

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of October 5, 2001 by and between COMERICA BANK-CALIFORNIA ("Bank") and BSQUARE CORPORATION, a Washington corporation ("Grantor").

RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodations to Grantor (the "Loans") in the amounts and manner set forth in that certain Amended and Restated Loan and Security Agreement by and between Bank and Grantor dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement). Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

B. Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreement and under all other agreements now existing or hereafter arising between Grantor and Bank, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

Grantor represents and warrants that Exhibits A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

IN WITNESS WHEREOF, the parties have cause this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

BSQUARE CORPORATION

Address of Grantor:

3180 139th Avenue SE, #290
Bellevue, WA 98005

Attn: Leila Kirske

By: Leila L. Kirske

Title: CFO

BANK:

COMERICA BANK-CALIFORNIA

Address of Bank:

5330 Carillon Point
Kirkland, WA 98033

Attn: Julia Doke

By: [Signature]

Title: Vice President

EXHIBIT A

Copyrights

<u>Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
Welcome to bFAX Express! Application Title: bFAX Express 4.0	TX4768130	05/06/98
bMOBILE CDPD DRIVER FOR Windows CE Application Title: bMOBILE wireless Internet 1.1	TX4768129	05/06/98
bPrint 1.6 Application Title bPrint 1.0	TX4768128	05/06/98
bREADY 2.0.	TX4768127	05/06/98
BMOBILE news. Application Title: Mobile news.	TX4783469	05/06/98
bTRACK 2.0	TX4771471	05/06/98
Welcome to bFIND! Application Title: bFIND2.0	TX4771470	05/06/98
Welcome to bMOBILE Chat! Application Title: bMOBILE Chat	TX4771469	05/06/98
Welcome to bFAX! Application Title: Bfax Pro 4.0	TX4771468	05/06/98
EmbeddedDesktop. Application Title: CE-embedded desktop2.11	TX4926904	02/28/99
bUSEFUL Notepad 2.0	TX4988888	05/10/99
bUSEFUL HTML Editor 2.0 Application Title: bSQUARE HTML editor 1.0	TX4260509	05/18/99
bUSEFUL encode	TX5014178	05/21/99
bUSEFUL launch 2.0.	TX4180039	05/21/99
bUSEFUL Backup 2.0.	TX4991342	05/21/99
bFIND 2.1. Application Title: bFIND 2.0; bFIND 1.0	TX4241593	05/21/99
bUSEFUL System Analyzer 2.0.	TX4260511	05/21/99
bTASK 2.0 Application Title: bTASK 1.0	TX4260510	05/21/99
Buseful list: 2.0.	TX5007226	05/24/99
bUSEFUL Moon Phase.	TX4260513	05/24/99
bUSEFUL Script 2.0.	TX4260512	05/24/99
bUSEFUL FindSpace 2.0.	TX4930290	05/24/99
Bsquare spreadsheet	TX5020105	06/11/99
CEValidator	TX5040462	09/07/99

<u>Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
CE Validator 1.2 (CE Validator 1.10)	TX5203988	04/27/00
BSQUARE CE set-top box SDK for national Geode platform	TX5236496	05/05/00
BSQUARE EZBeam 1.1	Pending	09/12/00
BSQUARE Messenger	Pending	09/12/00
bInTouch 1.1	TXu967873	09/22/00
CE XML developer's kit: version 1.0: XML utilities	TX5291655	10/17/00
CE Validator PassPORT 1.31 (CE Validator 1.10, CE Validator 1.20, CE Validator PassPORT 1.30)	Pending	04/19/01
CE Validator PassCode 1.20 (PassCode 1.10)	Pending	04/23/01
CE Xpress Adaptation Kit for AMD Elan SC400 Evaluation Board (CE Xpress Kit for 4Force board 2.0, CE Xpress Kit for EVAL SC400 board)	Pending	
CE Xpress Adaptation Kit for National MediaGX (CE Xpress GXi Kt 2.0, CE Xpress Media GXm 2.10, CE Xpress Media GXm 2.11)	Pending	
CE Xpress Adaption Kit for Intel SA-1110 Strong Arm (CE 2.10 XpressKit SA-1110, CE 2.11 XpressKit SA-1110)	Pending	
PDA Phone Dialer Application	Pending	
Information Appliance Development Kit 1.03 (iWin 1.03)	Pending	
Win DK Extesnion for Bluetooth 1.0	Pending	
Remote Device Administrator Server 3.0 (RDA 1.0, RDA 2.0)	Pending	
Remove Device Updater Client 3.0 For Nte (RDV 3.0)(CE Remote Updater Client 1.0)	Pending	
Remote Device updater Client Force 3.0 (RDU 3.0)(CE Remote Updater Client 1.0)	Pending	

EXHIBIT B

Patents

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
Protocol acknowledgment between homogeneous system	6,182,246	01/30/01
A system and method for testing and validating devices having an embedded operating system	09/489,308	01/21/00
Windows CE device driver platform layer (binary express kits)	09/324,073	06/01/99
User interface having customizable shell for embedded operating system devices	09/935,181	
Apparatus and method to reduce interrupt latency in shared interrupt systems	09/735,435	
Method and apparatus for touch screen noise immunity improvement	09/608,475	

EXHIBIT C

Trademarks

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
Pivot 360	76/233,474	03/29/01
Pivot 360	76/233,473	03/29/01
TV Companion	76/159,700	11/06/00
Btask	2,307,439	01/11/00
Bproductive	2,292,802	11/16/99
Buseful	2,285,546	10/12/99
Btrack	2,304,675	12/28/99
Bfind	2,258,849	07/06/99
Bready	2,369,743	07/25/00
Bprint	2,266,379	08/03/99
Bsquare	2,105,093	10/14/97
Bfax	2,153,068	04/21/98
Bsquare View	2,154,269	04/28/98
Bsquare	2,153,067	04/21/98