

RECC

05-02-2000

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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To the Honorable Commissioner of Patents

101341772

ed original documents or copy thereof.

1. Name of conveying party(ies):

1st World Computer Services, Inc.

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

3. Nature of conveyance:

☐ Assignment☐ Merger☒ Security Agreement☐ Change of Name☐ Other _____

Execution Date:

March 30, 2000

2. Name and address of receiving party(ies)

Name:

Foothill Capital Corporation

Internal Address:

2100

Street Address:

1111 Santa Monica Blvd

City:

Los Angeles

State:

CA

ZIP:

90025

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)

See Attached Schedule

B. Patent No.(s)

See Attached Schedule

Additional numbers attached? ☐ Yes ☐ No

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

Name: Brubeck Phleger & Harrison LLP

Internal Address: 2100

Street Address:

550 South Hope St.

Attention: Ann Williamson

City: Los Angeles

State: CA

ZIP: 90071

6. Total number of applications and patents involved

15

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

600.00

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number:

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

05/02/2000 ITALLONE 00000052 5313576

01 FC:581

600.00 OP

DO NOT USE THIS SPACE

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.

Name of Person Signing

Signature

Date

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

18

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box AssignmentsPATENT
REEL: 010742 FRAME: 0189

Additional conveying party(ies)

1. NCD Graphic Software Corporation, a Oregon corporation
2. NCD Acquisition Corp., a Indian corporation

SCHEDULE A **to the Patent Security Agreement**

PATENT TITLE (DESCRIPTION)	PATENT NUMBER	FILE DATE	FILING STATUS	FILING COUNTRY
BIT ALIGNED DATA BLOCK TRANSFER METHOD AND APPARATUS	5,313,576	11/23/90	Issued 5/17/94	U.S.
BIT ALIGNED DATA BLOCK TRANSFER METHOD AND APPARATUS (CONTINUATION OF ORIGINAL)	5,347,631	10/12/93	Issued 9/13/94	U.S.
IMAGE PROCESSOR MEMORY FOR EXPEDITING MEMORY OPERATIONS	5,345,555	6/14/93	Issued 9/6/94	U.S.
IMAGE PROCESSOR MEMORY FOR EXPEDITING MEMORY OPERATIONS (DIVISION OF ORIGINAL)	5,487,051	3/18/94	Issued 1/23/96	U.S.
LINE DRAW METHOD FOR GENERATING, STORING AND DISPLAYING LINES IN A DISPLAY SYSTEM	5,499,328	2/22/91	Issued 3/12/96	U.S.
VIDEO BUFFER RECYCLING METHOD AND APPARATUS	5,499,607	12/4/92	Issued 2/20/96	
VIDEO BUFFER RECYCLING METHOD...	2273636B		Issued	UK
"	93 14594		Issued 3/29/96	France
"	A/N 2,110,551	12/2/93	Pending	Canada
"	P4341,304 8	12/3/93	Issued 5/16/94	Germany
"	A/N 5304229	12/3/93	Issued	Japan

SCHEDULE A to the Patent Security Agreement

PATENT TITLE (DESCRIPTION)	PATENT NUMBER	FILE DATE	FILING STATUS	FILING COUNTRY
VIDEO BUFFER RECYCLING METHOD AND APPARATUS (DIVISION OF ORIGINAL)	5,748,864	6/7/95	Issued 5/5/98	U.S.
RASTER OPERATION LOOKUP AND EXECUTION	5,825,373	10/11/96	Issued 10/29/98	U.S.
RASTER OPERATION LOOKUP AND EXECUTION	5,923,341	6/19/98	Issued 7/13/99	U.S.
* (This patent application is slightly different from Raster Operation... Patent issued on 10/20/98 in that more descriptive material has been added. The 1st patent was given an ex-parte response, which means that it was approved almost immediately as the examiner did not feel that there were any similar patents already issued. The company decided that it should submit a new application with more information. They should be considered as two separate and distinct patents.				
METHOD FOR PROCESS SCHEDULING IN A PROCESSOR BASED SYSTEM	5,894,572	6/7/95	Issued 4/13/99	U.S.
SCALABLE DATA COMPRESSION METHODS AND APPARATUSES	A/N 08/792,540	1/31/97	Pending	U.S.
METHOD AND APPARATUS FOR MICROBINNING/SHADOWING DATA BETWEEN A SERVER AND ITS CLIENTS	A/N 08/792,540	1/31/97	Pending	U.S.
METHOD AND APPARATUS FOR LOSSLESS COMPRESSION OF DISPLAY DATA - UTILITY	S/N 08/792,540	1/31/97	Pending	U.S.

