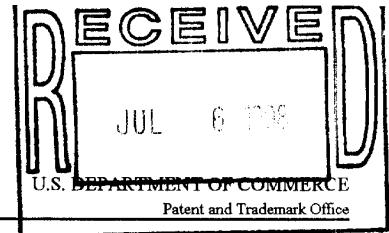


07-14-1998



100763014



FORM PTO-1595
1-31-92

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

1. Name of conveying party(ies):

Control Resources Corporation

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

3. Nature of Conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other: _____

Execution Date: May 15, 1998

2. Name and address of receiving party(ies):

Name: Union Bank of California, N.A., as agent
Address: 350 California Street, 10th floor
City: San Francisco State: CA Zip: 94104

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

4. Application number(s) or patent number(s):

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)

4,447,813

Additional numbers attached? Yes No

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

Name: Erin O'Brien
Internal Address: GRAY CARY WARE & FREIDENRICH
400 Hamilton Avenue
Palo Alto, California 94301

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3.41) \$ 40.00
 Enclosed

8. Deposit account number: 07-1896
Please debit any underpayment or credit any overpayment to the above deposit account.

Our Order No. 1210115-900200

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.

Erin O'Brien
Name of Person Signing

Erin O'Brien
Signature

July 2, 1998
Date

Total number of pages comprising cover sheet: [12]

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

07/06/1998 SSMITH 00000030 071896 4447813
01 FC:581 40.00 CH

Commissioner of Patents and Trademarks
Box Assignments
Washington, DC 20231

PA1\603712
PA\793625.1
1210115-900200

PATENT
REEL: 9297 FRAME: 0366

SUBSIDIARY INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Subsidiary Intellectual Property Security Agreement, dated as of May 15, 1998, is made by Control Resources Corporation (the "Grantor"), in favor of Union Bank of California, N.A. (the "Agent"), as agent for the financial institutions party to the Credit Agreement described below.

RECITALS

A. P-Com, Inc., a Delaware corporation ("Borrower"), certain financial institutions (each, a "Lender" and collectively, the "Lenders"), and Agent have entered into a Credit Agreement of even date herewith (said Credit Agreement, as it may hereafter be amended from time to time, being the "Credit Agreement," the terms defined therein and not otherwise defined herein being used herein as therein defined), pursuant to which Lenders have made certain commitments, subject to the terms and conditions set forth in the Credit Agreement, to extend certain credit facilities to Borrower.

B. Grantor is a direct or indirect subsidiary of the Borrower and expects to derive substantial direct and indirect benefit from the transactions contemplated by the Credit Agreement. Grantor has executed a Subsidiary Guaranty (the "Guaranty") dated as of even date herewith, in favor of Agent.

C. It is a condition precedent to the initial extensions of credit by Lenders under the Credit Agreement that Grantor shall have granted the security interests and undertaken the obligations contemplated by this Agreement.

D. Grantor and Agent are entering into this Agreement in order to perfect the security interest of Agent in certain intangible property for purposes of securing the obligations of Grantor to Agent.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

E. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of Grantor's present or future indebtedness, obligations and liabilities to the Agent, Issuing Bank and Lenders under or arising out of or in connection with the Credit Agreement, the Guaranty, or any other Loan Document, subject to Permitted Liens and other Liens permitted under the Credit Agreement, Grantor hereby assigns, transfers, conveys and grants a first priority security interest to Agent, for the benefit of Agent and Lenders, as security, in and to Grantor's entire right, title and interest in, to and under the following (all of which shall collectively be called the "Collateral"):

1. Any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof that is created by Grantor, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including without limitation those set forth on Exhibit A attached hereto (collectively, the "Copyrights");

2. Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

3. Any and all design rights which may be available to Grantor now or hereafter existing, created, acquired or held;

4. All patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "Patents");

5. Any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Grantor connected with and symbolized by such trademarks, including without limitation those set forth on Exhibit C attached hereto (collectively, the "Trademarks");

6. Right to the proceeds (excluding attorneys' and other professional and expert fees and expenses) arising from any and all claims for damages by way of past, present and future infringement of any of the rights included above, with the right, but not the obligation, to sue on behalf of and collect such damages for said use or infringement of the intellectual property rights identified above;

7. All licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights; and

8. All amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents; and

9. All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

F. Authorization and Request. Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this security agreement.

G. Covenants and Warranties. Grantor represents, warrants, covenants and agrees as follows:

1. Each of the Patents, Trademarks, Copyrights and licenses held by Grantor is listed, together with application or registration numbers, as applicable, on Exhibits A, B and C hereto. Grantor has not granted to any Person (other than its affiliates) any interest in the Collateral, except for non-exclusive licenses granted by Grantor to its customers in the ordinary course of business.

