

## RECORDATION FORM COVER SHEET

U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

08-14-2001



To the Honorable Commissioner of Patent

and original documents or copy thereof.

## 1. Name of conveying party(ies):

3DLABS INC., LTD., and certain of  
Parent's Subsidiaries101811656  
08/03/01Additional name(s) of conveying party(ies) attached? ☒ Yes ☐ No

## Name of receiving party(ies)

Name: FOOTHILL CAPITAL CORPORATIONInternal Address: Suite 3000WStreet Address: 2450 Colorado AvenueCity: Santa Monica State: CA ZIP: 90404Additional name(s) & address(es) attached? ☐ Yes ☒ No

## 3. Nature of conveyance:

☐ Assignment☐ Merger☒ Security Agreement☐ Change of Name☐ OtherExecution Date: July 27, 2001

## 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)

Please see attached Schedule A.

B. Patent No.(s)

Additional numbers attached? ☒ Yes ☐ No

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

Name: BROBECK, PHLEGER & HARRISON LLP

Internal Address: \_\_\_\_\_

Attn: Kimberley A. LathropStreet Address: 550 South Hope StreetCity: Los Angeles State: CA ZIP: 90071

## 6. Total number of applications and patents involved:

25

7. Total fee (37 CFR 3.41).....\$ 1,000☒ Enclosed☐ Authorized to be charged to deposit account

## 8. Deposit account number:

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

## 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.

Kimberley A. Lathrop

Name of Person Signing

Kimberley A. Lathrop

Signature

08-02-01

Date

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

10

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box AssignmentsPATENT  
REEL: 012058 FRAME: 0496

1. Name of conveying party(ies):

**3DLABS INC., LTD.**, a company organized under the laws of Bermuda

Clarendon House

2 Church Street

Hamilton, Bermuda

**3DLABS (ALABAMA) INC.**, a Delaware corporation

**3DLABS, INC.**, a Delaware corporation

**3DLABS LIMITED**, a company organized under the laws of England

**SCHEDULE A**  
**to Patent Security Agreement**

**USA Patent Applications**

<b>App Number</b>	<b>Filing Date</b>	<b>Status</b>	<b>Title</b>
60/269463	16-Feb-01	Provisional	In-Circuit Test using Scan Chains
60/269428	16-Feb-01	Provisional	Yield Enhancement of Complex Chips
60/269802	20-Feb-01	Provisional	Planar Byte Memory Organization with Linear Access
60/269935	20-Feb-01	Provisional	Context Changing Mechanism/Autoscheduling infinite circular buffers
60/271851	27-Feb-01	Provisional	Tile Relative Origin for Plane Equations
60/271795	27-Feb-01	Provisional	Vector Instruction Set - P10
60/271796	27-Feb-01	Provisional	Antialias Mask Generation
60/272125	28-Feb-01	Provisional	Same Tile Method
60/272516	28-Feb-01	Provisional	Parameter Circular Buffers
08/904715	1-Aug-97	Pending	Hardware-Accelerated Photoreal Rendering
08/825259	27-Mar-97	Pending	Efficient Stroking of Vectors with Arbitrary Endpoints
09/129293	5-Aug-98	Pending	High Speed Video Frame Buffer
09/185486	3-Nov-98	Pending	Apparatus and Method for Logging Graphics Procedure Calls
60/147723	6-Aug-99	Pending	Phase Correction for Multiple Processors
60/126034	25-Mar-99	Pending	Variable Stride Circle Rendering Apparatus and Method
09/353495	15-Jul-99	Pending	Multi-Processor Graphics Accelerator
09/329557	10-Jun-99	Pending	System for Reducing Aliasing on a Display Device
09/353912	15-Jul-99	Pending	Graphics Processing System with Multiple Strip Breakers
09/345678	30-Jun-99	Pending	Method and Apparatus for Transporting Information to a Graphic Accelerator Card
09/353420	15-Jul-99	Pending	Wide Instruction Word Graphics Processor
09/353894	15-Jul-99	Pending	Data Sequencing Apparatus and Method
09/353419	15-Jul-99	Pending	System for Displaying a Television Signal on a Computer Monitor
09/353887	15-Jul-99	Pending	Graphics Processor with Texture Memory Allocation System
60/127789	15-Apr-99	Pending	Pixel Processing for Stereo display (Cougar)
09/535358	24-Mar-00	Pending	Variable stride circle rendering apparatus and method