SCHEDULE A **to the Patent Security Agreement**

PATENT TITLE (DESCRIPTION)	PATENT NUMBER	FILE DATE	FILING STATUS	FILING COUNTRY
METHOD AND APPARATUS FOR MAINTAINING PIXEL MAPS - UTILITY	S/N 08/792,651	1/31/97	Pending	• U.S.
METHOD AND APPARATUS FOR PROVIDING MULTIMEDIA COMMUNICATION BETWEEN A CLIENT DEVICE AND A SERVER	S/N 08/850,575	5/2/97	Pending	• U.S.
OPCODE SPECIFIC COMPRESSION FOR WINDOW SYSTEMS	93307467.6	07/01/99	Pending	European Patent covering France, Germany and UK
OPCODE SPECIFIC COMPRESSION FOR WINDOW SYSTEMS	2,654,749	10/20/93	Issued 5/30/97	Japan
ARITHMETIC CONTROLLER FOR A COMPUTER	893,580	12/28/90	Issued 12/24/93	Japan

PATENT SECURITY AGREEMENT

This **PATENT SECURITY AGREEMENT** (this "Agreement"), dated as of March 30, 2000 is made by **NETWORK COMPUTING DEVICES, INC.**, a Delaware corporation ("Borrower"), **NCD GRAPHIC SOFTWARE CORPORATION**, an Oregon corporation ("NCD Graphic"), and **NCD ACQUISITION CORP.**, an Indian corporation ("NCD Acquisition"; together with NCD Graphic and Borrower, individually and collectively, jointly and severally, "Debtor"), in favor of **FOOTHILL CAPITAL CORPORATION**, a California corporation ("Secured Party"), with reference to the following:

WHEREAS, Borrower and Secured Party have entered into that certain Loan and Security Agreement, dated as of the date hereof (as amended, modified, renewed or extended from time to time, the "Loan Agreement"), pursuant to which Secured Party has agreed to make certain financial accommodations to Debtor, and pursuant to which Debtor has granted to Secured Party a security interest in (among other things) certain of the general intangibles of Debtor.

WHEREAS, NCD Acquisition and NCD Graphic have executed in favor of Secured Party that certain General Continuing Guaranty, dated as of the date hereof (the "Guaranty"), in favor of Secured Party, respecting certain obligations of Borrower owing to Lender under the Loan Agreement.

WHEREAS, NCD Acquisition and NCD Graphic, the other 'Guarantors' identified therein, and Lender are contemporaneously herewith entering into that certain Guarantor Security Agreement, dated as of the date hereof (the "Security Agreement"), pursuant to which NCD Acquisition and NCD Graphic have granted to Lender a security interest in (among other things) all their respective general intangibles.

WHEREAS, pursuant to the Loan Agreement and as one of the conditions precedent to the obligations of Secured Party under the Loan Agreement, Debtor has agreed to execute and deliver this Agreement to Secured Party for filing with the PTO and with any other relevant recording systems in any domestic or foreign jurisdiction, and as further evidence of and to effectuate Secured Party's existing security interests in the patents and other general intangibles described herein.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, Debtor hereby agrees in favor of Secured Party as follows:

I. **Definitions; Interpretation.**

(a) **Certain Defined Terms.** As used in this Agreement, the following terms shall have the following meanings:

"Bankruptcy Code" means the United States Bankruptcy Code (11 U.S.C. §101 et seq.), as amended, and any successor statute.

"Event of Default" shall have the meaning ascribed thereto in the Loan Agreement.

"Lien" means any interest in property securing an obligation owed to, or a claim by, any Person other than the owner of the property, whether such interest shall be based on the common law, statute, or contract, whether such interest shall be recorded or perfected, and whether such interest shall be contingent upon the occurrence of some future event or events or the existence of some future circumstance or circumstances.

"Obligations" means (a) with respect to Borrower, 'Obligations' (as defined in the Loan Agreement), and (b) with respect to NCD Acquisition and NCD Graphic, 'Secured Obligations' (as defined in the Guarantor Security Agreement).

"Patent Collateral" has the meaning set forth in Section 2.

"Patents" has the meaning set forth in Section 2.

