

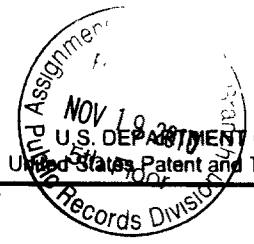
11/19/10

11-19-2010



Form PTO-1594 (Rev 01-09)
OMB Collection 0651-0027 (exp 02/2)

103611605



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.

1. Name of conveying party(ies):

Avalar Network, Inc.

Individual(s) Association
 General Partnership Limited Partnership
 Corporation- State Nevada
 Other _____

Citizenship (see guidelines) Nevada (U.S.A)

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Arthur H. Sutter

Internal Address: _____

Street Address: 1032 Dry Creek Road

City: Healdsburg

State: CA

Country: USA Zip: 95422

Association Citizenship _____
 General Partnership Citizenship _____
 Limited Partnership Citizenship _____
 Corporation Citizenship _____
 Other Individual Citizenship U.S.A.

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
 (Designations must be a separate document from assignment)

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

Execution Date(s) November 9, 2010

Assignment Merger
 Security Agreement Change of Name
 Other _____

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No (s) _____

B. Trademark Registration No.(s) 1344964; 1509510; 1169550

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):
 Reg. No. 1344964 Service Mark Principal Register Better Homes Realty; Reg No. 1509510 Service Mark Principal Register Concurrent Use Better Homes Realty; Reg. No. 1169550 Service Mark Principal Register (shield lined for colors red and blue)

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

Name Charles N. Bendes

Internal Address: _____

Street Address 1999 Harrison Street, Suite 2675

City Oakland

State: CA Zip: 94612

Phone Number 510-763-1000

Fax Number 510-273-8669

Email Address: c.bendes@kornfieldlaw.com

6. Total number of applications and registrations involved: 3

7. Total fee (37 CFR 2.6(b)(6) & 3 41) \$90.00

Authorized to be charged to deposit account
 Enclosed

11/19/2010 LMARTIN 00000007 1344964

8. Payment Information:

40.00 00
 01 FC:0521
 02 FC:8522
 50.00 00

Deposit Account Number _____

Authorized User Name _____

9. Signature: [Signature] November 17, 2010

Signature Date

Charles N. Bendes

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 9

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REF: 004705 FRAME: 0001

Attachment to Item 2

2.

Name: Sutter Commercial Capital, a California Corporation

Address: c/o Arthur Sutter, 1032 Dry Creek Road, Healdsburg, CA 95422

Corporation: Nevada (U.S.A.)

SECURITY AGREEMENT

This Security Agreement is entered into as of the date executed by the parties, between Avalor Network, Inc., a Nevada Corporation ("Avalor" or "Debtor") and Arthur H. Sutter, individually and as Trustee of the Arthur H. Sutter Revocable Trust UAD October 20, 1998 ("Sutter") and Sutter Commercial Capital, a California Corporation ("SCC") (collectively "Secured Party") as follows:

For value received, in order to secure all of the rights of Sutter & SCC under that certain Stock Purchase and Sale Agreement and that certain Consulting Agreement between the parties dated as of June 1, 2008 as modified by that certain Modification Agreement of even date herewith, copies of which are attached hereto as Exhibits A, B and C, respectively, Debtor grants to the Secured Party a security interest in the following described property: all of the assets of Avalor (including the premerger assets of Better Homes Realty, Inc.) of any kind or nature, tangible or intangible, real or personal now owned or hereafter acquired and their proceeds and accessions, including without limitation, accounts, contract rights, general intangibles, payment intangibles, books, records and trademarks, trade names, service marks, patents and, all other intellectual property, including but not limited to the Better Homes Realty Service Marks, United States Patent and Trademark Office Registrations Nos. 1344964, 1509510 and 1169550 (collectively referred to as the "Collateral"), which such security interest shall be junior only to the following three (3) liens recorded by the IRS ("IRS Liens") recorded with the Clark County, Nevada Recorder's Office: Federal Tax Lien No. 200912110000082, in the amount of \$81,409 filed December 11, 2009, Federal Tax Lien No. 201003040002603, in the amount of \$30,650 filed March 4, 2010, Federal Tax Lien No. 20100460001607, filed April 16, 2010 (collectively, the "IRS Liens").

Title

1. Except for the security interest granted by this agreement and the IRS Liens, the Debtor warrants it has full title to the Collateral and has no knowledge of any other lien, security interest, encumbrance, or claim and will defend any action that may affect the Debtor's title to, the Collateral.