# PATENT SECURITY AGREEMENT

This **PATENT SECURITY AGREEMENT** (this "Agreement"), dated as of July 27, 2001, is made by and among **3DLABS INC., LTD.**, a company organized under the laws of Bermuda ("Parent"), and certain of Parent's Subsidiaries identified on the signature page hereof (Parent and such Subsidiaries are referred to hereinafter each individually as a "Debtor", and individually and collectively, jointly and severally, as the "Debtors") in favor of **FOOTHILL CAPITAL CORPORATION**, a California corporation ("Secured Party").

## **RECITALS**

**WHEREAS**, Parent, 3Dlabs (Alabama) Inc., a Delaware corporation ("3D Alabama"), and 3Dlabs, Inc., a Delaware corporation ("3D"; 3D, together with 3D Alabama are referred to hereinafter each individually as a "Borrower", and individually and collectively, jointly and severally, as the "Borrowers"), and Secured Party have entered into that certain Loan and Security Agreement, of even date herewith (as amended, restated, supplemented, or otherwise modified from time to time, the "Loan Agreement"), pursuant to which Secured Party has agreed to make certain financial accommodations to the Borrowers, and pursuant to which each Borrower has granted to Secured Party security interests in (among other things) all or substantially all of the general intangibles of such Borrower.

**WHEREAS**, Parent has entered into that certain Parent Debenture (as defined in the Loan Agreement), pursuant to which Parent has granted to Secured Party a security interest in, among other things, all or substantially all of the general intangibles of Parent.

**WHEREAS**, 3Dlabs Limited, a company organized under the laws of England ("UK Guarantor") has entered into that certain UK Debenture (as defined in the Loan Agreement), pursuant to which UK Guarantor has granted to Secured Party a security interest in, among other things, all or substantially all of the general intangibles of UK Guarantor.

**WHEREAS**, pursuant to the Loan Agreement, the Parent Debenture, and the UK Debenture, and as one of the conditions precedent to the obligations of Secured Party under the Loan Agreement, Debtors have agreed to execute and deliver this Agreement to Secured Party for filing with the Patent and Trademark Office and with any other relevant recording systems in any jurisdiction, and as further evidence of and to effectuate Secured Party's existing security interests in the Patent Collateral (as defined below).

## **AGREEMENT**

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

### **1. Definitions; Interpretation.**

- 1 -

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

"3D" shall have the meaning ascribed to such term in the Recitals to this Agreement.

"3D Alabama" shall have the meaning ascribed to such term in the Recitals to this Agreement.

"Agreement" shall have the meaning ascribed to such term in the introductory paragraph hereto.

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

"Borrower" and "Borrowers" shall have the respective meanings ascribed to such terms in the Recitals to this Agreement.

"Debtor" and "Debtors" shall have the respective meanings ascribed to such terms in the introductory paragraph of this Agreement.

"Event of Default" shall have the meaning ascribed to such term 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.

"Loan Agreement" shall have the meaning ascribed to such term in the Recitals to this Agreement.

"Parent" shall have the meaning ascribed to such term in the introductory paragraph of this Agreement.

"Parent Debenture" shall have the meaning ascribed to such term in the Recitals to this Agreement.

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

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

"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 9102(a)(64), 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 a Debtor, from time to time with respect to any of the Patent Collateral, (ii) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of any 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 any 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.

