

06-10-1999



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**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

RECORDED  
6 JUN 21 10

**Conveying Party(ies)**

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

05 28 99

Execution Date  
Month Day Year

Name (line 1)

Name (line 2)

**Second Party**

Name (line 1)

Name (line 2)

**Receiving Party**

Mark if additional names of receiving parties attached

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.)

Name (line 1)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)     
City State/Country

Zip Code

**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)

06/10/1999 DNGUYEN 00000076 08920847

FOR OFFICE USE ONLY

01 FC:581

680.00 DP

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

**Correspondent Name and Address** Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

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

**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)

Patent Number(s)

<input type="text" value="08920847"/>	<input type="text" value="09053849"/>	<input type="text" value="60085715"/>	<input type="text" value="5696714"/>	<input type="text" value="5465238"/>	<input type="text"/>
<input type="text" value="09180393"/>	<input type="text" value="09129132"/>	<input type="text" value="09034547"/>	<input type="text" value="5541888"/>	<input type="text" value="5436871"/>	<input type="text"/>
<input type="text" value="09053868"/>	<input type="text" value="09128987"/>	<input type="text" value="09141035"/>	<input type="text" value="5511035"/>	<input type="text" value="5379266"/>	<input type="text"/>

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. #

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

Method of Payment: Enclosed  Deposit Account  (\$40.00 X 17)

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.

Deborah A. Crabbe  
Name of Person Signing

*Deborah Crabbe*  
Signature

June 2, 1999  
Date

RECORDATION FORM COVER SHEET  
CONTINUATION  
PATENTS ONLY

Conveying Party(ies)

Mark if additional names of conveying parties attached

Enter additional Conveying Parties

Execution Date  
Month Day Year

Name (line 1)

Name (line 2)

Execution Date  
Month Day Year

Name (line 1)

Name (line 2)

Execution Date  
Month Day Year

Name (line 1)

Name (line 2)

Receiving Party(ies)

Mark if additional names of receiving parties attached

Enter additional Receiving Party(ies)

Name (line 1)

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.)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)     
City State/Country Zip Code

Name (line 1)

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.)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)     
City State/Country Zip Code

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)

Patent Number(s)

09145717	<input type="text"/>	<input type="text"/>
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TECH GROUP (S)	INVENTOR	DOCKET	DESCRIPTION	STATUS	HEFT ACTION	DATE FOR NEXT ACTION	COAT EST.	PROVISIONAL APPLICATION	PLING TYPE/DATE	PARENT PATENT	COUNTRY CODE	PATENT NUMBER	CLAIMS FILED	RESTRICT	DIVISION CLAIMS &
System	Russell	688-40	Optical System	Issue Fee Paid	PCT not available	none			CP in US 11/25/98	P 5,646,714 6/28/97	USA	5,049,203,417	System and Method	none	
System	Russell	688-41	Reduced thickness memory	In Prosecution	ID6 not in file (see req'd 7)	2/1/99			CP in US 11/25/98	5,049,203,417	USA	not assigned	System		
System	Russell	688-42	Stack of gum on edge CR/CM	Provisional Filed	PCT	12/17/98	\$2,000	Filed 12/17/98	none	5,049,203,417	USA	not assigned	System and Method		
System	Russell	688-43	OSAM System	In Prosecution	PCT not available	none			CP in US 12/29/98	5,049,203,417	USA	not assigned	System and Method		
System	Russell	688-44	Reporting on Fednet System	Invention Disclosed	Determinative action none	none			TBD		na	na	na		
Algorithm	Lybourn, Bekas, Russell	688-45	2-D Interpolator	Complete In Prosecution	none	2/5/99		68017,502 Filed 8/10/98	PCT filed 5/6/97 371 on 11/25/98	Prev. 68017,502	PCT USA	PCT/US87/07967 5,087,180,383	Data Retrieved System	na	
		688-51			Major Fee (annual; Reg. Exam by 5/6/92)	5/6/99	\$250			PCT/US87/07967	Canada	new application		na	
		688-54			Major Fee (annual; Reg. Exam by 5/6/92)	5/6/99	\$250			PCT/US87/07967	Canada	new application		na	
		688-55			Major Fee (annual; Reg. Exam by 5/6/92)	5/1/99	\$150			PCT/US87/07967	EPO	new application		na	
		688-56			Major Fee by 5/6/92 (annual)	5/6/99	\$250			PCT/US87/07967	Australia	5,208,254,97		na	
		688-57			Reg. Exam	5/6/92	\$400			PCT/US87/07967	Japan	5,354,008		na	
		688-58			na	unknown	\$250			PCT/US87/07967	France	new application		na	
		688-59			Major Fee (annual; Reg. Exam by 5/6/92)	5/1/99	\$250			PCT/US87/07967	China	new application		na	
Algorithm	Weyer	688-61	2-D Interpolator	In Prosecution	File PCT	4/1/99			Regular in US 4/1/98	none	USA	5,089,533,848	Data Retrieved System		
Algorithm	Russell	688-62	Detection correction	In drafting	File application	unknown			na	none	na	na	na		
Algorithm	Lybourn	688-63	POLC Shutter	Invention Disclosed	Determinative action none	none			TBD	TBD	na	na	na		
Algorithm	Frederick	688-64	Escape to avoid NUSST constraint	Invention Disclosed	Propose Provisional	9/12/98			na	TBD	na	na	na		
Algorithm	Wernick	688-65	Escape to avoid NUSST constraint	Invention Disclosed	Further Disclosure Needed	none			na	none	na	na	na		
Algorithm	Russell	688-66	Escape to avoid NUSST constraint	Invention Disclosed	Further Disclosure Needed	none			na	none	na	na	na		
Algorithm	Lybourn, Weyer	688-67	Sequence Estimator	Filed in US	File IDS	7/1/98			Regular in US 4/1/98	none	USA	5,089,533,849	System and Method		
Algorithm	Lybourn, Weyer	688-68	Integrate in Orthog Directions	Filed in US	File IDS	11/4/98			Regular in US 6/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-69	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-70	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-71	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-72	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-73	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-74	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-75	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-76	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
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Algorithm	Lybourn, Weyer	688-78	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-79	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-80	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-81	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-82	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
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Algorithm	Lybourn, Weyer	688-90	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-91	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-92	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-93	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-94	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
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Algorithm	Lybourn, Weyer	688-96	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-97	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
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Algorithm	Lybourn, Weyer	688-100	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-101	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-102	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
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Algorithm	Lybourn, Weyer	688-106	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-107	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
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Algorithm	Lybourn, Weyer	688-112	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
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Algorithm	Lybourn, Weyer	688-119	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
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Algorithm	Lybourn, Weyer	688-123	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-124	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		
Algorithm	Lybourn, Weyer	688-125	Integrate in Orthog Directions	Filed in US	File PCT	9/4/98			Regular in US 8/4/98	none	USA	5,087,129,132	System and Method		