Financing Statement

2. At the Secured Party's request, the Debtor will join in executing all necessary financing statements in forms in order to perfect security party's security interest in the Collateral satisfactory to the Secured Party and will further execute all other instruments deemed necessary by the Secured Party.

Sale, Lease, or Disposition of Collateral

3. The Debtor will not sell, contract to sell, lease, encumber, or dispose of the Collateral or any

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interest in it without the written consent of the Secured Party until this Security Agreement and all debts secured by it have been fully satisfied.

Protection of Collateral

4. The Debtor will not waste or destroy the Collateral or any part of it. The Debtor will not use the Collateral in violation of any statute or ordinance, and the Secured Party will have the right to examine and inspect the Collateral at any reasonable time.

Taxes and Assessments

5. With the exception of the IRS Liens (which are subject to a payment plan), Debtor will pay promptly when due all taxes and assessments on the Collateral, or any part of the Collateral, or for its use and operation.

Location and Identification

6. The Debtor will keep the Collateral separate and identifiable and at the address shown above, and will not remove the Collateral from that address without the Secured Party's written consent, for as long as this Security Agreement remains in effect.

Security Interest in Proceeds and Accessions

7. The Debtor grants to the Secured Party a security interest in and to all proceeds, increases, substitutions, replacements, additions, and accessions to the Collateral and to any part of the Collateral. This provision shall not be construed to mean that the Debtor is authorized to sell, lease, or dispose of the Collateral without the prior written consent of the Secured Party.

Reimbursement of Expenses

8. At the option of the Secured Party, the Secured Party may discharge taxes, liens, interest, or perform or cause to be performed for and on behalf of the Debtor any actions and conditions, obligations, or covenants that the Debtor has failed or refused to perform. In addition, the Secured Party may pay for the repair, maintenance, and preservation of the Collateral. The Secured Party also may enter the premises with 72-hour advance notice to Debtor where the Collateral or any part of it is located and cause to be performed as agent and on the account of the Debtor any acts that the Secured Party deems necessary for the proper repair or maintenance of the Collateral or any part of it. Payments of all sums expended by the Secured Party under this paragraph, including but not limited to, attorneys' fees, court costs, agent's fees, or commissions, or any other costs or expenses, will be secured by this Security Agreement.

Change of Place of Business

9. The Debtor will promptly notify the Secured Party of any change of the Debtor's, chief place

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of business, or place where records concerning the collateral are kept.

Attorney-in-Fact

10. The Debtor appoints the Secured Party as the Debtor's attorney-in-fact to, upon any default by Debtor hereunder, do any act that the Debtor is obligated by this Security Agreement to do, to exercise all rights of the Debtor in the Collateral, to make collections, to execute all papers and instruments, and to do all other things necessary to preserve and protect the Collateral, to make collections, and to protect the Secured Party's security interest in the Collateral.

Time of Performance and Waiver

11. In performing any act under this Security Agreement and the obligations secured by it, time is of the essence. The Secured Party's acceptance of partial or delinquent payments, or the failure of the Secured Party to exercise any right or remedy, will not constitute a waiver of any obligation of the Debtor or right of the Secured Party and will not constitute a waiver of any other similar default that occurs later.

Default

12. The security interest in the Collateral secures all of Secured Party's rights, however Secured Party shall only be entitled to accelerate the future Earnout and Retainer Payments due under the Stock Purchase and Sale Agreement and Consulting Agreement in the following events, which also will constitute events of default under this Security Agreement:

- (i) Failure to pay all payments then due (other than amounts then in the dispute resolution process described in Section 1(c) of the Modification Agreement) within thirty (30) days of written notice of default given in the manner provided in Section 4.8 of the Stock Purchase and Sale Agreement or received by Debtor, failure to pay any disputed amount determined or deemed due under the dispute resolution process within thirty (30) days of such determination; or
- (ii) The commencement of a voluntary or involuntary petition in bankruptcy or an assignment for benefit of creditors or other proceeding under any bankruptcy or insolvency law; the sale transfer or other disposition of the Collateral or any portion thereof other than in the ordinary course of business; the appointment of a receiver, or making of any levy, seizure or attachment of or on the Collateral or any part thereof; or the dissolution, termination of existence of or cessation of business.

