

FORM PTO-1619A  
Expires 3/30/99  
OMB 0651-0027

08-27-1998



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U.S. Department of Commerce  
Patent and Trademark Office  
**PATENT**

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8.00.98

**RECORDATION FORM COVER SHEET  
PATENTS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

**Submission Type**

- ☐ New
- ☐ Resubmission (Non-Recordation)  
Document ID#
- ☐ Correction of PTO Error  
Reel #  Frame #
- ☐ Corrective Document  
Reel #  Frame #

**Conveyance Type**

- ☐ Assignment ☒ Security Agreement
- ☐ License ☐ Change of Name
- ☐ Merger ☐ Other
- U.S. Government**  
(For Use ONLY by U.S. Government Agencies)
- ☐ Departmental File ☐ Secret File

**Conveying Party(ies)**

- ☐ Mark if additional names of conveying parties attached
- Execution Date  
Month Day Year  
**Aug 7, 1998**

Name (line 1)

Name (line 2)

**Second Party**

Name (line 1)

Name (line 2)

**Receiving Party**

- ☐ Mark if additional names of receiving parties attached

Name (line 1)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

08/24/1998 INQUIRY 00000249 09087452

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Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

REEL: 9404 FRAME: 0428

**Correspondent Name and Address**

Area Code and Telephone Number (408) 253-4393

Name Anil Nigam

Address (line 1) Flextor Corporation

Address (line 2) 1340 De Anza Blvd., #103

Address (line 3) San Jose, CA 95129

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

# 11

**Application Number(s) or Patent Number(s)**

☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

**Patent Application Number(s)**

09 007 452

**Patent Number(s)**

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor.

Month Day Year

**Patent Cooperation Treaty (PCT)**

Enter PCT application number

only if a U.S. Application Number has not been assigned.

PCT PCT PCT  
PCT PCT PCT

**Number of Properties**

Enter the total number of properties involved.

# 1

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41): \$ 40.00

Method of Payment:  
Deposit Account

Enclosed ☒

Deposit Account ☐

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

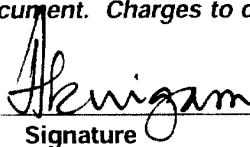
Yes ☐ No ☐

**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. Charges to deposit account are authorized, as indicated herein.

Anil Nigam

Name of Person Signing



Signature

Aug 7, 1998

Date

## SECURITY AGREEMENT

**THIS AGREEMENT** is made as of August 7, 1998, by Flextor Corporation, a California Corporation ("Debtor") in favor of Antek Peripherals, Inc., a California Corporation (Secured Party").

1. Grant of Security Interest. Debtor grants, assigns and transfers to Secured Party a security interest, subject to no security interest, lien, claim or right in favor of any other person, in all Debtor's interests in the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and whether located at Debtor's places of business or elsewhere (collectively, "Collateral"):

(a) All furniture, fixtures, vehicles and equipment and all additions and accessions thereto;

(b) All inventory;

(c) All general intangibles, including without limitation all rights under leases of real or personal property (whether as lessee or lessor), all rights under any franchise agreement or license agreement and all other contract rights, and all accounts, accounts receivable, deposits, deposit accounts, documents, chattel paper and other rights to payment of any kind, whether from the sale, lease or other disposition of inventory, from performance of contracts for services, manufacture, construction, maintenance or repair, or otherwise;

(d) All interests in any partnership, joint venture, or limited liability company; and all rights under any permit, license, or approval issued or granted by any government agency;

(e) All instruments, letters of credit, certificates of deposit and securities, together with any stock rights, rights to subscribe, liquidating dividends, stock dividends, dividends paid in stock, or other property which Debtor is or may hereafter become entitled to receive on account of such instruments, securities, or other property (together with chattel paper and documents, called "Instruments");

(f) All rights in copyright, whether registered or not, together with all copies of any materials of any kind which are the subject of any copyright or copyright application and all derivative works, documents and other materials relating thereto, and all accounts receivable and other rights to payment arising therefrom;

(g) All trademarks, trade names, service marks, and applications for registration thereof, together with all Debtor's

good will and all licenses, documents, and materials relating thereto;

(h) All patents and patent applications, together with all models, samples, drawings, sketches, plans, photographs, and written or printed studies, analyses, reports, applications documents or other materials relating thereto;