"Secured Obligations" shall mean, with respect to each Debtor, all liabilities, obligations, or undertakings owing by such Debtor to the Secured Party of any kind or description arising out of or outstanding under, advanced or issued pursuant to, or evidenced by the Loan Agreement, the Parent Debenture, the UK Debenture, this Agreement, or any of the other Loan Documents, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, voluntary or involuntary, whether now existing or hereafter arising, and including all interest (including interest that accrues after the filing of a case under the Bankruptcy Code) and any and all costs, fees (including attorneys fees), and expenses which such Debtor is required to pay pursuant to any of the foregoing, by law, or otherwise.

"Secured Party" shall have the meaning ascribed to such term in the introductory paragraph of this Agreement.

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

"UK Debenture" shall have the meaning ascribed to such term in the Recitals to this Agreement.

"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, 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 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.

## 2. Security Interest.

(a) Assignment and Grant of Security in Respect of the Secured Obligations. As security for the prompt payment and performance of the Secured Obligations, each Debtor hereby grants, assigns, transfers, and conveys to Secured Party continuing security interests in all of such 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 such Debtor in whole or in part, including all existing U.S. patents and patent applications of such 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 such 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) Certain Exclusions from Grant of Security Interest. Anything contained in this Agreement and the other Loan Documents to the contrary notwithstanding, the term "Patent Collateral" shall not include any item of Patent Collateral that is now or hereafter held by any Debtor as lessee, licensee, or debtor under purchase money secured financing, in the event that: (1) as a result of the grant of a security interest therein, such Debtor would be deemed to have breached the applicable lease, license, or other agreement that governs such asset pursuant to restrictions contained in the applicable lease, license or other agreement; and (2) any such restriction is effective and enforceable under applicable law; provided, further, however, that the term "Patent Collateral" shall include, at any time that the restrictions in the lease, license, or other agreement are no longer effective and enforceable (including as a result of the exercise of an option to purchase or the repayment of the secured financing) or at any time that the applicable lessor, licensor or other applicable



party's consent is obtained to the grant of a security interest in and to such asset in favor of Secured Party, (A) any and all Proceeds of such Patent Collateral, and (B) such Patent Collateral.

(c) Continuing Security Interests. Each Debtor agrees that this Agreement shall create continuing security interests in the Patent Collateral which shall remain in effect until terminated in accordance with Section 16.

(d) Incorporation into Loan Agreement. 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.

(e) Licenses. Anything in the Loan Agreement or this Agreement to the contrary notwithstanding, so long as no Event of Default has occurred and is continuing, each Debtor may license to any other Person the Patent Collateral (i) on a non-exclusive basis (subject to the security interests of Secured Party therein) in the ordinary course of business consistent with past practice and (ii) on exclusive basis (subject to the security interests of Secured Party therein) to the extent permitted by the Loan Agreement.

3. Further Assurances; Appointment of Secured Party as Attorney-in-Fact. Each 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 reasonably satisfactory to Secured Party, in its Permitted Discretion, 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 interests in the Patent Collateral and to accomplish the purposes of this Agreement. If any 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 such Debtor, or in the name of Secured Party or otherwise, without notice to or assent by such Debtor, and such Debtor hereby irrevocably constitutes and appoints Secured Party (and any of Secured Party's officers or employees or agents designated by Secured Party) as such Debtor's true and lawful attorney-in-fact with full power and authority, (i) to sign the name of such Debtor on all or any of such documents or instruments, and perform all other acts, that Secured Party reasonably 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 interests 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 such Debtor, which Secured Party reasonably 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 such 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.

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

(a) No Other Patents. A true and correct list of all material Patents owned, held (whether pursuant to a license or otherwise), or used by such 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 such Patents have been paid for maintaining such Patents in force, and, to such Debtor's knowledge, each of such Patents is valid and enforceable.