Secured Party shall in the event of default have the right to pursue any and/or all rights and remedies, legal or equitable, under the California Commercial Code and applicable law and to recover any reasonable attorneys' fees, costs, advances or expenditures regarding their enforcement or the protection and/or preservation of the Collateral or Secured Party's rights therein, provided that such rights and remedies shall not result in any personal liability against

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Charles Scoble and Sandra Scoble or any other shareholders of Avalar; provided further that nothing contained herein is intended to or shall be construed so as to relieve said Charles Scoble and/or Sandra Scoble of any personal liability that they would otherwise have or have had under the existing Stock Purchase and Sale Agreement or the existing Consulting Agreement.

Governing Law

13. This Security Agreement will be construed in accordance with the California Commercial Code and other applicable laws of the State of California. This Agreement is entered into at Santa Rosa, California and the parties consent to jurisdiction in the State of California.

Parties Bound

14. This Security Agreement will be binding on and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, successors, and assigns as permitted by this Security Agreement.

Validity and Construction

15. If any one or more of the provisions contained in this Security Agreement is for any reason held to be invalid, illegal, or unenforceable, the invalidity, illegality, or unenforceability of that provision will not affect any other provision of this Security Agreement, and this Security Agreement will be construed as if the invalid, illegal, or unenforceable provision had never been contained in it.

Sole Agreement

16. This Security Agreement, together with the Modification Agreement, Stock Purchase and Sale Agreement and Consulting Agreement, attached as Exhibits A, B and C, and the Settlement Agreement between the parties of even date herewith, and that certain Non-Competition Agreement between the parties referred to in the Modification Agreement constitutes the only agreement of the parties, and supersedes any prior understandings or written or oral agreements between the parties, respecting the subject matter of this Security Agreement.

Commercial Code Definitions Applicable

17. All terms used in this Security Agreement that are defined in the California Commercial Code will have the same meaning in this Security Agreement as in the Code.

Notices

18. Any notice provided for or required by this Security Agreement shall be provided in given in writing and may be given in the manner provided in Section 4.8 of the Stock Purchase and Sale Agreement.

DEBTOR

Dated: 11-9-10

Charles W. Scoble
Avalar Network, Inc., by Charles
W. Scoble, its President

SECURED PARTY

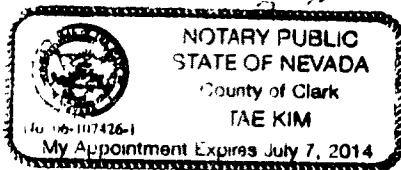
Dated:

Arthur H. Sutter, individually
and as Trustee of the Arthur H. Sutter
Revocable Trust UAD October 20, 1998 and
Sutter Commercial Capital, a California
Corporation by Arthur H. Sutter, its
President

State of Nevada
County of Clark

I certify this is a true and correct
copy of a document in the
possession of SCOBLE, CHARLES WILLIAM

ON 11-9-10 AT NOVEMBER 2010



Notices

18. Any notice provided for or required by this Security Agreement shall be provided in given in writing and may be given in the manner provided in Section 4.8 of the Stock Purchase and Sale Agreement.

DEBTOR


Dated:

Avalar Network, Inc., by Charles
W. Scoble, its President

SECURED PARTY

Dated:

11/3/10



Arthur H. Sutter, individually
and as Trustee of the Arthur H. Sutter
Revocable Trust UAD October 20, 1998 and
Sutter Commercial Capital, a California
Corporation by Arthur H. Sutter, its
President

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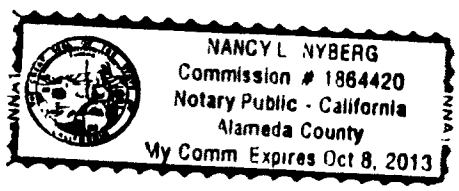
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Alameda

On 11/3/10 before me, Nancy R. Nyberg, a Notary Public

personally appeared Andrew H. Suter



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Nancy R. Nyberg
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Security Agreement
Document Date: 11/3/10 Number of Pages: 5pp new exhibit

Signer(s) Other Than Named Above: _____

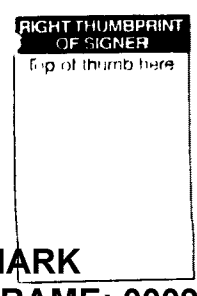
Capacity(ies) Claimed by Signer(s)

- Signer's Name: _____
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other _____



Signer Is Representing _____

- Signer's Name: _____
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other _____



Signer Is Representing: _____

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