2. Performance of this Agreement does not conflict with or result in a breach of any agreement to which Grantor is party or by which Grantor is bound.

3. During the term of this Agreement, Grantor will not transfer or otherwise encumber any interest in the Collateral, except for non-exclusive licenses granted by Grantor in the ordinary course of business or as set forth in this Agreement or permitted under the Credit Agreement.

4. To its knowledge, each of the Patents is valid and enforceable, and no part of the Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that expressly asserts that any part of the Collateral violates the rights of any third party.

5. Grantor shall promptly advise Agent of any material change in the composition of the Collateral, including but not limited to any subsequent ownership right of the Grantor in or to any Trademark, Patent or Copyright not specified in this Agreement.

6. Grantor shall register or cause to be registered (to the extent not already registered) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, those intellectual property rights of Grantor which, either individually or together with other intellectual property rights of Grantor, P-Com, Inc. or any of its Subsidiaries, generate or are expected to generate accounts receivable equal to or greater than \$5,000,000 in any fiscal year (the "Material Intellectual Property Rights"), including without limitation those intellectual property rights listed on Exhibits A, B and C hereto, within sixty (60) days of this Agreement. Grantor shall register or cause to be registered with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, those additional Material Intellectual Property Rights developed

or acquired by Borrower from time to time, prior to the sale or licensing of such product to any third party, including without limitation revisions or additions to the intellectual property rights listed on Exhibits A, B and C hereto.

7. Grantor shall execute and deliver such additional instruments and documents from time to time as the Agent shall reasonably request to perfect the Agent's security interest in the Collateral.

8. Grantor shall (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents, and Copyrights, (ii) use commercially reasonable efforts to detect infringements of the Trademarks, Patents, and Copyrights and promptly advise the Agent in writing of material infringements detected and (iii) not allow any Trademarks, Patents, or Copyrights to be abandoned, forfeited or dedicated to the public without the written consent of the Agent, which shall not be unreasonably withheld, except, in each case, for any such Trademarks, Patents or Copyrights that Grantor has determined are no longer materially important for the conduct of its business.

9. This Agreement creates, and in the case of after acquired Collateral, this Agreement will create at the time Grantor first has rights in such after acquired Collateral, in favor of Agent a valid and perfected first priority (subject to Permitted Liens or other Liens permitted under the Credit Agreement) security interest in the Collateral in the United States securing the payment and performance of the obligations evidenced by the Note upon making the filings referred to in clause (j) below.

10. To its knowledge, except for, and upon, the filing with the United States Patent and Trademark office with respect to the Patents and Trademarks and the Register of Copyrights with respect to the Copyrights necessary to perfect the security interests and assignment created hereunder, and except as has been already made or obtained, no authorization, approval or other action by, and no notice to or filing with, any U.S. governmental authority or U.S. regulatory body is required either (i) for the grant by Grantor of the security interest granted hereby or for the execution, delivery or performance of this Agreement by Grantor in the U.S. or (ii) for the perfection in the United States or the exercise by Agent of its rights and remedies hereunder, to the extent that such perfection can be effected by such filings referred to above.

11. All information heretofore, herein or hereafter supplied to Agent by or on behalf of Grantor with respect to the Collateral is accurate and complete in all material respects.

12. Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Agent's prior written consent, which consent shall not be unreasonably withheld. Grantor shall not permit the inclusion in any material contract to which it becomes a party of any provisions that could or might in any way prevent the creation of a security interest in Grantor's rights and interests in any property included within the definition of the Collateral acquired under such contracts, except that certain contracts may contain anti-assignment provisions that could in effect prohibit the creation of a security interest in such contracts, and except that Grantor shall not be prohibited from granting exclusive and non-exclusive licenses, or entering into marketing and distribution agreements in the normal course of its business.

13. Upon any executive officer of Grantor obtaining actual knowledge thereof, Grantor will promptly notify Agent in writing of any event that materially adversely affects the value of any Collateral, the ability of Grantor to dispose of any Collateral or the rights and remedies of Agent in relation thereto, including the levy of any legal process against any of the Collateral in proceedings that, if determined adversely to Grantor would have a Material Adverse Effect.

H. Agent's Rights. Agent shall have the right, but not the obligation, to take, at Grantor's sole expense, any actions that Grantor is required under this Agreement to take but which Grantor fails to take, after thirty (30) days' notice to Grantor. Grantor shall reimburse and indemnify Agent for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this section 4.

I. Inspection Rights. Grantor hereby grants to Agent and its employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable written notice to Grantor, any of Grantor's plants and facilities that manufacture, install or store products (or that have done so during the prior six-month period) that are sold utilizing any of the Collateral, and to inspect the products and quality control records relating thereto upon reasonable written notice to Grantor and as often as may be reasonably requested, but not more than once in each calendar year if no Event of Default has occurred.

