

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

RELEASE OF SECURITY INTEREST RECORDED AT REEL/FRAME  
009817/0607

CONVEYING PARTY DATA

Name	Execution Date
Transamerica Business Credit Corporation	04/05/2002

RECEIVING PARTY DATA

Name:	Vadem, a California corporation
Street Address:	1960 Zanker Road
City:	San Jose
State/Country:	CALIFORNIA
Postal Code:	95112

PROPERTY NUMBERS Total: 10

Property Type	Number
Patent Number:	5758175
Patent Number:	5710929
Patent Number:	5799198
Patent Number:	5671433
Patent Number:	5630163
Patent Number:	5613130
Patent Number:	5337408
Patent Number:	4811204
Patent Number:	5396635
Patent Number:	5822610

CORRESPONDENCE DATA

Fax Number: (248)203-0763

*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

Phone: 248-203-0782

PATENT

REEL: 016256 FRAME: 0053

500039610

CH \$400.00 5758175

Email: ipmail@dykema.com  
Correspondent Name: Jeffrey L. Doyle  
Address Line 1: 39577 Woodward Ave.  
Address Line 2: Suite 300  
Address Line 4: Bloomfield Hills, MICHIGAN 48304

NAME OF SUBMITTER:

Jeffrey L. Doyle

**Total Attachments: 27**

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### Acknowledgement of Termination of Rights and Interest

This Acknowledgement of Termination of Rights and Interest is made with reference to a Loan and Security Agreement dated February 4, 1999 between Vadem, Ltd. ("Vadem") and Transamerica Business Credit Corporation ("TBCC"), a Security Agreement dated January 12, 1999 between Vadem and TBCC, a Security Agreement in Copyrighted Works dated February 4, 1999 between Vadem and TBCC, and a Patent and Trademark Security Agreement dated February 4, 1999 between Vadem and TBCC, which are referenced in a certain document filed with the Register of Mortgages and Charges, British Virgin Islands on February 24, 1999, a copy of said document is attached hereto as Exhibit A.

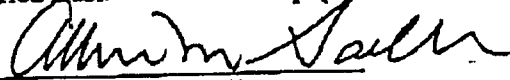
TBCC hereby acknowledges and agrees that all of its rights and interests of TBCC in and to the charged or encumbered property described in Exhibit A attached hereto have been terminated as of March 1, 2000.

TBCC does hereby further authorize and consent that this Acknowledgment of Termination may be recorded and indexed by the Register of Mortgages and Charges.

Dated: April 5, 2002

Transamerica Business Credit Corporation

By:



Name: Allen M. Sailer

Title: Senior Vice President

REGISTER OF MORTGAGES, CHARGES  
AND OTHER ENCUMBRANCES  
OF

VADPM, LTD.  
(the "Company")

FILED  
FEB 21 1999  
Registry of Companies  
Belize Virgin Islands  
LIC 190, 90485

Notice Entry	Description and Date of Instrument (Including Mortgage, Charge or Other Encumbrance)	Sum Secured	Description of Property Mortgaged, Charged or otherwise Encumbered	Name and Address of Mortgagee or Person Entitled to Mortgage, Charge or other Encumbrance	Date of Maturity or Charge or other Encumbrance	Initials of Person Making Entry
22 February 1999	A Loan and Security Agreement dated 4 February 1999 (the "Loan Agreement") made by the Company in favor of Transamerica Business Credit Corporation ("TBCC")	All items (including the Loan), advances, debts, liabilities, obligations, covenants and duties owing by the Company to TBCC of any kind or nature, at the time of delivery of the Loan Agreement or in the future, whether or not evidenced by any note, guaranty, or other instrument, which may arise under, out of, or in connection with the Loan Agreement, any other Loan Documents (as defined in the Loan Agreement) or any other agreement executed in connection herewith or therewith, whether or not for the payment of money, whether arising by reason of an extension of credit, opening, guaranteeing or assuming of a letter of credit, loan, guaranty, indemnification or in any other manner, whether direct or indirect (including those acquired by assignment, purchase, discount or otherwise), whether absolute or	(a) Receivables being all accounts and accounts receivable at the time of delivery of the Loan Agreement or in the future, together with all security therefor and guarantees thereof and all rights and remedies relating thereto, including any right of stoppage in transit. (b) Investment Property being all investment property of the Company, including all securities, whether certificated or uncertificated, security interests, securities accounts, commodity contracts and commodity accounts, and all financial assets held in any securities account or otherwise, wherever located, and whether at the time of delivery of the Loan Agreement or thereafter acquired or arising.	Transamerica Business Credit Corporation 9399 West Higgins Road Suite 600 Rosemont, Illinois 60018 USA		IST

SP-001

Date of Entry	Description and Date of Instrument Creating Mortgage, Charge or Other Encumbrance	Sum Secured	Descriptions of Property Mortgaged, Charged or otherwise Encumbered	Name and Address of Mortgagee or Person Entitled to Mortgage, Charge or other Encumbrance	Particulars of Mortgage, Charge or Other Encumbrance	Initial of Person Making Entry
		continued, due or in default due, at the time of delivery of the Loan Agreement due or thereafter arising and howsoever acquired. The term includes, without limitation, all interest (including interest accruing on or after an insolvency event, whether or not an allowed claim), charges, expenses, and attorney's fees, and any other sums properly chargeable to the Company under the Loan Agreement, the above Loan Document or any other agreements herewith or hereafter.	time of delivery of the Loan Agreement in the future, including, without limitation, all raw materials, work in process, finished goods and other real inventory, goods in the possession of outside processors or other third parties, goods consigned to the Company to the extent of its interest therein at consignment, materials and supplies of any kind, nature or description which are on sight or used in connection with the manufacture, packing, shipping, advertising, selling or handling of any such goods, and all documents of title or documents representing the same.	(d) Equipment being all machinery, equipment, fixtures, furniture, conveyance, tools, materials, storage and handling equipment, hydraulic presses, cutting equipment, computer equipment and hardware, including central processing units, terminals, drives, memory units, printers, keyboards, screens, peripherals and input or output devices, modems, etc., stamps, vehicles, and other equipment of every kind and nature and wherever		

.. 1/1/01

FILED  
FEB 14 1991  
FEDERAL BUREAU OF INVESTIGATION  
U.S. DEPARTMENT OF JUSTICE





VANDERL, L.T.B.  
H.C. NO. 90196

Page 5.

FILED  
FEB 14 1993  
Seal of the County of  
Hills, Virginia

Date of Entry	Description and Date of Instrument Creating Mortgage, Charge or Other Encumbrance	Sum Secured	Description of Property Mortgaged, Charged or otherwise Encumbered	Name and Address of Mortgagee or Person Entitled to Mortgage, Charge or other Encumbrance	Date of Discharge of Mortgage, Charge or Other Encumbrance	Initials of Person Making Entry
23 February 1993	A Security Agreement dated 12 January 1993 (the "Security Agreement") made by the Company in favor of Transamerica Business Credit Corporation ("TBCC").	All debt, liability, obligation, guarantee, covenant and other thing by the Company to TBCC of any kind or nature, at the time of delivery of the Loan Agreement or in the future, whether or not evidenced by any note, guaranty, or other instrument, which may arise under, out of, or in connection with, this certain Security Agreement dated 12 January 1993 executed by the Company in favor of TBCC, with respect to the Company	and successions thereto and substitutions and replacements thereof and improvements thereto, and all proceeds (whether cash or other property) and products thereof, including, without limitation, all proceeds of insurance covering the whole and all tort claims to connection therewith, and all records, files, computer programs and files, data and writings relating to the foregoing, and all equipment containing the foregoing.	Transamerica Business Credit Corporation 9399 West Higgins Road Suite 600 Rosemont, Illinois 60018 USA		JST

23-001

0058 125 922 CT COR=CRPTION  
-R-20-2002 12:54



VAUDEA, L.T.T.  
HIC NO. 90416  
Page 6.

Date of Entry	Description and Date of Payment Creating Mortgage, Charge or Other Encumbrance	Item Secured	Description of Property Mortgaged, Charged or otherwise Encumbered	Name and Address of Mortgagee or Person Entitled to Mortgage, Charge or other Encumbrance	Date of Discharge of Mortgage, Charge or Other Encumbrance	Initials of Person Making Entry
		(and all collections, contracts, repurchases and modifications thereof), the Security Agreement, any other Loan Document or any other document executed in connection herewith or otherwise, whether or not for the payment of money, whether arising by reason of an extension of credit, payment, reimbursement or continuing of a loan or credit, now, hereafter, indemnification or in any other manner, whether direct or indirect, including those acquired by assignment, purchase, disposal or otherwise, which constitute or comprise, in whole or in part, the Security Agreement due or hereafter arising and payable acquired. The term includes, without limitation, all interest (including interest accruing on or after an involuntary claim, as defined in the Security Agreement, whether or not an allowed claim).	all raw materials, work in process, finished goods and other retail inventory, goods in the possession of outside processors or other third parties, goods consigned to the Company to the extent of its interest therein as consigned, materials and supplies of any kind, nature or description which are or might be used in connection with the manufacture, packing, shipping, advertising, selling or freighting of any such goods, and all documents of title or documents representing the same.			
		(c) Equipment being all machinery, equipment, furniture, fixtures, copyers, tools, materials, storage and handling equipment, hydraulic presses, cutting equipment, computer equipment and hardware, including central processing units, terminals, direct, memory units, printers, keyboards, screens, digitizers and input or output devices, modems, data bases, vehicles, and other equipment of every kind and nature and wherever situated at the time of delivery of the Security Agreement or thereafter.				

187-501

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FEB 24 1999  
FBI - Springfield  
Springfield, Missouri

60' 500' 2000 225 902  
CT CORPORATION

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Date of Maturity or Maturity Date, or Charge or Other Encumbrance	Name and Address of Mortgagor or Person Entitled to Mortgage Charge or Other Encumbrance	Description of Property Mortgaged, Charged or otherwise Encumbered	Amount and Address of Mortgage or Person Entitled to Mortgage Charge or Other Encumbrance	Date of Discharge of Mortgage, Charge or Other Encumbrance	Label of Person Making Entry
		<p>charges, expenses, commissions, facility, closing and collateral maintenance fees, (other than credit fees, reasonable attorney's fees, and any other sum properly chargeable to the Company under the Security Agreement, the other Loan Documents (as defined in the Security Agreement) or any other agreement executed in connection herewith or otherwise.</p> <p>owned by the Company or in which the Company may have any interest as trustee or otherwise (in the event of such loan(s), together with all additions and accretions thereto, all replacement and all accessories and parts thereof, all manuals, blueprints, know-how, warranties and records in connection therewith, all rights against suppliers, vendors, manufacturers, sellers or others in connection therewith, and together with, all attributes for any of the foregoing.</p> <p>(d) Other Property being all instruments, documents, documents of title, receipts, bonds, notes, promissory notes, drafts, acceptances, letters of credit and rights to receive proceeds of letters of credit, deposit accounts, chattel paper, certificates, investment policies, insurance proceeds, leases, computer tapes, causes of action, judgments, claims against third parties, fractional rights in any person's property, bonds, debentures, bills and records, general assignments and (including without limitation, all contracts, rights, tax refunds, rights to</p>			

VADANA, LTD.  
 INC. IN. 00116  
 Page 8.

Use of Bury	Description and Date of Instrument Creating Mortgage, Charge or Other Encumbrance	Sum Secured	Description of Property Mortgaged, Charged or otherwise Encumbered	Name and Address of Mortgagee or Person Entitled to Mortgage, Charge or other Encumbrance	Date of Discharge of Mortgage, Charge or Other Encumbrance	Initials of Person Making Entry
			<p>exclusive use, refund, patents, patent applications, copyrights, registered and unregistered, royalties, licenses, permits, franchise rights, authorizations, easements, rights of indemnification, contributions and subrogation, computer programs, disks and software, trade secrets, computer source code, trademarks, trade names, service marks and names, logos, goodwill, displays, choice in action, design, blueprints, plans, know-how, telephone numbers and rights therein, credits, reserves, and all forms of obligations whatsoever in the line of delivery of the Security Agreement or thereafter owing to the Company), all property at any time in the possession or under the control of TRCC, and all security given by the Company to TRCC pursuant to any other Loan Document or agreement.</p> <p>(i) Children, being Receivables, Inventory, Equipment, and Other Property (as described herein) and all subleases and successive interests and subleases and replacement thereof and improvements thereon.</p>			

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 FEB 7 4 1993  
 Federal Circuit Court  
 Middle Virginia District

APR 20 2002 15:05  
 CT CORPORATION

50-51 2222 15:05

Unit of Entry	Description and Date of Mortgage, Charge or Other Encumbrance	Sum Secured	Description of Property Mortgaged, Charged or otherwise Encumbered	Name and Address of Mortgagee or Person Bound to Mortgage, Charge or other Encumbrance	Date of Discharge of Mortgage, Charge or Other Encumbrance	Initials of Person Making Entry
22 February 1999	A Security Agreement in Copyrighted Works dated 4 February 1999 (the "Copyright Agreement") made by the Company in favor of Transamerica Business Credit Corporation ("TRBC").	As less (including the Loan), advances, debt, liability, obligations, covenants and duties owing by the Company to TRBC of any kind or nature, at the time of delivery of the Loan Agreement dated 4 February 1999 (the "Loan Agreement") and made by the Company in favor of TRBC or in the future, whether or not evidenced by any note, guaranty, or other instrument, which may arise under, out of, or in connection with, the Loan Agreement, any other Loan Document, or defined in the Loan Agreement.	and all proceeds (whether cash or other property) and products thereof, including, without limitation, all proceeds of insurance covering the same and all interests in connection therewith, and all records, files, computer programs and files, data and writings relating to the foregoing, and all equipment containing the foregoing.	Transamerica Business Credit Corporation 9399 West Higgins Road Suite 600 Rosemont, Illinois 60018 USA		IST
			(a) Registered Copyright and Applicable for Copyright Registration - All of the Company's United States registered copyright and copyright registrations at the time of delivery of the Copyright Agreement and in the future,			

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FILED  
FEB 24 1999  
REGISTERED COPY AND  
INSTRUMENTS

Due of Debt	Description and Date of Mortgage, Lien, Charge or Other Encumbrance	Sum Secured	Description of Property Mortgaged, Charged or otherwise Encumbered	Name and Address of Mortgagee or Person Entitled to Mortgage, Charge or other Encumbrance	Date of Discharge of Mortgage, Charge or other Encumbrance	Initials of Person Making Entry
		or any other agreement entered in connection herewith or therewith, whether or not for the payment of money, whether arising by reason of an extension of credit, buying, guaranteeing or conforming of a letter of credit, loan, guaranty, indemnification or in any other matter, whether direct or indirect (including those acquired by assignment, purchase, divorce or otherwise), whether absolute or contingent, due or to become due, at the time of delivery of the Loan Agreement due or to become due, arising and however acquired. The term includes, without limitation, all interest (including interest accrued on or after an insolvency event), as defined in the Loan Agreement, whether or not an allowed claim, charges, expenses, consequential liability, charging and collateral insolvency fees, letter of credit fees, reasonable attorney's fees, and any other fees properly chargeable to the Company under the Loan Agreement, the said Loan	including, without limitation the registered copyrights filed in Schedule A to the Copyright Agreement (and including all of the exclusive rights afforded a copyright owner in the United States under 17 U.S.C. § 106 and any exclusive rights which may in the future arise by act of Congress or otherwise) and all of the Company's applications for copyright registration at the time of delivery of the Copyright Agreement and in the future (including applications for copyright registrations of derivative works and compilations) (collectively, the "Registered Copyrights"), and any and all royalties, payments, and other amounts payable to the Company in connection with the Registered Copyrights, together with all interests and claims of the Registered Copyrights, the rights to recover for all past, present, and future infringements of the Registered Copyrights, and all computer programs, computer databases, source code, object code and all			

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 FEB 21 1989  
 Register of Commerce  
 State of Virginia

VAIUKAL, L.T.D.  
M.C. NO. 90486  
Page 11.

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1974 18:19  
Liquidity of Conditions  
British North America

Initial of Vendor Making Entry	Date of Discharge of Mortgage, Charge or Other Encumbrance	Name and Address of Mortgagee or Person Entitled to Mortgage, Charge or other Encumbrance	Description of Property Mortgaged, Charged or otherwise Encumbered	Sum Secured	Description and Date of Instrument Creating Mortgage, Charge or Other Encumbrance	Date of Entry
			Intangible property embodying as incorporated the Registered Copyrights, and all other rights of every kind whatsoever, pertaining thereto or pertaining thereto.	Documents of any other in connection herewith.		
			(A) Unregistered Copyrights - All of the Company's present and future copyrights which are not registered in the United States Copyright Office (the "Unregistered Copyrights"), whether at the time of delivery of the Copyright Agreement or otherwise acquired, including without limitation the Unregistered Copyrights listed in Schedule D to the Copyright Agreement, and any and all royalties, payments, and other amounts payable to the Company in connection with the Unregistered Copyrights, together with all renewals and extensions of the Unregistered Copyrights, the right to receive for all past, present, and future infringement of the Unregistered Copyrights, and all computer programs, computer software, source codes, object codes and all tangible property embodying or			

169-001

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YADEM, LTD.  
INC. NO. 90416  
Page 12

Date of Entry	Description and Title of Instruments Creating Mortgage, Charge or Other Encumbrance	Sum Secured	Description of Property Mortgaged, Charged or otherwise Encumbered	Name and Address of Mortgagee or Person Entitled to Mortgage, Charge or other Encumbrance	Date of Discharge or Release, Change or Other Encumbrance	Initial of Person Making Entry
			<p>(c) <b>Licenses</b> - All of the Company's right, title and interest in and to any and all license agreements with respect to the Copyright in the films of delivery of the Copyright Agreement and in the future, including without limitation the license agreements listed in Schedule C to the Copyright Agreement (the "Licenses").</p> <p>(d) <b>Accounts Receivables</b> - All accounts, accounts receivable and other rights to payment at the time of delivery of the Copyright Agreement and in the future arising from, in connection with or relating to the Copyright.</p> <p>(e) <b>Proceeds</b> - All cash and non-cash of any and all of the foregoing.</p>			

FILED  
FEB 24 1963  
RECEIVED  
Ralph W. Smith  
Ralph W. Smith

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YADKAN, LTD.  
MC 101, 90116  
Page 14.

Date of Entry	Description and Nature of Invention or Other Intellectual Property	Sum Secured	Description of Property Mortgaged, Charged or otherwise Encumbered	Name and Address of Mortgagee or Person Entitled to Mortgage, Charge or other Encumbrance	Amount of Contribution of Mortgage, Charge or other Encumbrance	Labels of Person Making Entry
			acquired, or used at the time of delivery of the Patent Agreement as in the future whether pursuant to a license or otherwise) by the Company, in whole or in part, and all patent rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), foreign filing rights, and rights to extend such patents and patent rights.			
			(c) All of the Company's right to the trademark and trademark registrations listed on Exhibit A of the Patent Agreement, a copy of which is attached hereto, as the same may be updated hereafter from time to time;			
			(d) All of the Company's right, title, and interest, in and to the patents and patent applications listed on Exhibit B of the Patent Agreement, a copy of which is attached hereto, as the same may be updated hereafter from time to time;			
			(e) All of the Company's right, title and interest to register trademark			

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FILED  
FEB 14 1973  
Bureau of Copyrights  
Library of Congress

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2002 053 6502  
CT CORPORATION

VADEA, LTD.  
INC NO. 90186  
Page 15.

Date of Entry	Description and Date of Instrument Creating Mortgage, Charge or Other Unencumbrance	Sum Secured	Particulars of Property Mortgaged, Charged or otherwise Encumbered	Name and Address of Mortgagee or Person Entitled to Mortgage, Charge or other Unencumbrance
			<p>claim under any state or federal trademark law or regulation of any foreign country and to apply for, renew, extend the trademark registration and trademark rights, the right (without obligation) to sue or bring application or cancellation proceedings in the name of the Company or in the name of THCC for past, present and future infringements of the trademark, registration, or trademark rights and all rights (but no obligations) corresponding thereto in the United States and any foreign country;</p> <p>(1) All of the Company's right, title, and interest in all patentable inventions, and to file applications for patent under federal patent law or regulation of any foreign country, and to request examination and/or review of the patent, the right (without obligation) to sue or bring interference proceedings in the name of the Company or in the name of THCC for past, present and future infringements of the trademark, registration, or trademark rights and</p>	

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SI CORPORATION

**Page 16.**

Page 16.	Date of Entry	Description and Facts of Indebted Creating Mortgage, Charge or Other Encumbrance	Sum Secured	Description of Property Mortgaged, Charged or otherwise Encumbered	Name and Address of Mortgagee or Person Entitled to Mortgage Charge or other Encumbrance
				<p>all right (but no obligations) comprising shares in the United States and any foreign country;</p> <p>(a) The entire goodwill of or associated with the business at the time of delivery of the Patent Agreement or thereafter conducted by the Company connected with and symbolized by any of the aforementioned properties and assets;</p> <p>(b) All general intangibles relating to the foregoing and all other intangible intellectual or other similar property of the Company of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and</p> <p>(c) All products and proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of inventions) will) and, to the extent not otherwise included, all payments under insurance, or any</p>	

APR 01 2002 15:06

APR 05 2002 12:20

TRANSAMERICA

860 676 6766

2065836500

P.19/19

APR 02 2002 29:40 FX TRANSAMERICA

04/01/2002 11:53 FAX 206 583 6500

TOTAL P.20

VADRM, LTD.  
IBC NO. 9016  
Page 17.

Date of Entry	Description and Date of Instrument Creating Mortgage, Charge or Other Encumbrance	Sum Secured	Useful and Property Mortgage, Charge or Other Encumbrance	Intention, warranty, or guaranty payable by estate of him or damage to or otherwise with respect to the collateral.	Name and Address of Mortgagee or Person Benefited by Mortgage, Charge or other Encumbrance
21166-001					

Registered by \_\_\_\_\_  
H. J. S. VICES  
Notarized

APR 21 2002 15:07

206 583 6500  
MAR-20-2002 15:57  
PAGE 20  
\*\* TOTAL PAGE.20 \*\*

\*\* TOTAL PAGE.19 \*\*  
PATENT

REEL: 016256 FRAME: 0072

## PATENT AND TRADEMARK SECURITY AGREEMENT

This PATENT AND TRADEMARK SECURITY AGREEMENT ("Agreement"), dated as of February 4, 1999, is entered into between VADEM, a California corporation ("Grantor"), which has a mailing address at 1960 Zanker Road, San Jose, California 95112, and TRANSAMERICA BUSINESS CREDIT CORPORATION, a Delaware corporation, ("TBCC") having its principal office at 9399 West Higgins Road, Suite 600, Rosemont, Illinois 60018 and having an office at 15260 Ventura Blvd., Suite 1240, Sherman Oaks, California 91403.

### RECITALS

A. Grantor and Vadem Ltd., on the one side, and TBCC, on the other side, are, contemporaneously herewith, entering into that certain Loan and Security Agreement ("Loan Agreement") and other instruments, documents and agreements contemplated thereby or related thereto (collectively, together with the Loan Agreement, the "Loan Documents"); and

B. Grantor is the owner of certain intellectual property, identified below, in which Grantor is granting a security interest to TBCC.

NOW THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereinafter set forth and for other good and valuable consideration, the parties hereto mutually agree as follows:

### 1. DEFINITIONS AND CONSTRUCTION.

**1.1 Definitions.** The following terms, as used in this Agreement, have the following meanings:

"Code" means the Illinois Uniform Commercial Code, as amended and supplemented from time to time, and any successor statute.

"Collateral" means all of the following, whether now owned or hereafter acquired:

(i) Each of the trademarks and rights and interest which are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers, and applications pertaining thereto), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Grantor, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(ii) Each of the patents and patent applications which are presently, or in the future may be, owned, issued, acquired, or used (whether pursuant to a license or otherwise) by Grantor, in whole or in part, and all patent rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), foreign filing rights, and rights to extend such patents and patent rights;

(iii) All of Grantor's right to the trademarks and trademark registrations listed on Exhibit A attached hereto, as the same may be updated hereafter from time to time;

(iv) All of Grantor's right, title, and interest, in and to the patents and patent applications listed on Exhibit B attached hereto, as the same may be updated hereafter from time to time;

(v) All of Grantor's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Grantor or in the name of TBCC for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(vi) All of Grantor's right, title, and interest in all patentable inventions, and to file applications for patent under federal patent law or regulation of any foreign country, and to request reexamination and/or reissue of the patents, the right (without obligation) to sue or bring interference proceedings in the name of Grantor or in the name of TBCC for past, present, and future infringements of the patents, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(vii) the entire goodwill of or associated with the businesses now or hereafter conducted by Grantor connected with and symbolized by any of the aforementioned properties and assets;

(viii) All general intangibles relating to the foregoing and all other intangible intellectual or other similar property of the Grantor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(ix) All products and proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

"Obligations" means all obligations, liabilities, and indebtedness of Grantor and Vadem Ltd. to TBCC, whether direct, indirect, liquidated, or contingent, and whether arising under this Agreement, the Loan Agreement, any other of the Loan Documents, or otherwise, including all reasonable costs and expenses as set forth in the Loan Agreement.

**1.2 Construction.** Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, and the term "including" is not limiting. The words "hereof," "herein," "hereby," "hereunder," and other similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement. Any initially capitalized terms used but not defined herein shall have the meaning set forth in the Loan Agreement. Any reference herein to any of the Loan Documents includes any and all alterations, amendments, extensions, modifications, renewals, or supplements thereto or thereof, as applicable. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against TBCC or Grantor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by Grantor, TBCC, and their respective counsel, and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of TBCC and Grantor. Headings have been set forth herein for convenience only, and shall not be used in the construction of this Agreement.

## **2. GRANT OF SECURITY INTEREST.**

To secure the complete and timely payment and performance of all Obligations, and without limiting any other security interest Grantor has granted to TBCC, Grantor hereby grants, assigns, and conveys to TBCC a security interest in Grantor's entire right, title, and interest in and to the Collateral.

## **3. REPRESENTATIONS, WARRANTIES AND COVENANTS.**

Grantor hereby represents, warrants, and covenants that:

**3.1 Trademarks; Patents.** A true and complete schedule setting forth all federal and state trademark registrations owned or controlled by Grantor or licensed to Grantor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Exhibit A; and a true and complete schedule setting forth all patent and patent applications owned or controlled by Grantor or licensed to Grantor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Exhibit B.

**3.2 Validity; Enforceability.** Each of the patents and trademarks is valid and enforceable, and Grantor is not presently aware of any past, present, or prospective claim by any third party that any of the patents or trademarks are invalid or unenforceable, or that the use of any patents or trademarks violates the rights of any third person, or of any basis for any such claims.

**3.3 Title.** Grantor is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the patents, patent applications, trademarks, and trademark registrations, free and clear of any liens, charges, and encumbrances, including pledges, assignments, licenses, shop rights, and covenants by Grantor not to sue third persons.

**3.4 Notice.** Grantor has used and will continue to use proper statutory notice in connection with its use of each of the patents and trademarks.

**3.5 Quality.** Grantor has used and will continue to use consistent standards of high quality (which may be consistent with Grantor's past practices) in the manufacture, sale, and delivery of products and services sold or delivered under or in connection with the trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the trademarks.

**3.6 Perfection of Security Interest.** Except for the filing of appropriate financing statements (all of which filings have been made) and filings with the United States Patent and Trademark Office necessary to perfect the security interests created hereunder, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Grantor of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Grantor or for the perfection of or the exercise by TBCC of its rights hereunder to the Collateral in the United States.

## **4. AFTER-ACQUIRED PATENT OR TRADEMARK RIGHTS.**

If Grantor shall obtain rights to any new trademarks, any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. Grantor shall give prompt notice in writing to TBCC with respect to any such new trademarks or patents, or renewal or extension of any trademark registration. Grantor shall bear any expenses incurred in connection with future patent applications or trademark registrations. Without limiting

Grantor's obligation under this Section 4, Grantor authorizes TBCC to modify this Agreement by amending Exhibits A or B to include any such new patent or trademark rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Exhibits A or B shall in any way affect, invalidate or detract from TBCC's continuing security interest in all Collateral, whether or not listed on Exhibit A or B.

## **5. LITIGATION AND PROCEEDINGS.**

Grantor shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings, or other action for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Grantor shall provide to TBCC any information with respect thereto requested by TBCC. TBCC shall provide at Grantor's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Following Grantor's becoming aware thereof, Grantor shall notify TBCC of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or any United States, state, or foreign court regarding Grantor's claim of ownership in any of the patents or trademarks, its right to apply for the same, or its right to keep and maintain such patent or trademark rights.

## **6. POWER OF ATTORNEY.**

Grantor hereby appoints TBCC as Grantor's true and lawful attorney, with full power of substitution, to do any or all of the following, in the name, place and stead of Grantor: (a) file this Agreement (or an abstract hereof) or any other document describing TBCC's interest in the Collateral with the United States Patent and Trademark Office; (b) execute any modification of this Agreement pursuant to Section 4 of this Agreement; (c) take any action and execute any instrument which TBCC may deem necessary or advisable to accomplish the purposes of this Agreement; and (d) following an Event of Default (as defined in the Loan Agreement), (i) endorse Grantor's name on all applications, documents, papers and instruments necessary for TBCC to use or maintain the Collateral; (ii) ask, demand, collect, sue for, recover, impound, receive, and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral; (iii) file any claims or take any action or institute any proceedings that TBCC may deem necessary or desirable for the collection of any of the Collateral or otherwise enforce TBCC's rights with respect to any of the Collateral, and (iv) assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person.

## **7. RIGHT TO INSPECT.**

Grantor grants to TBCC and its employees and agents the right to visit Grantor's plants and facilities which manufacture, inspect, or store products sold under any of the patents or trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours.

## **8. SPECIFIC REMEDIES.**

Upon the occurrence of any Event of Default (as defined in the Loan Agreement), TBCC shall have, in addition to, other rights given by law or in this Agreement, the Loan Agreement, or in any other Loan Document, all of the rights and remedies with respect to the Collateral of a secured party under the Code, including the following:

**8.1 Notification.** TBCC may notify licensees to make royalty payments on license agreements directly to TBCC;



**8.2 Sale.** TBCC may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as TBCC deems advisable. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Grantor prior to such disposition \*. Grantor shall be credited with the net proceeds of such sale only when they are actually received by TBCC, and Grantor shall continue to be liable for any deficiency remaining after the Collateral is sold or collected. If the sale is to be a public sale, TBCC shall also give notice of the time and place by publishing a notice one time at least five (5) days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held. To the maximum extent permitted by applicable law, TBCC may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any collateral payable by TBCC at such sale.

\* as required under law

## **9. GENERAL PROVISIONS.**

**9.1 Effectiveness.** This Agreement shall be binding and deemed effective when executed by Grantor and TBCC.

**9.2 Notices.** Except to the extent otherwise provided herein, all notices, demands, and requests that either party is required or elects to give to the other shall be in writing and shall be governed by the notice provisions of the Loan Agreement.

**9.3 No Waiver.** No course of dealing between Grantor and TBCC, nor any failure to exercise nor any delay in exercising, on the part of TBCC, any right, power, or privilege under this Agreement or under the Loan Agreement or any other agreement, shall operate as a waiver. No single or partial exercise of any right, power, or privilege under this Agreement or under the Loan Agreement or any other agreement by TBCC shall preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege by TBCC.

**9.4 Rights Are Cumulative.** All of TBCC's rights and remedies with respect to the Collateral whether established by this Agreement, the Loan Agreement, or any other documents or agreements, or by law shall be cumulative and may be exercised concurrently or in any order.

**9.5 Successors.** The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties; provided that Grantor may not transfer any of the Collateral or any rights hereunder, without the prior written consent of TBCC, except as specifically permitted hereby.

**9.6 Severability.** The provisions of this Agreement are severable. If any provision of this Agreement is held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such provision, or part thereof, in such jurisdiction, and shall not in any manner affect such provision or part thereof in any other jurisdiction, or any other provision of this Agreement in any jurisdiction.

**9.7 Entire Agreement.** This Agreement is subject to modification only by a writing signed by the parties, except as provided in Section 4 of this Agreement. To the extent that any provision of this Agreement conflicts with any provision of the Loan Agreement, the provision giving TBCC greater rights or remedies shall govern, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to TBCC under the Loan

Agreement. This Agreement, the Loan Agreement, and the documents relating thereto comprise the entire agreement of the parties with respect to the matters addressed in this Agreement.

**9.8 Fees and Expenses.** \* Grantor shall pay to TBCC on demand all costs and expenses that TBCC pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement, and termination of this Agreement, including: (a) reasonable attorneys' and paralegals' fees and disbursements of counsel to TBCC; (b) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien and title searches; (d) taxes, fees, and other charges for filing this Agreement at the United States Patent and Trademark Office, or for filing financing statements, and continuations, and other actions to perfect, protect, and continue the security interest created hereunder; (e) sums paid or incurred to pay any amount or take any action required of Grantor under this Agreement that Grantor fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) paid or incurred to enforce the security interest created hereunder, sell or otherwise realize upon the Collateral, and otherwise enforce the provisions of this Agreement, or to defend any claims made or threatened against the TBCC arising out of the transactions contemplated hereby (including preparations for the consultations concerning any such matters). The foregoing shall not be construed to limit any other provisions of this Agreement or the Loan Documents regarding costs and expenses to be paid by Grantor. The parties agree that reasonable attorneys' and paralegals' fees and costs incurred in enforcing any judgment are recoverable as a separate item in addition to fees and costs incurred in obtaining the judgment and that the recovery of such attorneys' and paralegals' fees and costs is intended to survive any judgment, and is not to be deemed merged into any judgment.

\* Subject to any limits set forth in the Loan Agreement regarding the payment of fees and expenses by Grantor as borrower thereunder,

**9.9 Indemnity.** Grantor shall protect, defend, indemnify, and hold harmless TBCC and TBCC's assigns from all liabilities, losses, and costs (including without limitation reasonable attorneys' fees) incurred or imposed on TBCC relating to the matters in this Agreement.

**9.10 Further Assurances.** At TBCC's request, Grantor shall execute and deliver to TBCC any further instruments or documentation, and perform any acts, that may be reasonably necessary or appropriate to implement this Agreement, the Loan Agreement or any other agreement, and the documents relating thereto, including without limitation any instrument or documentation reasonably necessary or appropriate to create, maintain, perfect, or effectuate TBCC's security interests in the Collateral.

**9.11 Release.** At such time as Grantor shall completely satisfy all of the Obligations and the Loan Agreement shall be terminated, TBCC shall execute and deliver to Grantor all assignments and other instruments as may be reasonably necessary or proper to terminate TBCC's security interest in the Collateral, subject to any disposition of the Collateral which may have been made by TBCC pursuant to this Agreement. For the purpose of this Agreement, the Obligations shall be deemed to continue if Grantor enters into any bankruptcy or similar proceeding at a time when any amount paid to TBCC could be ordered to be repaid as a preference or pursuant to a similar theory, and shall continue until it is finally determined that no such repayment can be ordered.

**9.12 Governing Law.** THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER SOUNDING IN CONTRACT, TORT, EQUITY OR OTHERWISE, SHALL BE GOVERNED BY THE INTERNAL LAWS

AND DECISIONS OF THE STATE OF ILLINOIS. ALL DISPUTES BETWEEN THE GRANTOR AND TBCC, WHETHER SOUNDING IN CONTRACT, TORT, EQUITY OR OTHERWISE, SHALL BE RESOLVED ONLY BY STATE AND FEDERAL COURTS LOCATED IN CHICAGO, ILLINOIS, AND THE COURTS TO WHICH AN APPEAL THEREFROM MAY BE TAKEN; PROVIDED, HOWEVER, THAT TBCC SHALL HAVE THE RIGHT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TO PROCEED AGAINST THE GRANTOR OR ITS PROPERTY IN ANY LOCATION REASONABLY SELECTED BY TBCC IN GOOD FAITH TO ENABLE TBCC TO REALIZE ON SUCH PROPERTY, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF TBCC. THE GRANTOR AGREES THAT IT WILL NOT ASSERT ANY PERMISSIVE COUNTERCLAIMS, SETOFFS OR CROSS-CLAIMS IN ANY PROCEEDING BROUGHT BY TBCC. THE GRANTOR WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH TBCC HAS COMMENCED A PROCEEDING, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON FORUM NON CONVENIENS.

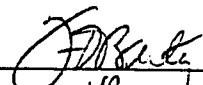
9.13 Waiver of Right to Jury Trial. TBCC AND GRANTOR EACH HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO: (I) THIS AGREEMENT; OR (II) ANY OTHER PRESENT OR FUTURE INSTRUMENT OR AGREEMENT BETWEEN TBCC AND GRANTOR; OR (III) ANY CONDUCT, ACTS OR OMISSIONS OF TBCC OR GRANTOR OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS OR ANY OTHER PERSONS AFFILIATED WITH TBCC OR GRANTOR; IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

TRANSAMERICA BUSINESS  
CREDIT CORPORATION

VADEM, a California corporation

By  
Title

  
VP

By  
Title

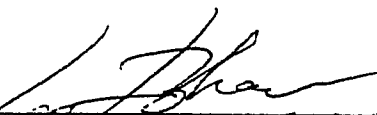
  
CEO

Exhibit "A"

PENDING TRADEMARKS

<u>Trademark</u>	<u>Filing Date</u>	<u>Serial No.</u>
SWINGTOP	07/27/98	75/527,116
CLIO	09/01/98	75/545,862
VADEM VIEWFINDER	09/01/98	75/546,600
VADEM	06/11/98	75/500,676
Stylized Vadem "V" Graphic	06/11/98	75/500,677
IPOINT	01/21/97	75/228,858
MBA	12/04/97	75/400,152
COD	12/04/97	75/402,203
CENGINE	12/04/97	75/401,843
MDE	12/04/97	75/400175
EZCE	08/27/97	75/347,896
FORCE	08/27/97	75/347,728
CE-BOOK	08/12/97	75/339,453

Exhibit "B"

PATENTS (12)

<u>Patent Description/Title</u>	<u>Issue Date</u>	<u>Patent No</u>
Multi-mode Power Switching For Computer Systems	5/26/98	5,758,175
Multi-State Power Management For Computer System	1/20/98	5,710,929
Activity Monitor for Computer Systems Power Management	8/25/98	5,799,198
Mappable Function for Single Chip/Multi-Chip Processors For Computers	9/23/97	5,671,433
Computer Having A Single Bus Supporting Multiple Bus Architecture Operation with Different Parameters	5/13/97	5,630,163
Card Voltage Switching And Protection	3/18/97	5,613,130
Multi-level Display Controller	8/9/94	5,337,408
Direct Memory Access and Display System	3/7/89	4,811,204
Power Conservation Apparatus Having Multiple Power Reduction Levels Dependent Upon the Activity Of a Computer System	3/7/95	5,396,635
Mappable functions from single chip/multi-chip processors for computers	10/13/98	5,822,610