"Person" means and includes natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

"Proceeds" means whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any Patent Collateral, including "proceeds" as defined at UCC Section 9306, and all proceeds of proceeds. Proceeds shall include (i) any and all accounts, chattel paper, instruments, general intangibles, cash and other proceeds, payable to or for the account of Debtor, from time to time in respect of any of the Patent Collateral, (ii) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of Debtor from time to time with respect to any of the Patent Collateral, (iii) any and all claims and payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Patent Collateral by any Person acting under color of governmental authority, and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the Patent Collateral or for or on account of any damage or injury to or conversion of any Patent Collateral by any Person.

"PTO" means the United States Patent and Trademark Office and any successor thereto.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of California.

“United States” and “U.S.” each mean the United States of America.

(b) Terms Defined in UCC. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings ascribed to them in the UCC.

(c) Terms Defined in the Loan Agreement. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

(d) Interpretation. In this Agreement, except to the extent the context otherwise requires:

(i) Any reference to a Section or a Schedule is a reference to a section hereof, or a schedule hereto, respectively, and to a subsection or a clause is, unless otherwise stated, a reference to a subsection or a clause of the Section or subsection in which the reference appears.

(ii) The words “hereof,” “herein,” “hereto,” “hereunder” and the like mean and refer to this Agreement as a whole and not merely to the specific Section, subsection, paragraph or clause in which the respective word appears.

(iii) The meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined.

(iv) The words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation.”

(v) References to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto.

(vi) References to statutes or regulations are to be construed as including all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation referred to.

(vii) Any captions and headings are for convenience of reference only and shall not affect the construction of this Agreement.

(viii) In the event of a direct conflict between the terms and provisions of this Agreement and the Loan Agreement or Guarantor Security Agreement, as applicable, it is the intention of the parties hereto that both such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of the Loan Agreement or the

Guarantor Security Agreement, as applicable, shall control and govern; provided, however, that the inclusion herein of additional obligations on the part of the Debtor and supplemental rights and remedies in favor of Secured Party (whether under California law or applicable federal law), in each case in respect of the Patent Collateral, shall not be deemed a conflict with the Loan Agreement or the Guarantor Security Agreement.

2. Security Interest.

(a) Assignment and Grant of Security Interest. As security for the payment and performance of the Obligations, Debtor hereby grants, assigns, transfers, and conveys to Secured Party a continuing security interest in all of Debtor's right, title and interest in, to and under the following property, whether now existing or hereafter acquired or arising (collectively, the "Patent Collateral"):

(i) all letters patent of the U.S. or any other country, all registrations and recordings thereof, and all applications for letters patent of the U.S. or any other country, owned, held, or used by Debtor in whole or in part, including all existing U.S. patents and patent applications of Debtor which are described in Schedule A hereto, as the same may be amended or supplemented pursuant hereto from time to time, and together with and including all patent licenses held by Debtor, including such patent licenses which are described in Schedule A hereto, together with all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and the inventions disclosed therein, and all rights corresponding thereto throughout the world including the right to make, use, lease, sell and otherwise transfer the inventions disclosed therein, and all proceeds thereof, including all license royalties and proceeds of infringement suits (collectively, the "Patents");

(ii) all claims, causes of action and rights to sue for past, present and future infringement or unconsented use of any of the Patents and all rights arising therefrom and pertaining thereto;

(iii) all general intangibles (as defined in the UCC) and all intangible intellectual or other similar property of Debtor of any kind or nature, whether now owned or hereafter acquired or developed, associated with or arising out of any of the Patents and not otherwise described above; and

(iv) all products and Proceeds of any and all of the foregoing.

(b) Continuing Security Interest. Debtor agrees that this Agreement shall create a continuing security interest in the Patent Collateral which shall remain in effect until terminated in accordance with Section 16.

(c) Incorporation into Loan Agreement and Guarantor Security

Agreement.

(i) With respect to Borrower, this Agreement shall be fully incorporated into the Loan Agreement and all understandings, agreements and provisions contained in the Loan Agreement shall be fully incorporated into this Agreement. Without limiting the foregoing, the Patent Collateral described in this Agreement shall constitute part of the Collateral in the Loan Agreement.

(i) With respect to NCD Acquisition and NCD Graphic, this Agreement shall be fully incorporated into the Guarantor Security Agreement and all understandings, agreements and provisions contained in the Guarantor Security Agreement shall be fully incorporated into this Agreement. Without limiting the foregoing, the Patent Collateral described in this Agreement shall constitute part of the Collateral in the Guarantor Security Agreement.

