

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
Magink Display Technologies Ltd.	06/07/2007

RECEIVING PARTY DATA

Name:	Jerusalem Venture Partners IV L.P.
Street Address:	7 West 22nd Street
Internal Address:	7th Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10010

Name:	Jerusalem Venture Partners IV-A L.P.
Street Address:	7 West 22nd Street
Internal Address:	7th Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10010

Name:	Jerusalem Venture Partners Entrepreneurs Fund IV L.P.
Street Address:	7 West 22nd Street
Internal Address:	7th Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10010

Name:	Jerusalem Venture Partners IV (Israel) L.P.
Street Address:	Jerusalem Technological Park
Internal Address:	Building 1
City:	Malha, Jerusalem
State/Country:	ISRAEL

CH \$440.00 6690443

PATENT

500292052

REEL: 019399 FRAME: 0141

PROPERTY NUMBERS Total: 11

Property Type	Number
Patent Number:	6690443
Patent Number:	6963386
Application Number:	10529377
Application Number:	10536311
Application Number:	10575089
Application Number:	11629095
Application Number:	11248003
Application Number:	11667481
Application Number:	11667838
Application Number:	11335844
Application Number:	11798184

CORRESPONDENCE DATA

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ATTORNEY DOCKET NUMBER: 700178-15-00

NAME OF SUBMITTER: Rosy Zion

Total Attachments: 28

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FIXED AND FLOATING SECURITY DEED

UNLIMITED IN AMOUNT

Dated June 7, 2007

Created by

MAGINK DISPLAY TECHNOLOGIES LTD.

THIS FIXED AND FLOATING SECURITY DEED (this "Deed") is dated June 7, 2007 and made by and among **Magink Display Technologies Ltd.** (P.C. 51-296545-0), a company duly incorporated under the laws of the State of Israel (the "Borrower" or the "Pledgor"); and the parties listed on Schedule A hereto (each, a "Noteholder" or a "Secured Party" and collectively, the "Noteholders" or the "Secured Parties"), which parties are also parties to that certain Loan and Convertible Promissory Note Purchase Agreement (the "Purchase Agreement") of even date herewith by and among **Magink Display Technologies, Inc.**, a Delaware corporation (the "Company"), the Pledgor and the Secured Parties

Background:

- (A) The Pledgor is entering into this Deed in connection with the issuance to the Secured Parties of Secured Promissory Notes dated the date hereof by the Company (as amended, supplemented or otherwise modified from time to time, the "Notes"). Further, Pledgor desires and agrees to secure the payment of the Notes by the execution of this Deed and the compliance with all of the terms contained herein.
- (B) The Board of Directors of the Pledgor is satisfied that entering into this Deed is for the purposes and to the benefit of the Pledgor and its business.

The Pledgor and the Secured Parties hereby agree as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, unless a contrary indication appears, terms used in the Purchase Agreement have the same meaning and construction and:

"**Assigned Licences**" means all present and future licences, consents and authorisations held in connection with the Pledgor's business or the use of any of its

assets (including its Intellectual Property) and the right to all compensation which may at any time become payable to it in respect thereof.

"Charged Assets" means the assets from time to time subject, or expressed to be subject, to the Charges or any part of those assets. The Charged Assets or the assets shall specifically not include the Excluded Assets.

"Charges" means all or any of the Security created or expressed to be created by or pursuant to this Deed.

"Encumbrance" includes any mortgage, charge (whether equitable or legal), bill of sale, pledge, deposit, lien, encumbrance, hypothecation, arrangement for the retention of title, sale and leaseback, sale and repurchase or deferred title arrangement and any other right, interest, power or arrangement of any nature whatsoever having the purpose or effect of providing security for, or otherwise protecting against default in respect of, the obligations of any person.

"Excluded Assets" means the assets listed in Exhibit B attached hereto.

"Intellectual Property" means all rights in intellectual property or similar rights including patents, designs, copyrights including copyright in software (in both object and source codes) or algorithms, topographies, trade marks, trading names, rights in confidential information and know-how, and any associated or similar rights, which the Pledgor now or in the future owns or (to the extent of its interest) in which it now or in the future has an interest (in each case whether registered or unregistered and including any related licences and sub-licences of the same granted by it or to it, applications and rights to apply for the same) together with all fees, royalties or other rights derived from any of the same, including without limitation the property described on Exhibit A hereto.