## SECURITY AGREEMENT

### EQUIPMENT, FIXTURES, INVENTORY, ACCOUNTS, GENERAL INTANGIBLES, GOODWILL AND OTHER COLLATERAL

For receipt of valuable consideration, the undersigned ("Debtor") agrees as follows:

Debtor has granted or hereby grants Kent L. Johnson, ("Secured Party"), a security interest in the following described property (hereinafter referred to generally as the "Collateral"):

- a. **Equipment and Fixtures.** All of the Debtor's right, title and interest, now owned or hereafter acquired, in and to office furnishings, fixtures, equipment and peripherals, and all added, substituted or replacement equipment and fixtures, together with proceeds therefrom, (collectively "Equipment").
- b. **Accounts, Contract Rights and Records.** All of the Debtor's right, title and interest, now owned or hereafter acquired, in and to all accounts, contract rights and records, including accounts receivable, credit files, records, policies of insurance (including any right to payment thereunder) and other documents relating to such accounts, contract rights and records.
- c. **General Intangibles.** All of the Debtor's right, title and interest, now owned or hereafter acquired, in and to all general intangibles, including but not limited to the items described in Exhibit A and incorporated herein by this reference.
- d. **Goodwill.** All of the Debtor's right, title and interest in goodwill, tradenames, customer lists, promotional material, now existing or as may exist in the future, intellectual property rights and intangibles pertaining to same.
- e. **Other Collateral.** All of the Debtor's right, title and interest in and to all now owned or hereafter acquired cash, chattel paper, documents, instruments, cash and any other right, title and interest of the Debtor of whatever nature and however evidenced to receive the payment of money or other consideration (collectively "Other Collateral").