(d) Licenses. Anything in the Loan Agreement, the Guarantor Security Agreement, or this Agreement to the contrary notwithstanding, Debtor may grant non-exclusive licenses of the Patent Collateral (subject to the security interest of Secured Party therein) in the ordinary course of business and consistent with past practice, provided, that no Event of Default shall have occurred and be continuing.

3. Further Assurances: Appointment of Secured Party as Attorney-in-Fact. Debtor at its expense shall execute and deliver, or cause to be executed and delivered, to Secured Party any and all documents and instruments, in form and substance satisfactory to Secured Party, and take any and all action, which Secured Party may reasonably request from time to time, to perfect and continue perfected, maintain the priority of or provide notice of Secured Party's security interest in the Patent Collateral and to accomplish the purposes of this Agreement. If Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Secured Party in accordance with the foregoing, Secured Party shall have the right to, in the name of Debtor, or in the name of Secured Party or otherwise, without notice to or assent by Debtor, and Debtor hereby irrevocably constitutes and appoints Secured Party (and any of Secured Party's officers or employees or agents designated by Secured Party) as Debtor's true and lawful attorney-in-fact with full power and authority, (i) to sign the name of Debtor on all or any of such documents or instruments, and perform all other acts, that Secured Party deems necessary or advisable in order to perfect or continue perfected, maintain the priority or enforceability of or provide notice of Secured Party's security interest in, the Patent Collateral, and (ii) to execute any and all other documents and instruments, and to perform any and all acts and things for and on behalf of Debtor, which Secured Party may deem necessary or advisable to maintain, preserve and protect the Patent Collateral and to accomplish the purposes of this Agreement, including (A) upon the occurrence and during the continuance of any Event of Default, to defend, settle, adjust or institute any action, suit or proceeding with respect to the Patent Collateral, (B) upon the occurrence and during the

continuance of any Event of Default, to assert or retain any rights under any license agreement for any of the Patent Collateral, including any rights of Debtor arising under Section 365(n) of the Bankruptcy Code, and (C) upon the occurrence and during the continuance of any Event of Default, to execute any and all applications, documents, papers and instruments for Secured Party to use the Patent Collateral, to grant or issue any exclusive or non-exclusive license with respect to any Patent Collateral, and to assign, convey or otherwise transfer title in or dispose of the Patent Collateral. The power of attorney set forth in this Section 3, being coupled with an interest, is irrevocable so long as this Agreement shall not have terminated in accordance with Section 16.

Nothing in this Agreement shall obligate Debtor to commence any suit, proceeding or other action for infringement of any of the Patents that are immaterial to Debtor's business.

4. Representations and Warranties. Debtor represents and warrants to Secured Party, as follows:

(a) No Other Patents. A true and correct list of all Patents owned, held (whether pursuant to a license or otherwise) or used by Debtor, in whole or in part, is set forth in Schedule A.

(b) Validity. Each of the Patents listed on Schedule A is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, all maintenance fees required to be paid on account of any Patents have been timely paid for maintaining such Patents in force, and, to the best of Debtor's knowledge, each of the Patents is valid and enforceable.

(c) Title. (i) Debtor has rights in and good title to the existing Patent Collateral, (ii) with respect to the Patent Collateral shown on Schedule A hereto as owned by it, Debtor is the sole and exclusive owner thereof, free and clear of any Liens and rights of others (other than the security interest created hereunder), including licenses, shop rights and covenants by Debtor not to sue third persons and (iii) with respect to any Patent for which Debtor is either a licensor or a licensee pursuant to a license or licensee agreement regarding such Patent, each such license or licensing agreement is in full force and effect, Debtor is not in default of any of its obligations thereunder and, other than (A) the parties to such licenses or licensing agreements, or (B) in the case of any non-exclusive license or license agreement entered into by Debtor or any such licensor regarding such Patent Collateral, the parties to any other such non-exclusive licenses or license agreements entered into by Debtor or any such licensor with any other Person, no other Person is known by Debtor to have any rights in or to any of the Patent Collateral.

(d) No Infringement. To the best of Debtor's knowledge, (i) no material infringement or unauthorized use presently is being made of any of the Patent Collateral by any Person, and (ii) the past, present and contemplated future use of the Patent

Collateral by Debtor has not, does not and will not infringe upon or violate any right, privilege or license agreement of or with any other Person.

(e) Powers. Debtor has the unqualified right, power and authority to pledge and to grant to Secured Party a security interest in all of the Patent Collateral pursuant to this Agreement, and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person except as already obtained.