(i) All proprietary rights, customer lists, other confidential or proprietary information, trade secrets, discoveries, inventions, secret processes, know-how proprietary arts, and secret, novel, or original ideas, applications, combinations, processes, specifications, formulas, algorithms, and technology, whether relating to any developed or designed products, machines, tools or equipment, or any components thereof, or otherwise, whether patentable or not patentable, together with all models, samples, drawings, sketches, plans, photographs, and written and printed studies, analyses, reports, applications, documents, or other materials relating thereto;

(j) All licenses relating to any of the property described in this Section 1, and all other licenses, in either case, whether as licensor or licensee, and all guaranties, warranties indemnity agreements, service agreements, maintenance agreements, insurance policies, and other agreements and contracts;

(k) All computer software programs, systems and modules, including without limitation all source codes, object codes and data bases, whether magnetic, laser-readable, printed, visual or other media or otherwise, all interpretive comments, explanations, manuals, diagrams, flow charts, instructions, specifications and work papers, other media or otherwise and all revisions, derivations, enhancements, updates and other variations of any of the foregoing;

(l) The right to prevent all persons, including Debtor, from using or transferring any of the property described above;

(m) All other personal property; and

(n) All proceeds and products from the property described above (including insurance proceeds).

The terms used to describe the Collateral shall have the meanings assigned by the Uniform Commercial Code as presently enacted in California ("UCC"); provided that the use of terms which represent only a subcategory of a broader category of collateral (or the use of terms which are not defined in the UCC) shall not be deemed directly or indirectly to restrict the more expansive meaning of the terms used in the UCC to define broader

categories of Collateral.

2. Obligations Secured. This Agreement and the security interests granted hereby secure the payment of all indebtedness and the performance of all obligations of Debtor to Secured Party now existing or hereafter arising in connection with this Agreement; that certain Promissory Note of even date herewith in the principal amount of \$193,984.57 executed by Debtor to the order of the Secured Party ("Note") and the other instruments and agreements executed in connection there-with; and all other obligations, indebtedness and liabilities of Debtor to the Secured Party (herein individually and collectively called the "Obligations").

The words "indebtedness", "liabilities", and "obligations" are used in this Agreement in their broadest and most comprehensive senses and include all debts, obligations, and liabilities of every kind heretofore, now, or hereafter made, incurred, or created, whether voluntary or involuntary and however arising, whether due or not due, absolute, inchoate or contingent, liquidated or unliquidated, determined or undetermined, and whether the obligor may be liable individually or jointly with others.

3. Representations and Warranties. Debtor represents and warrants as follows:

(a) It has, and at all times will have, good and marketable title to the Collateral, free and clear of any security interest, mortgage, claim, pledge, right, license, interest, lien, charge, default, defense, condition precedent, or encumbrance, except as granted by this Agreement.

(b) The security interest granted to Secured Party by this Agreement is, and at all times will be, a legal, valid, and binding security interest in all of the Collateral, enforceable in accordance with its terms.

(c) Each of the representations, warranties, acknowledgments and other statements of fact by Debtor to Secured Party in connection with the Note or this Agreement is true and is incorporated herein;

(d) All Instruments and other Collateral which are comprised or evidenced in whole or in part by one or more writings are genuine and comply with all applicable laws concerning form, content, and manner of preparation, execution, registration, filing, recording and perfection;

(e) All signatories to any Instruments or other Collateral which are comprised or evidenced in whole or in part by one or more writings are bound as they appear to be by their

signatures and have the requisite authority and capacity to execute such Collateral, and such Collateral is valid, binding and legally enforceable; and

(f) Debtor's principal place of business, its executive offices and its books and records are located at 1340 De Anza Blvd., #103, San Jose, California 95129.

4. Debtor's Covenants.

(a) Protection of Collateral, Further Assurances, Etc. Debtor, at its expense, shall warrant and defend the title to the Collateral against the claims of all third parties and shall from time to time execute and deliver all such further documents and take all such further action as may be necessary or appropriate or as Secured Party may deem necessary or appropriate (1) to create, perfect, protect, and maintain the security interests contemplated hereby, (2) to facilitate the performance of this Agreement, (3) to secure or facilitate Secured Party's exercise of its rights and remedies, (4) to evaluate the worth, condition, and amount or extent of the Collateral, (5) to evaluate Debtor's performance of this Agreement, (6) to determine the nature and source of prior or subsequent security interests, mortgages, adverse claims, pledges, liens, charges, or encumbrances on or affecting the Collateral, or (7) to maintain, preserve, and protect the Collateral and to keep the Collateral in good and salable condition in accordance with standards and practices generally adhered to by users or owners of such Collateral. Under no circumstances shall Debtors commingle any proceeds of any Collateral with any other money or other property of Debtor or any other person.

(b) Liens Etc. on Collateral. Debtor shall not knowingly create or suffer to be created or to exist any security interest in, or any mortgage, pledge, lien, charge, or encumbrance upon, the Collateral or any part thereof, other than the security interests created hereby.

(c) Perfection of Security Interest. Debtor shall execute and deliver and, if requested by Secured Party, file or record all such financing statements and other documents and instruments, and do and perform all such other acts and things, necessary to perfect or give any necessary or desirable notice of Secured Party's security interests in the Collateral, including without limitation giving notice of Secured Party's rights hereunder to all bailees of any Collateral, to all holders of any of Debtor's deposit accounts and to all persons or entities who may be obligated on any Collateral which is comprised or evidenced by any writing. Debtor shall obtain appropriate consents from all persons and entities whose consents may be necessary or desirable in order to vest Secured Party with a valid and enforceable security interest in the Collateral.

Debtor further agrees not to remove its principal place of business or the place where it keeps its records concerning the Collateral from the State of California.

(d) Books and Records; Notice. Debtor shall keep, in accordance with generally accepted accounting principles consistently applied, substantially complete and accurate books and records concerning all Collateral, including proceeds thereof, and to permit Secured Party and its designees at all reasonable times to enter Debtor's premises and to inspect Debtor's books, records, and properties and to audit and make copies or extracts from such books and records.

(e) Notice of Third Party Actions. Debtor shall promptly notify Secured Party of any legal process levied against the Collateral or any other event which affects the value of the Collateral or the rights and remedies of Secured Party in relation thereto.

(f) Insurance. Debtor shall keep the Collateral insured at all times against such risks, with such carriers, in such amounts and under such policies as shall be satisfactory to Secured Party, and Secured Party shall be a loss payee under each such policy.

(g) Collateral Designation Statement. At the request of Secured Party, Debtor shall deliver to it certified statements describing with particularity all Collateral then subject to this Agreement, and disclosing the precise location of such Collateral and all other security interests, mortgages, adverse claims, pledges, liens, charges, or encumbrances to which such Collateral may be subject.

(h) Taxes. Debtor shall pay prior to delinquency all taxes, charges, liens, and assessments against any or all of the Collateral (including any taxes payable with respect to the execution of this Agreement), whether now existing or hereafter arising, except such as may be contested in good faith by appropriate proceedings prior to final judgement or determination; provided that Debtor shall establish appropriate reserves with respect to such contested obligations and shall pay all such contested obligations when and to the extent that a final judgement or determination is made thereof. Debtor shall indemnify Secured Party and hold it harmless against all such liabilities.

5. Miscellaneous Rights of Secured Party. At any time, whether or not an Event of Default has occurred, without notice and at the expense of Debtor, Secured Party may, but shall not be obligated to:

(a) Notify any person obligated on any of the

Collateral of Secured Party's rights under this Agreement and enforce any or all such rights;

(b) Endorse, receive, and collect by legal action or otherwise all distributions, disposition fees, other fees, dividends, interest, principal, royalties or other sums now or hereafter payable upon, on account of, or in connection with any of the Collateral;

(c) Insure, process, administer, defend, and preserve the Collateral;

(d) Perform any Obligations;

(e) Deliver the Collateral or any part thereof to Debtor at any time, and the receipt of Debtor shall be and constitute a complete acquittance for the Collateral so delivered and shall thereafter discharge Secured Party from any liability or responsibility therefor;

(f) Make, adjust, and receive payment under insurance claims, claims for breach of warranty, and the like in connection with the Collateral; and

(g) Cause any of Debtor's securities or any other instruments to be transferred to Secured Party's name or to the name of its nominee, as pledgee thereof.

Secured Party shall have no duty or obligation whatsoever to make or give any presentments, demands for performance, notices of nonperformance, protests, notices of protests, or notices of dishonor in connection with any of the Collateral. Debtor hereby authorizes Secured Party, without notice or demand and without affecting Debtor's liability hereunder or on the Obligations, from time to time to (i) exchange, enforce, waive, and release the Collateral or any part thereof or any collateral heretofore, now, or hereafter granted by any other person or entity as direct or indirect security for any Obligations, and (ii) release or substitute any endorser or guarantor of any or all of the Obligations or any other parties to any agreement with Secured Party.

6. Power of Attorney. Debtor hereby appoints Secured Party as their attorney in fact. Secured Party may, but shall have no obligation to, do any of the following, whether or not an Event of Default has occurred:

(a) In its name or in the name of Debtor prepare, execute, and file or record financing statements, continuation statements, termination statements, applications for registration, and like papers necessary or desirable to perfect, preserve, or release the rights in or to any Collateral or



created by this Agreement;

(b) Endorse and deliver evidences of title incidental thereto; and

(c) Demand, receive, collect, enforce, and sue for any or all obligations of any person to Debtor and give receipts, releases, and satisfactions therefor;

(d) Perform any obligation of Debtor, exercise such rights as Debtor might exercise, and collect such proceeds as Debtor might collect; or

(e) Take any other action which Secured Party in its discretion deems necessary or desirable in order to preserve, protect or enforce its rights under this Agreement or its rights and interest in and to the Collateral, provided that Secured Party shall only be accountable for such funds as it actually receives.

7. Events of Default. The following each shall be individually called an "Event of Default" and collectively called "Events of Default" for the purposes of this Agreement:

(a) The failure by Debtor to pay or perform any of the Obligations when first due.

(b) The failure by Debtor to pay or perform any other obligation to any person or entity under any law or governmental regulation, any court order or any written instrument or agreement.

(c) The voluntary or involuntary liquidation, cessation or dissolution of Debtor or any of Debtor's businesses in their present form.

(d) The death or disability of the Debtor.

(e) The filing by or against Debtor of a petition under the Bankruptcy Code.

(f) Any act, condition or event which would become an Event of Default after the passage of time or the giving of any notice, or both.

8. Secured Party's Rights on Default. At any time after the occurrence of any Event of Default, in addition to exercising any other rights and remedies granted by the Asset Purchase Agreement, any other agreements or instruments, the UCC, the Bankruptcy Code or other applicable law, Secured Party may do any

of the following, all at Debtor's expense and without compensation to Debtor:

(a) Enter upon Debtor's premises without prior notice to Debtor and take possession of, assemble, collect and store the Collateral.

(b) Require Debtor to assemble the Collateral and make it available at a place designated by either Secured Party so as to permit it to take possession or dispose of such Collateral.

(c) Operate, consume, sell, or dispose of the Collateral as Secured Party deems appropriate for the purpose of paying or performing any or all of the Obligations.

(d) Declare immediately due and payable any or all of the Obligations owing to Secured Party.

(e) Sell, assign, and deliver at Debtor's places of business or any other place permitted by law in such manner as Secured Party in its discretion may determine, all or any part of the Collateral at public or private sales for cash or on credit to a wholesaler, retailer, or user of the Collateral of the types subject to this Agreement, or at public auction, which Debtor agrees constitute commercially reasonable methods of disposing of the Collateral, since differences in the sales prices generally realized in the different kinds of sales are ordinarily offset by the difference in the speed, costs, and credit risks of such sales.

(f) Bid and become purchaser at any public sale or auction.

(g) Apply any Collateral or other security available for satisfaction of the Obligations, to the payment of any expenses incurred or paid by Secured Party in connection with any use, sale, transfer, or delivery of such Collateral, to the payment of any other costs, charges, attorneys' fees or expenses incurred by Secured Party in connection with transactions related to this Agreement, and to the payment of any Obligations in such order, priority, and manner as Secured Party in its discretion may determine.

(h) Enter into any extension, reorganization, deposit, merger, or consolidation agreement, or any other agreement relating to or affecting any of the Collateral, and in connection therewith Secured Party may (1) deposit or surrender control of any of the Collateral, (2) accept other property in exchange for any of the Collateral, (3) do and perform any such acts and things as it may deem proper, and (4) apply any money or property received in exchange for any of the Collateral to any of the Obligations.

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(i) Make any compromise or settlement which Secured Party may deem desirable or proper in respect to any of the Collateral or any controversies or disputes relating thereto and release persons liable thereon and any Collateral.

(j) Exercise (or cause a nominee to exercise), as pledgee, any and all voting rights attached to or arising with regard to any of Debtor's securities or any other Instruments.

(k) Endorse, receive and collect by legal action or otherwise all dividends, interest, principal or other sums now or hereafter payable upon, on account of, or in connection with any of the Collateral.

(l) Make, adjust and receive payment under insurance claims, claims for breach of warranty and the like in connection with the Collateral.

(m) Exercise any and all other rights powers and remedies which Debtor would have, but for this Agreement, in connection with the Collateral.

9. Miscellaneous.

(a) Indemnity and Expenses. Debtor shall indemnify Secured Party against and hold it harmless from any losses, damages, costs, liabilities, or expenses (including without limitation attorneys' fees) which it may directly or indirectly suffer or incur by reason of the failure of Debtor to perform any of its Obligations or any of their obligations to any third party, as a consequence of the execution of this Agreement or any other document, or as a consequence of Secured Party taking the security called for herein. In the event of legal action maintained by Secured Party to enforce or defend any provision of this Agreement, the Note or any related document, whether in state court, the Bankruptcy Court, any other federal court, any arbitration, any other forum for dispute resolution or otherwise, it shall recover its reasonable costs and expenses, including court costs and attorneys' fees. Debtor also shall pay all expenses, including reasonable attorneys' fees, incurred in the preservation, realization, enforcement, interpretation and exercise of any of Secured Party's rights and remedies concerning the Collateral and the Obligations.

(b) No Third Parties Benefited; Assignment. This Agreement is made for the sole protection and benefit of the parties, their successors and assigns, and no other person shall have any right of action hereon. Any reference in this Agreement to the "parties" shall include Debtor and Secured Party. This Agreement shall be binding upon Debtor, and each of its successors, assigns, and legal representatives and any

transferees of any interest in any Collateral. The transfer of any Collateral shall fully discharge and release Secured Party from any and all liability and responsibility with respect to such Collateral. Secured Party does not assume and shall not be subject to any obligation or liability under any agreement between Debtor and any third party, notwithstanding its taking the Collateral as security for the Obligations or the exercise by it of any rights, remedies, powers, or privileges hereunder.

(c) Time. Time is of the essence of this Agreement.

(d) California Law Governs. This Agreement shall be governed by and be construed according to the law of the State of California.

(e) Descriptive Headings; Construction. The descriptive headings used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any provision hereof. In this Agreement the singular shall include the plural, and vice versa, and pronouns shall be construed broadly as the context may require to give meaning to the provisions hereof. For example, although Secured Party is a corporation, it may sometimes be referred to as "she" or "her" in this Agreement.

(f) Entire Agreement; Amendments. This Agreement contains or incorporates the entire agreement of the parties with respect to the subject matter hereof. This Agreement may be modified or amended only by a written instrument executed by each of the parties hereto.

(g) Enforceability. If any provision of this Agreement shall for any reason be unenforceable in any respect, such unenforceability shall not affect any other provision hereof. Until all Obligations have been paid or performed in full, all rights, privileges, powers and remedies of Secured Party hereunder shall continue to exist and may be exercised by Secured Party notwithstanding the fact that any or all of the Obligations may have become barred or unenforceable.

(h) No Waiver; Cumulative Remedies. No failure by Secured Party to exercise and no delay by Secured Party in exercising any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege hereunder preclude any other or further exercise thereof or the exercise by Secured Party of any other right, power, or privilege. No express waiver shall affect any default (or Event of Default) other than the default specified in the waiver, and said waiver shall be operative only to the extent therein stated. Waivers of any covenant, term, or condition contained herein shall be in writing and shall not be construed as a waiver of any subsequent breach of the same

covenant, term, or condition. The exercise of any right or remedy by Secured Party shall not in any way constitute a cure or waiver of any default or Event of Default hereunder, invalidate any act done pursuant to any notice of default (or Event of Default), or prejudice Secured Party in the exercise of any of its rights.

(i) Survival of Warranties. All representations, warranties, covenants, and agreements of Debtor contained herein shall survive the execution of this Agreement and shall continue in full force and effect until the full and final payment of all the Obligations.

(j) Notices. All notices under this Agreement shall be written and shall be delivered by hand, by overnight courier, by registered mail, or by facsimile confirmed by first class mail. If to Debtor, such notice shall be addressed as set forth in **Section 3(f)** of this Agreement. If to Secured Party, such notice shall be addressed as follows:

Antek Peripherals, Inc.,  
1340 De Anza Blvd., #103  
San Jose, California 95129

(k) No Implied Waivers. In order to avoid any possible disputes which might arise because of any misinterpretation by Debtor of Secured Party's actions or omissions, Debtor shall not assume or conclude that any act or omission by Secured Party was intended to induce or permit Debtor to fail to perform any Obligations, unless Secured Party delivers a written waiver or release of such Obligations to Debtor.

IN WITNESS WHEREOF, Debtor has duly executed this Security Agreement as of the date first written above.

Flextor Corporation



By: Anil Nigam  
Its President

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