"Investments" means:

- (a) any securities and investments of any kind (including shares, stock, debentures, units, depository receipts, bonds, notes, commercial paper and certificates of deposit), except for the outstanding shares of Magink Display Technologies (UK) Ltd, a wholly owned subsidiary of the Subsidiary;
- (b) warrants, options or other rights to subscribe for, purchase or otherwise acquire securities and investments;
- (c) all rights relating to securities and investments that are deposited with, or registered in the name of, any depository, custodian, nominee, clearing house or system, investment manager, chargee or other similar person or their nominee, in each case whether or not on a fungible basis (including rights against any such person); and
- (d) all other rights attaching or relating to securities or investments

and all cash or other securities or investments in the future deriving from Investments or such rights,

in each case now or in the future owned by it or (to the extent of its interest) in which it now or in the future has an interest.

"Liabilities" means all outstanding principal and accrued interest and costs under the Notes.

"Party" means a party to this Deed.

"Receiver" means an administrative receiver, receiver and manager or other receiver appointed in respect of the Charged Assets.

"Security" means the liens, charges, hypothecations and other encumbrances created under and pursuant to this Deed.

"Subsidiary" has the meaning ascribed to it in the Israeli Securities Act, 5728-1968.

"Winding-up" means winding up, amalgamation, reconstruction, administration, dissolution, liquidation, merger or consolidation or any analogous procedure or step in any jurisdiction.

1.2 Interpretation

- (a) Unless otherwise provided herein, any reference to a Section or Schedule shall be a reference to a Section hereof or Schedule hereto.
- (b) Any reference to the term "including" shall be deemed to be a reference to "including, without limitation."

2 UNDERTAKING TO GUARANTEE PAYMENT

2.1 Payment of Liabilities

In any Event of Default (as such term is defined in Notes) by the Company and/or the Pledgor, the Pledgor shall pay or otherwise perform each Liability when due in accordance with its terms or, in the case of a Liability the terms of which do not specify a time for payment, immediately on demand by the Secured Parties.

2.2 Default Interest

If the Pledgor and/or the Company fail to pay any sum payable under this Deed when due, the Pledgor shall pay interest on such sum from and including the due date at the rate of interest per annum (if any) payable in respect of amounts in default under the Notes. Such interest will accrue from day to day, be calculated on the basis of the actual number of days elapsed and a 360 day year, be payable from time to time on demand and be compounded quarterly, except in relation to any stub-period, in which

case any such amounts will be compounded on the last day of such period.

3 FIXED CHARGES

The Pledgor, with full title guarantee and as security for the payment of all Liabilities, charges in favour of the Secured Parties by way of first fixed charge, all its present:

- (i) Assigned Licenses;
- (ii) Investments;
- (iii) uncalled capital and goodwill; and
- (iv) Intellectual Property.

4 FLOATING CHARGE

4.1 Creation

In addition to the fixed Charge granted pursuant to Section 3, the Pledgor, with full title guarantee and as security for the payment of all Liabilities, charges in favour of the Secured Parties by way of floating charge the whole of its undertaking and all of the assets that the Pledgor currently has title to, both present and such future assets that may be created or received, other than (i) the Excluded Assets, and (ii) any assets from time to time or for the time being validly and effectively charged or assigned (whether at law or in equity) by way of fixed security in favour of the Secured Parties pursuant to Section 3.

