

Form PTO-1594 (Rev. 07/05)  
OMB Collection 0651-0027 (exp. 6/30/2008)

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

## RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

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|---|--|
| <p><b>1. Name of conveying party(ies):</b><br/>Propel Biofuels, Inc.</p> <p><input type="checkbox"/> Individual(s)      <input type="checkbox"/> Association<br/> <input type="checkbox"/> General Partnership      <input type="checkbox"/> Limited Partnership<br/> <input checked="" type="checkbox"/> Corporation- State: <u>Delaware</u><br/> <input type="checkbox"/> Other _____</p> <p>Citizenship (see guidelines) _____</p> <p>Additional names of conveying parties attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> | <p><b>2. Name and address of receiving party(ies)</b> <input type="checkbox"/> Yes<br/> Additional names, addresses, or citizenship attached? <input checked="" type="checkbox"/> No</p> <p>Name: <u>Comerica Bank</u><br/> Internal<br/> Address: <u>75 E. Trimble Road, M/C 4770</u><br/> Street Address: _____<br/> City: <u>San Jose</u><br/> State: <u>CA</u>      <u>1</u><br/> Country: <u>United States</u>      Zip: <u>95131</u></p> <p><input type="checkbox"/> Association      Citizenship _____<br/> <input type="checkbox"/> General Partnership      Citizenship _____<br/> <input type="checkbox"/> Limited Partnership      Citizenship _____<br/> <input type="checkbox"/> Corporation      Citizenship _____<br/> <input checked="" type="checkbox"/> Other <u>banking association</u>      Citizenship <u>Texas</u></p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No<br/> (Designations must be a separate document from assignment)</p> |
| <p><b>3. Nature of conveyance )/Execution Date(s) :</b><br/> Execution Date(s) <u>12/19/2007</u></p> <p><input type="checkbox"/> Assignment      <input type="checkbox"/> Merger<br/> <input checked="" type="checkbox"/> Security Agreement      <input type="checkbox"/> Change of Name<br/> <input type="checkbox"/> Other _____</p>   | <p><b>4. Application number(s) or registration number(s) and identification or description of the Trademark.</b></p> <p>A. Trademark Application No.(s)<br/><u>77/162259; 77/162228; 77/162181</u></p> <p>B. Trademark Registration No.(s)<br/>_____</p> <p style="text-align: right;">Additional sheet(s) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>   |
| <p><b>C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):</b><br/> FUELING CHANGE; PROPEL; PROPEL</p>  |  |
| <p><b>5. Name &amp; address of party to whom correspondence concerning document should be mailed:</b></p> <p>Name: <u>Angela Alvarez Sujek - Bodman LLP</u><br/> Internal Address: _____<br/> Street Address: <u>201 S. Division St., Suite 400</u><br/> City: <u>Ann Arbor</u><br/> State: <u>MI</u>      Zip: <u>48104</u><br/> Phone Number: <u>734-761-3780</u><br/> Fax Number: <u>734-930-2494</u><br/> Email Address: <u>asujek@bodmanllp.com</u></p>  | <p><b>6. Total number of applications and registrations involved:</b> <span style="border: 1px solid black; padding: 2px 10px;">3</span></p> <p><b>7. Total fee (37 CFR 2.6(b)(6) &amp; 3.41) \$ 0.00</b></p> <p><input type="checkbox"/> Authorized to be charged by credit card<br/> <input type="checkbox"/> Authorized to be charged to deposit account<br/> <input type="checkbox"/> Enclosed</p>   |
| <p><b>8. Payment Information:</b></p> <p>a. Credit Card      Last 4 Numbers _____<br/> Expiration Date _____</p> <p>b. Deposit Account Number _____<br/> Authorized User Name _____</p>   |  |
| <p><b>9. Signature:</b> <u>Angela Alvarez Sujek</u>      _____<br/> Signature      Date</p> <p style="text-align: center;"><u>Angela Alvarez Sujek</u><br/> Name of Person Signing</p> <p style="text-align: right;">Total number of pages including cover sheet, attachments, and document: <span style="border: 1px solid black; padding: 2px 10px;">8</span></p>   |  |

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, VA 22313-1450

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of December 19, 2007 by and between COMERICA BANK ("Bank") and PROPEL BIOFUELS, INC., a Delaware corporation ("Grantor").

### RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodation to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"). Capitalized terms used herein are used as defined in the Loan Agreement.

B. Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

C. Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

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 Loan Agreement and all other agreements now existing or hereafter arising between Grantor and Bank, Grantor hereby represents, warrants, covenants and agrees as follows:

### AGREEMENT

To secure its obligations under the Loan Agreement and under any other agreement now existing or hereafter arising between Bank and Grantor, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Exhibits 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 Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan 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 Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan 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 Bank, of any or all other rights, powers or remedies.

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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.

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.

GRANTOR:

Address of Grantor:

2311 North 45<sup>th</sup> Street, Suite 245  
Seattle, WA 98103

Attn: JOE KOELZER, CFO

PROPEL BIOFUELS, INC.

By: [Signature]

Title: CEO

Address of Bank:

Comerica Bank  
m/c 4770  
75 E. Trimble Road  
San Jose, CA 95131  
Attn: Manager  
Fax: (408) 556-5091

BANK:

COMERICA BANK

By: [Signature]

Title: VP

**EXHIBIT A**

**Copyrights**

None.

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**TRADEMARK**  
**REEL: 003767 FRAME: 0827**

**EXHIBIT B**

**Patents**

None.

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**EXHIBIT C****Trademarks**

| <u>Description</u>  | <u>Registration/Application<br/>Number</u> | <u>Registration/Application<br/>Date</u> |
|---------------------|--|--|
| FUELING CHANGE      | 77/162259                                  | 4/20/07                                  |
| PROPEL (and Design) | 77/162228                                  | 4/20/07                                  |
| PROPEL              | 77/162181                                  | 4/20/07                                  |

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