(c) Title. (i) Such 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, such Debtor is the sole and exclusive owner thereof, free and clear of any Liens and rights of others (other than (A) Liens in favor of Secured Party, and (B) Permitted Liens), (iii) with respect to any Patent set forth in Schedule A for which such 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, such Debtor is not in default of any of its material 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 such Debtor or any such licensor regarding such Patent Collateral, the parties to any other such non-exclusive licenses or license agreements entered into by such Debtor or any such licensor with any other Person, no other Person is known by such Debtor to have any rights in or to any such Patent Collateral.

(d) No Infringement. To each 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 any material item of the Patent Collateral by such 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. Each Debtor has the unqualified right, power and authority to pledge and to grant to Secured Party security interests 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. Each Debtor covenants that so long as this Agreement shall be in effect, such Debtor shall:

(a) comply with all of the covenants, terms and provisions of this Agreement, the Loan Agreement and the other Loan Documents to which such Debtor is a party;

(b) promptly give Secured Party written notice of the occurrence of any event that could have a material adverse effect on (i) any of the Patents listed in Schedule A or (ii) the Patent Collateral, including any petition under the Bankruptcy Code filed by or against any licensor of any such Patents for which such 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 may be requested by Secured Party, in its Permitted Discretion, to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interests granted or purported to be granted hereby, to ensure such 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, each Debtor:

(i) hereby authorizes Secured Party, in its Permitted Discretion, if such 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 such 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 material Patent Collateral or Patent Collateral acquired or developed by such 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 Permitted Discretion, to file one or more financing or continuation statements, if such 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 such 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, the failure to comply with which could reasonably be expected to have a Material Adverse Change, and give such notice of patent, prosecute such material claims, and do all other acts and take all other measures which, in such Debtor's reasonable business judgment, may be necessary to preserve, protect and maintain the Patent Collateral and all of such 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 the Loan Agreement, and not enter into any agreement (for example, a license agreement) which is inconsistent with the obligations of such Debtor under this Agreement and the Loan Agreement without Secured Party's prior written consent; and

(f) not permit the inclusion in any contract to which such 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 such 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 any 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 such Debtor shall give to Secured Party notice thereof in accordance with Section 4.4 of the Loan Agreement. Each Debtor shall do all things deemed necessary or advisable by Secured Party, in its Permitted Discretion, to ensure the validity, perfection, priority and enforceability of the security interests of Secured Party in such future acquired Patent Collateral. Each Debtor hereby authorizes Secured Party to modify, amend or supplement the Schedules hereto and to re-execute this Agreement from time to time on such 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 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. Each 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 9610. Each 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 such Debtor in which Secured Party has a security interest, including Secured Party's rights to sell inventory, tooling or packaging which is acquired by such 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 any Debtor or Secured Party, to enforce or protect any of the Patent Collateral, in which event any such 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, each 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 each 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 and the Loan Agreement, together with the Schedules hereto and thereto, contain 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, as provided in the Loan Agreement. 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. Loan Agreement. Each Debtor acknowledges that the rights and remedies of Secured Party with respect to the security interests in the Patent Collateral granted hereby are more fully set forth in the Loan Agreement and all such rights and remedies are cumulative.

15. No Inconsistent Requirements. Each 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 each Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

Termination. Upon the indefeasible payment in full in cash of the Secured Obligations, including the cash collateralization, expiration, or cancellation of all Secured 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 and the security interests granted hereunder shall terminate and Secured Party shall execute and deliver such documents and instruments and take such further action reasonably requested by the Debtors and at Debtors' expense as shall be necessary to evidence termination of the security interests granted by Debtors to Secured Party hereunder. Anything contained herein to the contrary notwithstanding, concurrent with the incurrence of the Permitted UK Guarantor Debt, Secured Party agrees to immediately release its Liens in and to the assets of UK Guarantor; provided, however, that such release shall not be deemed to extend to a release of UK Guarantor from the guaranty and covenant to pay provisions of the UK Debenture nor a release of the Stock of UK Guarantor that is the subject of the Stock Pledge Agreement.