J. Further Assurances; Attorney in Fact.

1. On a continuing basis, Grantor will, subject to any prior licenses, encumbrances and restrictions and prospective licenses, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademark Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as requested by Agent, to perfect Agent's security interest in all Copyrights, Patents and Trademarks and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to Agent the grant or perfection of a security interest in all Collateral (but only to the extent required under Section 3(f) above).

2. Grantor hereby irrevocably (until the Secured Obligations shall have been paid in full and the Credit Agreement is terminated or expired) appoints Agent as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, from time to time in Agent's discretion, to take any action and to execute any instrument which Agent may reasonably deem necessary to accomplish the purposes of this Agreement, including:

a. To modify, in its sole discretion, this Agreement without first obtaining Grantor's approval of or signature to such modification by amending Exhibit A, Exhibit B and Exhibit C, thereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Grantor no longer has or claims any right, title or interest; and

b. To file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of Grantor where permitted by law.

K. Events of Default. The occurrence of any of the following shall constitute an Event of Default under this Agreement:

1. An Event of Default occurs under the Credit Agreement or any other Loan Document;
or

2. Grantor breaches any warranty or agreement made by Grantor in this Agreement and any such breach shall remain unremedied or uncured for thirty (30) days after the Grantor knows of such breach or, in the event such breach cannot by its nature be cured within such thirty (30) day period or cannot after diligent attempts by Grantor be cured within such thirty (30) day period, and the Grantor determines and so notifies Assignee within such thirty (30) day period that such a remedy or cure is practicable within an additional thirty (30) days, such failure shall remain unremedied or uncured for sixty (60) days after the Grantor knows of such breach.

L. Remedies. Upon the occurrence and continuance of an Event of Default, Agent shall have the right to exercise all the remedies of a secured party under the Uniform Commercial Code, including without limitation the right to require Grantor to assemble the Collateral and any tangible property in which Agent has a security interest and to make it available to Agent at a place designated by Agent. Agent shall have a nonexclusive, royalty free license to use the Copyrights, Patents and Trademarks to the extent reasonably necessary to permit Agent to exercise its rights and remedies upon the occurrence of an Event of Default. Grantor will pay

any expenses (including reasonable attorneys' fees) incurred by Agent in connection with the exercise of any of Agent's rights hereunder, including without limitation any expense incurred in disposing of the Collateral. All of Agent's rights and remedies with respect to the Collateral shall be cumulative.

M. Indemnity. Grantor agrees to defend, indemnify and hold harmless Agent, Lenders and their respective officers, employees, and agents against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Agreement, and (b) all losses or expenses in any way suffered, incurred, or paid by Agent and/or Lenders as a result of or in any way arising out of, following or consequential to transactions between Agent and/or Lenders and Grantor, whether under this Agreement or otherwise (including without limitation reasonable attorneys' fees and reasonable expenses), except for losses arising from or out of the gross negligence or willful misconduct of such Agent or Lenders.

N. Reassignment. At such time as Grantor shall completely satisfy all of the obligations secured hereunder, Agent shall execute and deliver to Grantor all deeds, assignments and other instruments as may be necessary or proper to revest in Grantor full title to the property assigned hereunder, subject to any disposition thereof which may have been made by Agent pursuant hereto.

O. Course of Dealing. No course of dealing, nor any failure to exercise, nor any delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

P. Attorneys' Fees. If any action relating to this Agreement is brought by either party hereto against the other party, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements.

Q. Amendments. This Agreement may be amended only by a written instrument signed by both parties hereto.

R. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

S. California Law and Jurisdiction. This Agreement shall be governed by the laws of the State of California, without regard for choice of law provisions. Each party hereto consents to the exclusive jurisdiction of any state or federal court located in the County of San Francisco or Santa Clara, California.

T. Waiver of Jury Trial. EACH PARTY HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL - ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING WITHOUT LIMITATION CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR EACH SUCH PARTY TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH SUCH PARTY HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH SUCH PARTY WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT EACH SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT EACH SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Address of Grantor:

Attn: _____

Grantor:

CONTROL RESOURCES CORPORATION

By: _____

Address of Agent:

350 California Street, 10th Floor
San Francisco, CA 94104

Attn: Cecilia Person

Agent:

UNION BANK OF CALIFORNIA, N.A.

By: _____

EXHIBIT A

Copyrights

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
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EXHIBIT B

Patents

<u>Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
Programmable bus for the control of electronic apparatus	4,447,813	05/08/84

EXHIBIT B

Patents

<u>Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
Programmable bus for the control of electronic apparatus	4,447,813	05/08/84

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