This Security Agreement, ("Agreement"), is one of three security agreements that Debtor is executing simultaneously to Microsoft Corporation, Polaris Venture Partners, L.P., and Kent L. Johnson, to secure bridge financing being provided to Debtor. The bridge financing is evidenced by three promissory notes, ("Notes"). The first promissory note is payable to the order of Microsoft Corporation in the sum of One Hundred Twenty-Five Thousand and 00/100, (\$125,000.00). The second promissory note is payable to the order of Polaris Venture Partners, L.P. in the sum of One Hundred Twenty-Five Thousand and 00/100, (\$125,000.00). The third promissory note is payable to the order of Kent L. Johnson in the sum of One Hundred Thousand and 00/100, (\$100,000.00). (Microsoft Corporation, Polaris Venture Partners, L.P. and Kent L. Johnson are referred to simultaneously herein as "Noteholders".) The relative rights and priorities of Noteholders in and to the Collateral shall be governed by an Intercreditor Agreement executed by Noteholders simultaneously with the execution of the Notes and the security agreements. Nothing in the Intercreditor Agreement, however, shall affect the Debtor's grant of a security interest to Secured Party to secure the payment and performance of all indebtedness and other obligations of Debtor to Secured Party, now existing or later arising, direct or indirect, absolute, contingent, due or to become due, including without limitation (i) performance of this Agreement, and (ii) repayment of the promissory note, ("Note"), executed by Debtor to Secured Party in conjunction with this Agreement, (collectively "Secured Obligations"). Regardless of the adequacy of any security which the Secured Party may at any time hold or acquire hereunder or in connection with any other transactions, any monies owing from Secured Party to Debtor, or any property of Debtor in the possession of Secured Party, shall constitute additional security for, and may be set off against the Secured Obligations even though they may not otherwise be due.

**DEBTOR HEREBY REPRESENTS, COVENANTS, AND AGREES AS FOLLOWS:**

1. **Use of Collateral.** Debtor: (i) shall comply with all laws and governmental regulations applicable to the use of the Collateral, and (ii) shall not use or permit the use of the Collateral in any unlawful manner.
2. **Location of Collateral.** The Collateral is in Debtor's possession . In the event the Collateral, or any part of the Collateral, is removed from Debtor's possession, Debtor shall give Secured Party thirty (30) days written notice of any change in the location of the Collateral
3. **Debtor's Name.** Debtor warrants that the name set forth immediately above Debtor's signature at the end of this Agreement is the full and correct legal name of Debtor and that Debtor will give Secured Party prompt written notice of any change in Debtor's name.
4. **Debtor's Address.** The Debtor's office address is specified below Debtor's signature at the end of this Agreement. Debtor will promptly notify Secured Party of any change in location.
5. **Ownership and Liens.** Debtor warrants and agrees that: (i) Debtor owns the Collateral free and clear of all security interests, liens and encumbrances of every nature except to the extent granted to Noteholders; (ii) the security interest granted in this Agreement shall remain a valid lien on the Collateral until the Secured Obligations are paid in full; and (iii) Debtor shall procure or execute and deliver to Secured Party such title certificates financing statements and other documents as Secured Party may request from time to time to confirm or perfect the security interest granted in the Agreement. A carbon, photographic or other reproduction of this Agreement or a financing statement shall be sufficient in lieu of an original financing statement unless otherwise prohibited by applicable law.
6. **Taxes and Other Charges.** Debtor will pay before delinquency all taxes or other governmental charges levied against the Collateral securing the Secured Obligation.
7. **Maintenance of General Intangibles and Inspection.** Debtor will take all necessary action to maintain Debtor's interest in and to its General Intangible, including but not limited to the filing of all necessary documents and the payment of all maintenance fees for Debtor's patent rights. Secured Party shall have the right, upon twenty-four (24) hours notice to Debtor to inspect the Collateral, including but not limited to all books and records for the General Intangibles.
8. **Insurance.** Debtor will keep the Collateral continuously insured by an insurer acceptable to Secured Party against all normal risks of physical damage, theft or loss in an amount not less than its full replacement value. At Secured Party's request, Debtor shall provide Secured Party with satisfactory evidence of such insurance. In the event of loss, Secured Party shall have full power to collect any and all insurance proceeds on the Collateral and to apply the same at its option to any Secured Obligation, whether or not matured, or to the restoration or repair of any Collateral. Debtor assumes the risk of loss of the Collateral and Secured Party shall have no liability whatsoever for any loss, including loss that may occur by reason of the absence, insufficiency or cancellation of insurance coverage.
9. **Covenants.** So long as Debtor is indebted to Secured Party, Debtor covenants that:
  - a. **Sale of Collateral** Debtor will obtain Secured Party's consent for any sale, lease or transfer of any of Debtor's business or business assets. The transfer of fifty percent or more in the number of outstanding shares or units of ownership of Debtor, or any increase of fifty percent or more of such shares or units, whether in a single transaction or a series of transactions, shall be deemed a transfer of the business within the meaning of this covenant against transfer without consent of the Secured Party.



- b. **No Other Secured Indebtedness.** Debtor has only granted security interests in the Collateral to Noteholders. Debtor will not grant any other security interest in the Collateral, without obtaining the written consent of Secured Party.
- c. **No Other Equity Investments.** Debtor will not solicit or accept additional equity investment, including but not limited to the issuance of options or warrants, without the written consent of Secured Party.