4.2 Statements

Pledgor shall at Pledgor's cost and within five (5) business days of the date of this Deed cause to be filed and recorded all notices and forms required to be filed with any agency, regulatory or other body in order to give this Deed full force and effect in Israel and in any other relevant jurisdiction (the "Statements"), and Pledgor at its cost shall upon request cause to be filed and recorded any other Statements, including any statements of continuation or assignment of any Statements in respect of any Charges created pursuant to this Deed (including without limitation the filing of notices with the Copyright Office and the Patent and Trademark Office in any relevant jurisdiction), in order to perfect, protect and maintain the priority of the security interest granted by this Deed and to enable Secured Party to exercise and enforce its rights and remedies under this Deed with respect to the Charged Assets or which may at any time be required or which, in the opinion of the Secured Parties, may at any time be desirable. The Pledgor will promptly provide to the Secured Parties and Agent (as such term is defined in section 4.3 below), copies of Statements filed and recorded in connection with this Deed. To the fullest extent permitted by applicable law, the Pledgor authorizes the Agent, each Secured Party, and any other agent acting on behalf of any Secured Party, to file any Statements without the signature of the Pledgor, provided that such Statements have been approved by the Pledgor.

4.3 Conversion by Notice

The Secured Parties, upon election of the holders of a majority of the aggregate principal amount of the Notes (the "Majority Note Holders"), shall have the right, themselves or through any of their agents, to convert any floating Charge into a fixed Charge (either generally or specifically) by notice to the Pledgor specifying the relevant Charged Assets at any time that it is desirable to do so in order to protect or preserve the Charges over those Charged Assets and/or the priority of those Charges. Without derogating from any provision of this Deed, any rights of the Secured Parties to appoint the Receiver or any rights that such Receiver may have under this Deed, at any time or times, in order to comply with any legal requirement in any jurisdiction or in order to effectuate any provision of this Deed as determined in the discretion of the Majority Note Holders, the Majority Note Holders may, without the consent of the Pledgor or any other Secured Party, appoint any Secured Party, or any bank or trust company or any other person or entity to act as collateral agent (the "Agent"), either jointly with any Secured Party or separately, on behalf of the Secured Parties with such power and authority as may be necessary for the effectual operation of the provisions hereof. The Subsidiary shall have no responsibility and assumes no liability for the results of such conversion of floating Charge into fixed Charge, either for the operation of the subsidiary's business and otherwise.

4.4 Automatic conversion

If:

- (a) the Pledgor takes any step to create any Encumbrance in breach of any provision of the Notes, this Deed and/or the Purchase Agreement over any of the Charged Assets;
- (b) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any Charged Assets;
- (c) a liquidator, administrator, administrative receiver, receiver, receiver and manager, trustee or similar officer is appointed in respect of all or any part of the business, assets or revenues of the Pledgor and/or the Company;
- (d) an application is made, a petition is presented or any proceeding is commenced for an order, or a meeting is convened to pass a resolution or an order is made, for the Winding-up of the Pledgor and/or the Company; or
- (e) an Event of Default has occurred,

the floating Charge created pursuant to Section 4.1 shall automatically and immediately be converted into a fixed Charge.

5 FURTHER ASSURANCES

The Pledgor shall promptly do whatever the Secured Parties reasonably require, upon

election of the Majority Note Holders:

- (a) to perfect or protect the Charges or the priority of the Charges (including, without limitation, the giving of any instructions, the payment of any money or the taking of any act in order to procure the prompt registration of the Charges in the Charges Register of the Pledgor, with the Israeli Companies Registrar, with the Israeli Registrar of Patents, and with any other Israeli or foreign regulatory or other body required to give full force and effect to this Deed);
- (b) to facilitate the realisation of the Charged Assets after the Charges have become enforceable or the exercise of any rights vested in the Secured Parties or any Receiver, including executing any transfer, conveyance, charge, assignment or assurance of the Charged Assets (whether to the Secured Parties or their nominees or otherwise), making any registration and giving any notice, order or direction.

6 INVESTMENTS

6.1 Acquisition

The Pledgor shall promptly notify the Secured Parties of its acquisition of, or its agreement to acquire, any Investment.

6.2 Documents

The Pledgor shall, if so requested by the Secured Parties, upon election of the Majority Note Holders:

- (a) deposit with the Secured Parties, or as they direct, all certificates representing its Investments; and
- (b) execute and/or deliver to the Secured Parties such other documents relating to its Investments, including transfers of Investments executed in blank, as the Secured Parties reasonably require.