16. Agreement to be Bound by Loan Agreement. By its execution and delivery of this Agreement or any joinder hereto, any Debtor that is not a party to the Loan Agreement or any joinder thereto nevertheless shall be deemed to have agreed to be bound by each provision in the Loan Agreement relating to the Debtors or their assets with the same

force and effect as though such Debtor were party to the Loan Agreement or any joinder thereto, *mutatis mutandis*.

[Signature page follows]

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

**3DLABS INC., LTD.,**

a company organized under the laws of Bermuda

By: [Signature]

Name: Osmun Kent

Title: President & Chief Executive Officer

**3DLABS (ALABAMA) INC.,**

a Delaware corporation

By: [Signature]

Name: Hildy Shandell

Title: Executive VP, COO, CFO & Secretary

**3DLABS, INC.**

a Delaware corporation

By: [Signature]

Name: Hildy Shandell

Title: Executive VP, COO, CFO & Secretary

**3DLABS LIMITED,**

a company organized under the laws of England

By: [Signature]

Name: Osmun Kent

Title: President & Chief Executive Officer

**FOOTHILL CAPITAL CORPORATION,**

a California corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



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

**3DLABS INC., LTD.,**

a company organized under the laws of Bermuda

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**3DLABS (ALABAMA) INC.,**

a Delaware corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**3DLABS, INC.**

a Delaware corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**3DLABS LIMITED,**

a company organized under the laws of England

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FOOTHILL CAPITAL CORPORATION,**

a California corporation

By: Rhonda R. Foreman

Name: Rhonda R. Foreman

Title: S.V.P.

**SCHEDULE A**  
**to Patent Security Agreement**

**USA Patent Applications**

<b>App Number</b>	<b>Filing Date</b>	<b>Status</b>	<b>Title</b>
60/269463	16-Feb-01	Provisional	In-Circuit Test using Scan Chains
60/269428	16-Feb-01	Provisional	Yield Enhancement of Complex Chips
60/269802	20-Feb-01	Provisional	Planar Byte Memory Organization with Linear Access
60/269935	20-Feb-01	Provisional	Context Changing Mechanism/Autoscheduling infinite circular buffers
60/271851	27-Feb-01	Provisional	Tile Relative Origin for Plane Equations
60/271795	27-Feb-01	Provisional	Vector Instruction Set - P10
60/271796	27-Feb-01	Provisional	Antialias Mask Generation
60/272125	28-Feb-01	Provisional	Same Tile Method
60/272516	28-Feb-01	Provisional	Parameter Circular Buffers
08/904715	1-Aug-97	Pending	Hardware-Accelerated Photoreal Rendering
08/825259	27-Mar-97	Pending	Efficient Stroking of Vectors with Arbitrary Endpoints
09/129293	5-Aug-98	Pending	High Speed Video Frame Buffer
09/185486	3-Nov-98	Pending	Apparatus and Method for Logging Graphics Procedure Calls
60/147723	6-Aug-99	Pending	Phase Correction for Multiple Processors
60/126034	25-Mar-99	Pending	Variable Stride Circle Rendering Apparatus and Method
09/353495	15-Jul-99	Pending	Multi-Processor Graphics Accelerator
09/329557	10-Jun-99	Pending	System for Reducing Aliasing on a Display Device
09/353912	15-Jul-99	Pending	Graphics Processing System with Multiple Strip Breakers
09/345678	30-Jun-99	Pending	Method and Apparatus for Transporting Information to a Graphic Accelerator Card
09/353420	15-Jul-99	Pending	Wide Instruction Word Graphics Processor
09/353894	15-Jul-99	Pending	Data Sequencing Apparatus and Method
09/353419	15-Jul-99	Pending	System for Displaying a Television Signal on a Computer Monitor
09/353887	15-Jul-99	Pending	Graphics Processor with Texture Memory Allocation System
60/127789	15-Apr-99	Pending	Pixel Processing for Stereo display (Cougar)
09/535358	24-Mar-00	Pending	Variable stride circle rendering apparatus and method