10. **Notices.** All notices required or permitted under this Agreement shall be effective if they are in writing and delivered personally or mailed by first class mail, postage prepaid, and return receipt requested, to Secured Party at Alexander Hutton Capital, 1325 4th Avenue, #535 Seattle, Washington, 98101, and to the Debtor at the office specified at the end of this Agreement, or at such alternative address as the recipient may designate by notice from time to time.

11. **Expenses Incurred by Secured Party.** Secured Party may, but shall not be obligated to pay any tax, assessment, insurance premium, recording or filing fee, or other expense for the protection or perfection of Secured Party's interests in the Collateral, and any amount so paid, with interest at 12 percent per annum, shall be secured by this Agreement and payable by Debtor to Secured Party on demand.

12. **Default.** Debtor shall be in default under this Agreement if: (i) Debtor fails to pay when due any Secured Obligation; (ii) Debtor fails to perform fully and punctually any covenant or agreement set forth in any agreement pertaining to any secured obligation referenced herein; (iii) any representation by Debtor in any written document or financial statement or inventory report given by Debtor to Secured Party in connection with this Agreement or any extension of credit secured hereby, is determined by the Secured Party to be materially false or incomplete; (iv) Debtor dies, becomes permanently disabled, is adjudged incompetent, dissolves or liquidates, makes assignment for the benefit of creditors, has a receiver appointed for any of the Debtor's property or business, or becomes involved in any voluntary or involuntary proceeding under the federal bankruptcy or similar state laws; (v) any guarantor of the Secured Obligations commits or suffers any of the foregoing acts or occurrences; or (vi) Secured Party in good faith believes that the prospect for payment of the Secured Obligations or performance of this Agreement is impaired.

13. **Remedies.** In the event of a default hereunder, Secured Party shall have all remedies provided by law, including, without limitation, the right to (i) to make immediate demand on the Note prior to August 1, 1999; (ii) enter any premises where the Collateral is located and take possession of it without notice, demand or legal proceedings; (iii) require Debtor to assemble the Collateral and make it available to Secured Party at such place as Secured Party may reasonably designate; and/or (iv) sell or otherwise dispose of all or any portion of the Collateral in a public or private transaction, apply the net disposition proceeds to the Secured Obligations, and recover from Debtor any deficiency balance of the Secured Obligations remaining after application of the net disposition proceeds. Debtor agrees that seven days' notice of a public or private sale or other disposition of the Collateral shall constitute reasonable notification of such sale or other disposition. The Remedies hereunder remain subject to the terms and conditions of the Intercreditor Agreement.

14. **Attorneys' Fees and Costs.** Secured Party shall recover from Debtor all reasonable expenses, including attorneys' fees (with or without suit and at trial or on appeal) that Secured Party incurs in enforcing its rights under this Agreement or collecting the Secured Obligations, including attorneys' fees and costs incurred in connection with any bankruptcy or insolvency proceeding filed by, on behalf of, or against Debtor. Attorneys' fees and costs incurred in enforcing any judgment are separately recoverable and the right to such fees and costs shall not merge into, but shall survive judgment. This provision is severable as is necessary to ensure its post-judgment enforceability.

15. **Termination.** This Agreement shall terminate upon payment in full of the Note. Upon receipt of payment in full of the aforementioned obligations, Secured Party shall cause a UCC-3 Termination Statement to be filed terminating its lien on the Collateral.

16. **Entire Agreement.** This Agreement: (i) is the entire agreement between Debtor and Secured Party with respect to the security interest granted herein; (ii) supersedes all prior discussions with respect to said security interest; (iii) may not be amended, except in a writing duly executed by the Debtor and an authorized representative of Secured Party; and (iv) shall not be supplemented by any course of dealing between the parties.

17. **Binding Agreement.** This Agreement shall be binding on Debtor's heirs, legal representatives, successors and assigns.

18. **Governing Law, Jurisdiction and Venue.** This Agreement shall be interpreted and enforced in accordance with the laws of the State of Washington. In the event suit is commenced by either party to this Agreement, the Debtor and Secured Party agree to submit to the jurisdiction of the courts of the state of Washington, and the Debtor and Secured Party further agree that venue shall lie in Seattle, King County, Washington.

19. **Signer's Warranty.** The persons signing this Agreement individually warrant to Secured Party that they are duly authorized to execute this Agreement on behalf of Debtor and that Debtor has duly authorized the execution, delivery and performance of this Agreement.

EXECUTED this 28 day of May, 1999.

Debtor's Name: IOPTICS, INC., fka INFORMATION OPTICS CORPORATION

Debtor's Signature: By Michael R. Hallman

Printed Name MICHAEL R. HALLMAN

Title PRESIDENT

Mailing Address: 3020 Issaquah Prime Lake Road S.E., Suite 483  
Issaquah, Washington 98029