6.3 Voting Rights and Dividends after Default

During the continuance of an Event of Default (and, for all purposes of this Deed, an Event of Default shall not be continuing if it has been cured in accordance with the terms of the Notes and the Purchase Agreement):

- (a) only the Secured Parties or the Receiver shall be entitled to exercise or direct the exercise of the voting and other rights attached to any Investment in such manner as they or he see fit;
- (b) the Pledgor shall comply or procure the compliance with any directions of the Secured Parties or the Receiver in respect of the exercise of those rights and shall promptly execute and/or deliver to the Secured Parties or the Receiver such forms of proxy as

they or he require with a view to enabling such person to exercise those rights, to the extent permitted by law and subject to any order, writ or injunction that might prohibit the Pledgor from compliance with said directions; and

- (c) any payments which the Pledgor would have been entitled to receive and retain shall instead be paid to and retained by the Secured Parties (to be applied in accordance with the terms of this Deed), and any such payments which may be received by the Pledgor shall be promptly paid over to the Secured Parties and, pending such payment, shall be held on trust for the Secured Parties, to the extent permitted by law and subject to any order, writ or injunction that might prohibit the Pledgor from compliance with said directions.

6.4 Power of Attorney

If any Investment of the Pledgor is not held in the Pledgor's name, the Pledgor shall promptly deliver to the Secured Parties an irrevocable power of attorney, expressed to be given by way of security and exercisable during the continuance of an Event of Default and executed as a deed by the person in whose name that Investment is held. That power of attorney shall appoint the Secured Parties as the attorney of the holder and shall be in such form as the Secured Parties require.

7 INTELLECTUAL PROPERTY

7.1 Acquisition

The Pledgor shall promptly notify the Secured Parties of its acquisition of, or agreement to acquire (by licence or otherwise), any Intellectual Property, and any application by it or on its behalf to register any Intellectual Property.

7.2 Documents

The Pledgor shall promptly execute and/or deliver to the Secured Parties such documents relating to its Intellectual Property as the Secured Parties reasonably require in order to protect the rights granted to them in this Deed.

7.3 Maintenance

The Pledgor shall take all necessary action to safeguard and maintain its present and future ownership and rights in connection with all Intellectual Property used in or necessary for its business, including observing all related covenants and stipulations, obtaining all necessary registrations and commencing and diligently prosecuting all appropriate infringement actions, provided, however, that the Pledgor shall have sufficient funds to meet these obligations, and shall be able to legally make the appropriate disbursements. It will also take all steps necessary to maintain all registered design, patent and trade mark registrations held by it, including payment of

renewal fees, subject to the forgoing.

7.4 Assigned Licences

The Pledgor shall take all necessary action to safeguard and maintain its rights in connection with all Assigned Licences, including observing all related covenants and stipulations imposed on the Pledgor in connection with such Assigned Licences, provided, however, that the Pledgor shall have sufficient funds to meet these obligations, and shall be able to legally make the appropriate disbursements

7.5 Grant

The Pledgor shall not grant any exclusive registered user agreement or exclusive licence in relation to any of its present or future Intellectual Property or Assigned Licences except with the prior written consent of the Secured Parties upon election of the Majority Note Holders, such consent not to be unreasonably withheld or delayed. The Parties agree that it will be reasonable for the Secured Parties to refuse such consent where, in the Majority Note Holders' reasonable opinion, either (a) any such agreement or licence (including as to the identity of the applicable counterparty or the terms and conditions thereof, respectively) may materially impair the value of such Charged Assets or (b) adversely affect the Secured Parties' rights and interests in such Charged Assets under this Deed.

8 GENERAL UNDERTAKINGS

8.1 Protection of assets

The Pledgor shall keep or cause to be kept all the Charged Assets in good repair and good working order (as may be applicable, given the nature of each Charged Asset).

8.2 Negative Pledge

Save as notified to the Secured Parties on the date hereof, the Pledgor shall not (except under or pursuant to this Deed) create or attempt or agree to create or permit to arise or exist in favour of any person other than the Secured Parties any Encumbrance on or affecting any or all of its assets (except a lien arising solely by operation of law in the ordinary course of business which does not secure indebtedness for borrowed money and is discharged when due).

8.3 Disposals

The Pledgor shall not sell, assign, transfer, lease or otherwise dispose of the Charged Assets or any part of them or attempt or agree to do so except in the case of:

- (a) stock-in-trade, which may be sold at full market value in the usual course of trading as now conducted by the Pledgor and for the purpose of carrying on the Pledgor's business; and
- (b) other assets for the time being subject to the floating Charge created by Section 4 which may (subject to the other provisions of this Deed) be disposed of in the ordinary course of business.

8.4 Not Prejudice

The Pledgor shall not do, omit to do or permit to occur, to the extent it is under its control and to the maximum extent permitted by applicable law, anything that would or might result in any Charged Assets being surrendered, forfeited, cancelled or prejudiced in any way, or this Deed or any rights, powers or remedies of the Secured Parties under this Deed being prejudiced or adversely affected.

9 ENFORCEMENT

9.1 When Enforceable

The Charges shall be enforceable and exercisable during the continuance of an Event of Default and the Liabilities shall be deemed to have become due after the occurrence of an Event of Default. Notwithstanding any other provision of the Deed (including, for the avoidance of doubt, Section 9.2) and subject to applicable law, the Secured Parties agree that they shall not, and shall not permit any party acting on their behalf, to take any of the actions set forth in Clause 10.1 without providing the Pledgor five (5) business days (being days that banks are open for business in Israel and New York) prior written notice of the intention to take any such action; provided, however, that (a) such notice need only be given once in respect of any Charged Asset, after which the Receiver may take any such actions set forth in Clause 10.1 in respect of any of the Charged Assets and (b) the Secured Parties shall not be restricted in any other way whatsoever from taking any other action (or permitting the taking of any other action) in respect of the Charged Assets as otherwise contemplated or permitted by this Deed and applicable law.

9.2 Recovery

At any time during the continuance of an Event of Default, the Secured Parties, upon election of the Majority Note Holders, shall be entitled to notify the Pledgor of the crystallization of the Charges over the Charged Assets or any part thereof, with effect immediately or otherwise on a date specified by the Secured Parties, and the Secured Parties, upon election of the Majority Note Holders shall be entitled to adopt all of the measures it deems fit in order to recover the Liabilities and to realize all of its rights hereunder, including the realization of the Charged Assets, in whole or in part, and to apply the proceeds thereof to the Liabilities without first being required to realize any other guarantees or collateral held by the Secured Parties.

The Secured Parties may through the courts or execution office, realize the Charged Assets or any other property, among others, by appointing a Receiver on behalf of the Secured Parties, who shall have all of the powers and authorities to the maximum extent as permitted under applicable law, including the powers detailed in Section 10.1 below.

10 RIGHTS OF RECEIVERS

10.1 Rights of Receivers

Any Receiver so appointed shall have the right, either in his own name or in the name of the Pledgor or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit, all in accordance with applicable law:

- (a) **Carry on Business:** To manage and carry on any business of the Pledgor including to enter into any contract or arrangement and to perform, repudiate, rescind or vary any contract or arrangement to which the Pledgor is a party.
- (b) **Deal with Charged Assets:** To sell, transfer, assign, exchange, hire out, lend, grant leases, tenancies, licences and rights of user, grant renewals and accept surrenders of leases, tenancies, licences or rights of user and otherwise dispose of or realise the Charged Assets (including any fixtures, which may be sold separately from the Real Property containing them), either by public offer or auction, tender or private contract and for rents, premiums or other compensation or consideration and so that (without limitation) he may do any of these things for a consideration consisting of cash, debentures, or other obligations, Investments or other valuable consideration of any kind and any such consideration may be payable or delivered in a lump sum or by instalments spread over such period as he may think fit.
- (c) **Hive Down:** Without prejudice to the generality of Section 10.1(b) above, to do any of the following acts and things:
 - (i) To promote or procure the formation of any new corporation.
 - (ii) To subscribe for or acquire (for cash or otherwise) any Investment in or of such new corporation.
 - (iii) To sell, transfer, assign, hire out and lend, and grant leases, tenancies, licences and rights of user of, the Charged Assets to any such new corporation and accept as consideration or part of the consideration therefor any Investments in or of any such corporation or allow the payment of the whole or any part of such consideration to remain deferred or outstanding.
 - (iv) To sell, transfer, assign, exchange and otherwise dispose of or realise any such Investments or deferred consideration or part thereof or any rights attaching thereto.
- (d) **Borrow Money:** For the purpose of exercising any of the rights conferred on him by or pursuant to this Deed and/or of defraying any costs, charges, losses, liabilities or expenses (including his remuneration) incurred by or due to him in the exercise thereof

and/or for any other purpose, to borrow or raise money either unsecured or on the security of the Charged Assets (either in priority to the Charges or otherwise) and generally on such terms and conditions as he may think fit.

- (e) **Covenants and Guarantees:** To enter into bonds, covenants, commitments, guarantees, indemnities and like matters and to make all payments needed to effect, maintain or satisfy the same.
- (f) **Dealings with Tenants:** To reach agreements and make arrangements with, and to make allowances to, any lessees, tenants or other persons from whom any rents and profits may be receivable (including those relating to the grant of any licences, the review of rent in accordance with the terms of, and the variation of, the provisions of any leases, tenancies, licences or rights of user affecting the Charged Assets).
- (g) **Rights of Ownership:** To manage and use the Charged Assets and to exercise and do (or permit the Company or any nominee of it to exercise and do) all such rights and things as the Receiver would be capable of exercising or doing if he were the absolute beneficial owner of the Charged Assets and in particular, without limitation, to exercise any rights of enforcing any Security by foreclosure, sale or otherwise and (subject to Section 6) all rights attaching to Investments and to arrange for or provide all services which he may deem proper for the efficient management or use of the Charged Assets or the exercise of such rights.
- (h) **Repairs, Improvements etc.:** To make and effect decorations, repairs, structural and other alterations, improvements and additions in or to the Charged Assets (including without limitation, the development or redevelopment of any Real Property thereon) and to purchase or otherwise acquire any materials, articles or things and do anything else in connection with the Charged Assets as he may think desirable for the purpose of making them productive or more productive, increasing their letting or market value or protecting the Charges.
- (i) **Claims:** To settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Pledgor or relating in any way to the Charged Assets.
- (j) **Legal Actions:** To bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Charged Assets or any of the businesses of the Pledgor.
- (k) **Redemption of Security:** To redeem any Security (whether or not having priority to the Charges) over the Charged Assets and

to settle the accounts of encumbrances.

(l) **Employees etc.:** To appoint, hire and employ officers, employees, contractors, agents and advisors of all kinds and to discharge any such persons and any such persons appointed, hired or employed by the Pledgor.

(m) **Other Powers:** To do all such other acts and things he may consider necessary or expedient for the realisation of the Charged Assets or incidental to the exercise of any of the rights conferred on the Receiver under or by virtue of this Deed and any applicable law and to concur in the doing of anything which he has the right to do and to do any such thing jointly with any other person.

10.2 In the event that the Secured Parties shall act in order to appoint a Receiver as detailed above, the Pledgor undertakes to take any and all actions and to fully cooperate with the Secured Parties and/or any other person or body acting for the nomination of such Receiver, in order to effect the nomination of the Receiver and the vesting in the Receiver so appointed, all of the rights, powers and authority pursuant to this Deed and applicable law. The Pledgor shall not be responsible nor liable for any acts or omissions made by the Receiver, or under its instructions, and does not represent that any directions, acts or omissions of the Receiver shall be legal, valid and binding on any party.

10.3 **Remuneration**

The Secured Parties, upon election of the Majority Note Holders may from time to time determine the remuneration of any Receiver, as may be approved by the court or the execution office, and direct payment of such remuneration out of moneys accruing to him as Receiver but the Pledgor alone shall be liable for the payment of such remuneration and for all other costs, charges and expenses of the Receiver.

10.4 **Directions of Secured Parties**

Any Receiver shall in the exercise of his rights conform to any regulations, restrictions and directions from time to time made or given by the Secured Parties upon election of the Majority Note Holders, subject to applicable law.

11 **SECURED PARTIES' RIGHTS**

11.1 **Same Rights as Receiver**

Any right conferred by this Deed upon a Receiver may be exercised by the Secured Parties after the Charges become enforceable, whether or not the Secured Parties shall have taken possession or appointed a Receiver of the Charged Assets.

11.2 **Delegation**

The Secured Parties may delegate in any manner to any person (including the Agent) any rights exercisable by the Secured Parties under any of the Notes, this Deed or the

Purchase Agreement. Any such delegation may be made upon such terms and

conditions (including the power to sub-delegate) as the Secured Parties think fit, subject to applicable law

11.3 Realization by Legal Proceedings

Notwithstanding any provision hereof to the contrary, it is agreed that the charges created in this Fixed and Floating Security Deed shall be realized only through legal proceedings, either at court (under the Companies Ordinance [New Version], 1983 or at the execution offices (under the Execution Act, 1967 and in any other manner permitted by the law of the State of Israel or any other jurisdiction where the Assets are located.

12 ORDER OF DISTRIBUTIONS

12.1 Application of Proceeds

All amounts received or recovered by the Secured Parties or any Receiver or Agent in exercise of their rights under this Deed shall, subject to applicable law (including the rights of any creditors having priority under such law), be applied in the order provided in Section 12.2.

12.2 Order of distributions

The order referred to in Section 12.1 is:

- (a) in or towards the payment of all costs, losses, liabilities and expenses of and incidental to the appointment of any Receiver or Agent and the exercise of any of his rights, including his remuneration and all outgoings paid by him;
- (b) in or towards the payment of the Liabilities; and
- (c) in payment of any surplus to the Pledgor or other person entitled to it.

13 LIABILITY OF SECURED PARTIES, RECEIVERS AND DELEGATES

Neither the Secured Parties nor any Receiver or Agent shall (either by reason of taking possession of the Charged Assets or for any other reason and whether as mortgagee in possession or otherwise) be liable to the Pledgor or any other person for any costs, losses, liabilities or expenses relating to the realisation of any Charged Assets or from any act, default, omission or misconduct of the Secured Parties or any Receiver or Agent or their respective officers, employees or agents in relation to the Charged Assets or in connection with this Deed, the Purchase Agreement and/or the Notes, except to the extent caused by its or his own fraud, wilful misconduct or gross negligence, and except for any acts or omissions made following directions provided to the Pledgor pursuant to Section 10 above.

14 POWER OF ATTORNEY

14.1 Appointment

The Pledgor by way of security irrevocably appoints the Secured Parties and every Receiver or Agent severally its attorney (with full power of substitution), on its behalf and in its name or otherwise, at such time and in such manner as the attorney thinks fit:

- (a) to do anything that the Pledgor is obliged to do (but has not done) under this Deed (including to execute charges over, transfers, conveyances, assignments and assurances of, and other instruments, notices, orders and directions relating to, the Charged Assets), provided that the Pledgor was not prohibited from performing such obligations; and
- (b) to exercise any of the rights conferred on the Secured Parties or any Receiver in relation to the Charged Assets or under this Deed.

14.2 Tacking

All monies that are expressed to be secured by this Deed and that are advanced, paid or otherwise provided after the Secured Parties receive notice of the creation of any other encumbrance shall be secured by this Deed in priority to any money secured by that other encumbrance unless the Secured Parties specifically agree otherwise in writing.

15 DISCHARGE OF SECURITY

15.1 Continuing Security

The Charges shall remain in full force and effect by way of continuing security and shall not be affected in any way by any settlement of account (whether or not any Liabilities remain outstanding thereafter) or other matter or thing whatsoever and shall be in addition to any other security, guarantee or indemnity over or hereafter held by the Secured Parties or any other process in respect of the Liabilities.

