. Upon and after notification by Secured Party to Guarantor, Guarantor shall hold any proceeds and collections of any of the Patent Collateral in trust for Secured Party and shall not commingle such proceeds or collections with any other of Guarantor's funds, and Guarantor shall deliver all such proceeds to Secured Party immediately upon Guarantor's receipt thereof in the identical form received and duly endorsed or assigned to Secured Party.

(c) Secured Party will give to the Guarantor reasonable notice of the time and place of any public sale of Patent Collateral or of the time after which any private sale or other intended disposition thereof is to be made. Such requirement of reasonable notice shall be met if such notice is delivered to the address of the Guarantor set forth in this Agreement at least ten (10) days before the time of the proposed sale or disposition. Any such sale may take place from Guarantor's location or such other location as Secured Party may designate. Guarantor shall remain liable for any deficiency in payment of the Obligations after any such sale.

(d) No Obligation of Secured Party. Nothing herein shall be construed as obligating Secured Party to take any of the foregoing actions at any time.

#### 5. LIABILITIES, INDEMNITY AND COSTS.

5.1 Liability for Uses of Patent Collateral. The Guarantor shall be liable for any and all uses or misuses of and the practice, manufacture, sales (or other transfers or dispositions) of any of the Patent Collateral by the Guarantor and its affiliates. The Guarantor shall also be exclusively liable for any claim, suit, loss, damage, expense or liability arising out of or in connection with the fault, negligence, acts or omissions of the Guarantor (regardless of whether such fault, negligence, acts or omissions occurred or occur prior to or after the applicable license termination).

5.2 License Agreement Obligations. Nothing in this Agreement shall relieve the Guarantor from any performance of any covenant, agreement or obligation of the Guarantor under any license agreement now or hereafter in effect licensing any part of the Patent Collateral,

or from any liability to any licensee or licensor under any such license agreement or to any other party, or shall impose any liability on Secured Party for any act or omission of the Guarantor in connection with any such license agreement.

6. POWER OF ATTORNEY. The provisions of this Section 6 shall be subject in all events to the terms and conditions of the Loan Agreement.

6.1 Grant. The Guarantor hereby grants to Secured Party, and any officer or agent of Secured Party as Secured Party may designate in its sole discretion, a power of attorney, thereby constituting and appointing Secured Party (and Secured Party's designee) its true and lawful attorney-in-law and attorney-in-fact, effective upon the occurrence and during the continuation of an Event of Default, for the purpose of assigning, selling, licensing or otherwise transferring or disposing of all right, title and interest of the Guarantor in and to any of the Patent Collateral in accordance with the terms hereof. The Guarantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

6.2 Irrevocable. The foregoing power of attorney is coupled with an interest and is irrevocable until this Agreement is terminated.

7. GENERAL PROVISIONS.

7.1 Specific Enforcement. Due to the unique nature of the Patent Collateral, and in order to preserve its value, the Guarantor agrees that the Guarantor's agreements, duties and obligations under this Agreement shall be subject to specific enforcement and other appropriate equitable orders and remedies.

7.2 Termination. This Agreement and the security interests created hereunder shall terminate when all the Obligations (as defined in the Guaranty) have been indefeasibly paid in full, at which time the Secured Party shall execute and deliver to Guarantor all documents which the Guarantor shall reasonably request to evidence termination of such security interest.

7.3 Governing Law; Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, excluding the body of law relating to conflict of laws. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HERewith OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

7.4 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute one and the same agreement. Each of the parties to this Agreement will be entitled to rely upon delivery by facsimile machine of an executed copy of this Agreement and acceptance of such facsimile copy will be legally effective to create a valid and binding agreement between the parties in accordance with the terms hereof.

7.5 Severability. If any one or more provisions of this Agreement should be declared invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected, impaired or prejudiced thereby.

7.6 Successors and Assigns. This Agreement shall be binding on and enforceable against the parties hereto and their successors, assigns, and legal representatives and shall inure to the benefit of the parties hereto and their successors, assigns, and legal representatives.

\* \* \* \* \*

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above written.

**GUARANTOR:**

INTELLECTUAL PROPERTY, LLC

By: 

Name: David L. Cohen

Title: Chief Executive Officer

**SECURED PARTY:**

THE GERALDINE R. COHEN TRUST

By: 

Name: Geraldine R. Cohen

Title: Trustee



SCHEDULE A TO  
PATENT SECURITY AGREEMENT

PATENTS

United States Patent Number 6,000,192

United States Patent Number 6,253,504