5. Covenants. Debtor covenants that so long as this Agreement shall be in effect, Debtor shall:

(a) comply with all of the covenants, terms and provisions of this Agreement, the Loan Agreement, the Guarantor Security Agreement, and the other Loan Documents;

(b) promptly give Secured Party written notice of the occurrence of any event that could have a material adverse effect on any of the Patents or the Patent Collateral, including any petition under the Bankruptcy Code filed by or against any licensor of any of the Patents for which Debtor is a licensee;

(c) on a continuing basis, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, including appropriate financing and continuation statements and security agreements, and take all such action as may be necessary or advisable or may be requested by Secured Party to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure Debtor's compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Patent Collateral. Without limiting the generality of the foregoing sentence, Debtor:

(i) hereby authorizes Secured Party in its sole discretion if Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Secured Party, to modify this Agreement without first obtaining Debtor's approval of or signature to such modification by amending Schedule A hereof to include a reference to any right, title or interest in any existing Patent Collateral or Patent Collateral acquired or developed by Debtor after the execution hereof, or to delete any reference to any right, title or interest in any Patent Collateral in which Debtor no longer has or claims any right, title or interest; and

(ii) hereby authorizes Secured Party, in its sole discretion, to file one or more financing or continuation statements, if Debtor refuses to execute and deliver, or fails timely to execute and deliver, any such amendment thereto it is

requested to execute and deliver by Secured Party, any amendments thereto, relative to all or any portion of the Patent Collateral, without the signature of Debtor where permitted by law;

(d) comply, in all material respects, with all applicable statutory and regulatory requirements in connection with any and all of the Patent Collateral and give such notice of patent, prosecute such material claims, and do all other acts and take all other measures which, in Debtor's reasonable business judgment, may be necessary or desirable to preserve, protect and maintain the Patent Collateral and all of Debtor's rights therein, including diligently prosecute any material patent application pending as of the date of this Agreement or thereafter;

(e) comply with each of the terms and provisions of this Agreement, and not enter into any agreement (for example, a license agreement) which is inconsistent with the obligations of Debtor under this Agreement without Secured Party's prior written consent; and

(f) not permit the inclusion in any contract to which Debtor becomes a party of any provision that could or might impair or prevent the creation of a security interest in favor of Secured Party in Debtor's rights and interest in any property included within the definition of Patent Collateral acquired under such contracts.

6. Future Rights. If and when Debtor shall obtain rights to any new patentable inventions, or become entitled to the benefit of any Patent, or any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or Patent Collateral or any improvement thereof (whether pursuant to any license or otherwise), the provisions of this Agreement shall automatically apply thereto and Debtor shall give to Secured Party prompt notice thereof. Debtor shall do all things deemed necessary or advisable by Secured Party to ensure the validity, perfection, priority and enforceability of the security interests of Secured Party in such future acquired Patent Collateral. Debtor hereby authorizes Secured Party to modify, amend or supplement the Schedules hereto and to re-execute this Agreement from time to time on Debtor's behalf and as its attorney-in-fact to include any future patents which are or become Patent Collateral and to cause such re-executed Agreement or such modified, amended or supplemented Schedules to be filed with the PTO.

7. Remedies. Upon the occurrence and during the continuance of an Event of Default, Secured Party shall have all rights and remedies available to it under the Loan Agreement, the Guarantor Security Agreement, and applicable law (which rights and remedies are cumulative) with respect to the security interests in any of the Patent Collateral or any other Collateral. Debtor agrees that such rights and remedies include the right of Secured Party as a Secured Party to sell or otherwise dispose of its Collateral after default, pursuant to UCC Section 9504. Debtor agrees that Secured Party shall at all times have such royalty free licenses, to the extent permitted by law, for any Patent Collateral that is

reasonably necessary to permit the exercise of any of Secured Party's rights or remedies upon the occurrence and during the continuation of an Event of Default with respect to (among other things) any tangible asset of Debtor in which Secured Party has a security interest, including Secured Party's rights to sell inventory, tooling or packaging which is acquired by Debtor (or its successor, assignee or trustee in bankruptcy). In addition to and without limiting any of the foregoing, upon the occurrence and during the continuance of an Event of Default, Secured Party shall have the right but shall in no way be obligated to bring suit, or to take such other action as Secured Party deems necessary or advisable, in the name of Debtor or Secured Party, to enforce or protect any of the Patent Collateral, in which event Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all documents required by Secured Party in aid of such enforcement. To the extent that Secured Party shall elect not to bring suit to enforce such Patent Collateral, upon the occurrence and during the continuation of an Event of Default, Debtor, in the exercise of its reasonable business judgment, agrees to use all reasonable measures and its diligent efforts, whether by action, suit, proceeding or otherwise, to prevent the infringement, misappropriation or violations thereof by others and for that purpose agrees diligently to maintain any action, suit or proceeding against any Person necessary to prevent such infringement, misappropriation or violation.

8. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor and Secured Party and their respective successors and assigns.

9. Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Loan Agreement.

10. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, except to the extent that the validity or perfection of the security interests hereunder in respect of the Patent Collateral are governed by federal law, in which case such choice of California law shall not be deemed to deprive Secured Party of such rights and remedies as may be available under federal law.

11. Entire Agreement; Amendment. This Agreement, the Loan Agreement, and the Guarantor Security Agreement, together with the Schedules hereto and thereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties. Notwithstanding the foregoing, Secured Party may re-execute this Agreement or modify, amend or supplement the Schedules hereto as provided in Section 6 hereof.

12. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to

such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

13. Counterparts; Telefacsimile Execution. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement

14. Remedies Cumulative. Debtor acknowledges that the rights and remedies of Secured Party with respect to the security interest in the Patent Collateral granted hereby are more fully set forth in the Loan Agreement and the Guarantor Security Agreement and all such rights and remedies are cumulative.

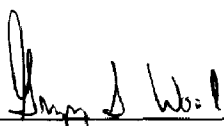
15. No Inconsistent Requirements. Debtor acknowledges that this Agreement and the other Loan Documents may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

16. Termination. Upon the indefeasible payment in full of the Obligations, including the cash collateralization, expiration, or cancellation of all Obligations, if any, consisting of letters of credit, and the full and final termination of any commitment to extend any financial accommodations under the Loan Agreement, this Agreement shall terminate and Secured Party shall execute and deliver such documents and instruments and take such further action reasonably requested by Debtor and at Debtor's expense as shall be necessary to evidence termination of the security interest granted by Debtor to Secured Party hereunder.

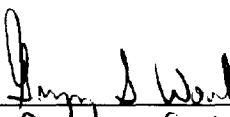
[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, as of the date first above written.

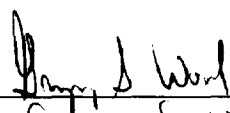
NETWORK COMPUTING DEVICES, INC.,
a Delaware corporation

By: 
Name: Gregory S. Wood
Title: _____

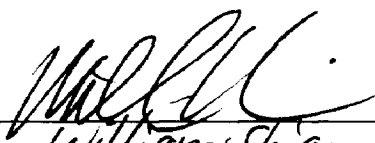
NCD ACQUISITION CORP.,
an Indiana corporation

By: 
Name: Gregory S. Wood
Title: _____

NCD GRAPHIC SOFTWARE, INC.,
an Oregon corporation

By: 
Name: Gregory S. Wood
Title: _____

FOOTHILL CAPITAL CORPORATION,
a California corporation

By: 
Name: William Shiao
Title: Vice President

S-1

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

LOS ANGELES

SS.

On

3/30/00

Date

before me,

Kai Williamson

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

Gregory Scott Wood

Name(s) of Signer(s)

☐ personally known to me

☒ proved to me on the basis of satisfactory evidence



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

WITNESS my hand and official seal.

Kai R. Williamson

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document:

PATENT SECURITY Agreement

Document Date:

Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer

Signer's Name:

Individual

Corporate Officer — Title(s):

Partner — Limited General

Attorney in Fact

Trustee

Guardian or Conservator

Other

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

Signer Is Representing:

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

Los Angeles

SS.

On

3/3/00

before me,

Kai R. Williamson

Date

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

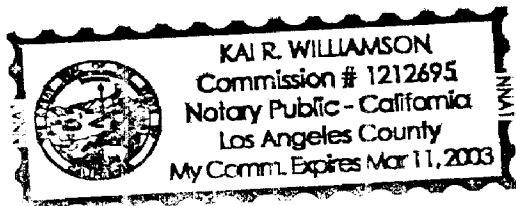
personally appeared

William Shiao

Name(s) of Signer(s)

personally known to me

☒ proved to me on the basis of satisfactory evidence



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

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Place Notary Seal Above

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Other:

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OF SIGNER
Top of thumb here

Signer Is Representing: