

05-04-1999

(Rev. 6-93) 4-27-99
OMB No. 0651-0011 (Exp. 4/94)

Patent and Trademark Office



To the honorable Commissioner of P

101029074

ached original documents or copy thereof.

1. Name of conveying party(ies):

Qualop Systems Corporation
d/b/a Silicon Valley Communications
3515 Monroe Street
Santa Clara, CA 95051

2. Nature of Conveyance:

- ☐ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☒ Other: Collateral Assignment, Patent Mortgage and Security Agreement

Execution Date: November 19, 1998

Additional name(s) of conveying party(ies) attached?

☐ Yes ☒ No

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

General Bank
10001 North DeAnza Blvd.
Cupertino, CA 95014

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)

08/638,551

B. Patent No.(s):

Additional numbers attached? ☐ Yes ☒ No

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

April Piercey
Cooley Godward LLP
5 Palo Alto Square
3000 El Camino Real
Palo Alto, CA 94306

5/03/1999 JSHABAZZ 00000145 08638551

01 FC:581

40.00 DP

6. Total number of applications and patents involved:

7. Total Fee (37 CFR 3.41):

\$ 40.00

- ☒ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number: 03-3115.

(Attach duplicate copy of this page if paying by deposit account)

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.

April M. Piercey

April 26, 1999

Date

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

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments

COLLATERAL ASSIGNMENT, PATENT MORTGAGE AND SECURITY AGREEMENT

THIS COLLATERAL ASSIGNMENT, PATENT MORTGAGE AND SECURITY AGREEMENT ("*Agreement*") is made as of the 9 th day of Nov., 1998, by and between QUALOP SYSTEMS CORPORATION, a California corporation, dba SILICON VALLEY COMMUNICATIONS, INC. ("*Assignor*"), and GENERAL BANK ("*Assignee*").

RECITALS

A. Assignee has agreed to lend to Assignor certain funds (the "*Loans*") and Assignor desires to borrow such funds from Assignee pursuant to the terms of (i) the Loan Agreement dated May 22, 1998, by and between Assignor and Assignee, and (ii) the Business Loan Agreement dated May 22, 1998, by and between Assignor and Assignee ((i) and (ii) together with any amendments, supplements or modifications thereto, collectively, the "*Loan Agreements*").

B. In order to induce Assignee to make the Loans, Assignor has agreed to assign certain intangible property to Assignee for purposes of securing the obligations of Assignor to Assignee.

NOW, THEREFORE, the parties hereto agree as follows:

1. **ASSIGNMENT, PATENT MORTGAGE AND GRANT OF SECURITY INTEREST.** As collateral security for the prompt and complete payment and performance of all of Assignor's present or future indebtedness, obligations and liabilities to Assignee, Assignor hereby assigns, transfers, conveys and grants a security interest and mortgage to Assignee, as security, but not as an ownership interest in and to Assignor's entire right, title and interest in, to and under the following (all of which shall collectively be called the "*Collateral*"): .

(a) Any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, 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*");

(b) 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;

(c) Any and all design rights which may be available to Assignor now or hereafter existing, created, acquired or held;

(d) 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**");

(e) 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 Assignor connected with and symbolized by such trademarks, including without limitation those set forth on **Exhibit C** attached hereto (collectively, the "**Trademarks**");

(f) Any and all claims for damages by way of past, present and future infringements of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(g) 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;

(h) All amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks or Patents;

(i) 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; and

(j) The Collateral shall not include Assignor's interest in any licenses that would be breached by Assignor's grant of a security interest in its rights thereunder, unless the provision that would otherwise be breached would be rendered ineffective by Section 9-318 of the California Uniform Commercial Code.

THE INTEREST IN THE COLLATERAL BEING ASSIGNED HEREUNDER SHALL NOT BE CONSTRUED AS A CURRENT ASSIGNMENT, BUT AS A CONTINGENT ASSIGNMENT TO SECURE ASSIGNOR'S OBLIGATIONS TO ASSIGNEE UNDER THE LOAN AGREEMENT.

2. AUTHORIZATION AND REQUEST. Assignor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this conditional assignment.

3. COVENANTS AND WARRANTIES. Assignor represents, warrants, covenants and agrees as follows:

(a) Assignor is now the sole owner of the Collateral, except for non-exclusive licenses granted by Assignor to its customers in the ordinary course of business;

(b) Performance of this Agreement does not conflict with or result in a breach of any agreement to which Assignor is bound;

(c) During the term of this Agreement, Assignor will not transfer or otherwise encumber any interest in the Collateral, except for non-exclusive licenses granted by Assignor in the ordinary course of business or as set forth in this Agreement;

(d) 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 any part of the Collateral violates the rights of any third party;

(e) Assignor shall promptly advise Assignee of any material adverse change in the composition of the Collateral, including but not limited to any subsequent ownership right of the Assignor in or to any Trademark, Patent or Copyright not specified in this Agreement;

(f) Assignor shall (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights, (ii) use its best efforts to detect infringements of the Trademarks, Patents and Copyrights and promptly advise Assignee 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 Assignee, which shall not be unreasonably withheld, unless Assignor determines that reasonable business practices suggest that abandonment is appropriate;

(g) Assignor shall promptly register the most recent version of any of Assignor's Copyrights, if not so already registered, and shall, from time to time, execute and file such other instruments, and take such further actions as Assignee may reasonably request from time to time to perfect or continue the perfection of Assignee's interest in the Collateral;

(h) This Agreement creates, and in the case of after acquired Collateral, this Agreement will create at the time Assignor first has rights in such after acquired Collateral, in favor of Assignee a valid and perfected first priority security interest in the Collateral in the United States securing the payment and performance of the obligations under the Loan Agreements upon making the filings referred to in clause (i) below;

(i) 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 Assignor of the security interest

granted hereby or for the execution, delivery or performance of this Agreement by Assignor in the U.S. or (ii) for the perfection in the United States or the exercise by Assignee of its rights and remedies thereunder;

(j) All information heretofore, herein or hereafter supplied to Assignee by or on behalf of Assignor with respect to the Collateral is accurate and complete in all material respects;

(k) Assignor shall not enter into any agreement that would materially impair or conflict with Assignor's obligations hereunder without Assignee's prior written consent, which consent shall not be unreasonably withheld. Assignor 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 Assignor's rights and interest in any property included within the definition of the Collateral acquired under such contracts;

(l) Upon any executive officer of Assignor obtaining actual knowledge thereof, Assignor will promptly notify Assignee in writing of any event that materially adversely affects the value of any Collateral, the ability of Assignor to dispose of any Collateral or the rights and remedies of Assignee in relation thereto, including the levy of any legal process against any of the Collateral.

4. ASSIGNEE'S RIGHTS. Assignee shall have the right, but not the obligation, to take, at Assignor's sole expense, any actions that Assignor is required under this Agreement to take but which Assignor fails to take. Assignor shall reimburse and indemnify Assignee for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this **Section 4**.

5. INSPECTION RIGHTS. Assignor hereby grants to Assignee and its employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable written notice to Assignor, and any of Assignor'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 Assignor and as often as may be reasonably requested (it being understood that any information obtained in such inspection shall be subject to the confidentiality provisions of **Section 16** hereof).

6. FURTHER ASSURANCES; ATTORNEY IN FACT.

(a) On a continuing basis, Assignor 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 Trademarks Office and the Register of

Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as requested by Assignee, to perfect Assignee'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 Assignee the grant or perfection of a security interest in all Collateral.

(b) Assignor hereby irrevocably appoints Assignee as Assignor's attorney-in-fact, with full authority in the place and stead of Assignor and in the name of Assignor, Assignee or otherwise, from time to time in Assignee's discretion, upon Assignor's failure or inability to do so, to take any action and to execute any instrument which Assignee may deem necessary or advisable to accomplish the purposes of this Agreement, including:

(i) To modify, in its sole discretion, this Agreement without first obtaining Assignor'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 Assignor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Assignor no longer has or claims any right, title or interest; and

(ii) 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 Assignor where permitted by law.

7. EVENTS OF DEFAULT. The occurrence of any of the following shall constitute an Event of Default under the Agreement:

(a) An Event of Default occurs under either of the Loan Agreements; or

(b) Assignor breaches any warranty or agreement made by Assignor in this Agreement.

8. REMEDIES. Upon the occurrence and continuance of an Event of Default, Assignee shall have the right to exercise all the remedies of a secured party under the California Uniform Commercial Code, including without limitation the right to require Assignor to assemble the Collateral and any tangible property in which Assignee has a security interest and to make it available to Assignee at a place designated by Assignee. Assignee shall have a nonexclusive, royalty free license to use the Copyrights, Patents and Trademarks to the extent reasonably necessary to permit Assignee to exercise its rights and remedies upon the occurrence of an Event of Default. Assignor will pay any expenses (including reasonable attorney's fees) incurred by Assignee in connection with the exercise of any of Assignee's rights hereunder, including without limitation any expense incurred in disposing of the Collateral. All of Assignee's rights and remedies with respect to the Collateral shall be cumulative.

9. **INDEMNITY.** Assignor agrees to defend, indemnify and hold harmless Assignee and its 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 Assignee as a result of or in any way arising out of, following or consequential to transactions between Assignee and Assignor, whether under this Agreement or otherwise (including without limitation, reasonable attorneys fees and reasonable expenses), except for losses arising from or out of Assignee's gross negligence or willful misconduct.

10. **REASSIGNMENT.** At such time as Assignor shall completely satisfy all of the obligations secured hereunder, Assignee shall execute and deliver to Assignor all deed, assignments, and other instruments as may necessary or proper to reinvest in Assignor full title to the property assigned hereunder, subject to any disposition thereof which may have been made by Assignee pursuant hereto.

11. **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.

12. **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.

13. **AMENDMENTS.** This Agreement may be amended only by a written instrument signed by both parties hereto.

14. **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.

15. **CALIFORNIA LAW AND JURISDICTION.** This Agreement shall be governed by the laws of the State of California, without regard for choice of law provisions. Assignor and Assignee consent to the nonexclusive jurisdiction of any state or federal court located in Santa Clara County, California.

16. **CONFIDENTIALITY.** In handling any confidential information, Assignee shall exercise the same degree of care that it exercises with respect to its own proprietary information of the same types to maintain the confidentiality of any non-public information thereby received or received pursuant to this Agreement except that the disclosure of this information may be made (i) to the affiliates of the Assignee, (ii) to prospective transferee or purchasers of an interest in the obligations secured hereby, provided that they have entered into comparable confidentiality agreement in favor of Assignor and have deliver a copy to Assignor, (iii) as required by law, regulation, rule or order, subpoena judicial order or similar order and (iv) as may be required in connection with the examination, audit or similar investigation of Assignee.

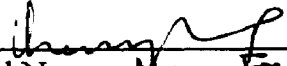
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Address of Assignor:

3515 Monroe Street
Santa Clara, CA 95051

ASSIGNOR

SILICON VALLEY COMMUNICATIONS

By: 
Printed Name: Mary Fong
Title: Chairperson

Address of Assignee:

10001 North De Anza Boulevard
Cupertino, CA 95014

ASSIGNEE

GENERAL BANK

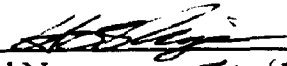
By: 
Printed Name: JANE HO
Title: VP & Loan Officer

Exhibit A attached to that certain Collateral Assignment, Patent Mortgage and Security Agreement dated Nov. 11, 1998.

EXHIBIT A
COPYRIGHTS

SCHEDULE A -- ISSUED COPYRIGHTS

Not applicable.

SCHEDULE B -- PENDING COPYRIGHT APPLICATIONS

Not applicable.

SCHEDULE C -- UNREGISTERED COPYRIGHTS
(Where No Copyright Application is Pending)

Not applicable.

Exhibit B attached to that certain Collateral Assignment, Patent Mortgage and Security Agreement, dated 11/11/98, 1998.

EXHIBIT B

PATENTS

PATENT DESCRIPTION	COUNTRY	SERIAL NO.	FILING DATE	STATUS
Linerization Circuits and Method	US	08/638551	April 26, 1996	Pending, will be approved

Exhibit C attached to that certain Collateral Assignment, Patent Mortgage and Security Agreement, dated Nov. 11, 1998.

EXHIBIT C

TRADEMARKS

TRADEMARK DESCRIPTION	COUNTRY	SERIAL NO.	FILING DATE	STATUS
ARGO II	US	75-065414	February 22, 1996	Approved October 21, 1997
ARTE II	US	75-065415	February 22, 1996	Approved October 14, 1997

310531 v2/PA
6nlv02!.DOC
090998/1704

RECORDED: 04/27/1999

PATENT
REEL: 9917 FRAME: 0971