15.2 Security Unaffected

Without prejudice to the generality of Section 15.1, neither the Charges nor the Liabilities shall be affected in any way by:

- (a) any other security, guarantee or indemnity now or hereafter held by the Secured Parties or any other person;
- (b) (except to the extent of the relevant release) the release of any security, guarantee or indemnity (including this Deed);
- (c) (except to the extent of the relevant amendment or change) any amendment to or change in any security, guarantee or indemnity

(including this Deed), the terms of any Liability or liability the discharge of which is, directly or indirectly, guaranteed or otherwise secured by the Pledgor or the Company or any agreement or document relating to any of the foregoing;

- (d) the enforcement or absence of enforcement of any security, guarantee or indemnity (including this Deed);
- (e) any time, indulgence, concession, waiver or consent given to the Pledgor, the Company or any other person, whether by the Secured Parties or any other person;
- (f) the making or absence of any demand for payment of any Liabilities on the Pledgor, the Company or any other person, whether by a Secured Party or any other person;
- (g) the Winding-up of the Pledgor, the Company or any other person, or any step being taken for any such Winding-up; or
- (h) the illegality, invalidity or unenforceability of, or any defect in, any provision of any agreement or document relating to the Liabilities or any security, guarantee or indemnity (including this Deed) or any of the rights or obligations of any of the parties under or in connection with any such document or any security, guarantee or indemnity (including this Deed), whether on the grounds of ultra vires, not being in the interests of the Pledgor, the Company or any other person, not having been duly authorised, executed or delivered by the Pledgor, the Company or any other person or for any other reason whatsoever.

15.3 Final Redemption

Subject to Section 15.4 and restriction on prepayment of the Notes, if all the Liabilities have been irrevocably paid in full, by the Pledgor, the Company, by any of their shareholders or by any other person, at any time, the Secured Parties shall, at the request and cost of the Pledgor and/or any shareholder of the Company and/or any other person who pays the Liabilities on behalf of the Company, release, reassign or discharge (as appropriate) the Charged Assets from the Charges; provided that nothing under this Section 15.3 shall confer upon any shareholder of the Company any rights beyond those expressly provided to the Company under this Section 15.3.

15.4 Retention of Security

If the Secured Parties reasonably considers that any amount paid or credited to it is capable of being avoided or otherwise set aside on the Winding-up of the Pledgor, the Company or any other person, or otherwise, that amount shall not be considered to have been paid for the purposes of determining whether all the Liabilities have been irrevocably paid.

16 ENFORCEMENT EXPENSES

The Pledgor shall, within five (5) business days after demand, pay to the Secured Parties the amount of all costs, losses, liabilities and expenses (including legal fees) incurred by it or any Receiver in relation to the administration, protection, realisation, enforcement or preservation of any rights under or in connection with this Deed, or any consideration by the Secured Parties as to whether to realise or enforce the same, and/or any amendment, waiver, consent or release of the Notes or this Deed and/or any other document referred to in this Deed.

17 RIGHTS, WAIVERS AND DETERMINATIONS

17.1 Exercise of Rights; No Waiver

No failure to exercise, nor any delay in exercising, on the part of the Secured Parties or Receiver, any right or remedy under the Notes or this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in the Notes or this Deed are cumulative and not exclusive of any rights or remedies provided by law.

17.2 Determinations

Any certification or determination by the Secured Parties or any Receiver under the Notes or this Deed is, in the absence of manifest error, *prima facie* evidence of the matters to which it relates.

18 COUNTERPARTS

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

19 PURCHASE AGREEMENT

Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Purchase Agreement.

20 GOVERNING LAW AND JURISDICTION

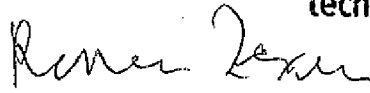
This Deed shall be governed by the laws of the State of Israel, and the courts situated in Jerusalem, the State of Israel, shall have exclusive jurisdiction with respect hereto. The Secured Parties and the Pledgor hereby submit to the exclusive jurisdiction of the competent courts in Jerusalem in any suit, action, or proceeding pertaining to this Deed. Nothing in this Deed shall limit the right of the Secured Parties to commence any legal action against the Pledgor and/or its assets in any other jurisdiction where the Assets are located. The parties, to the extent permitted by applicable law, hereby waive any objection that they may now or thereafter have to the venue of any such action or any such court or that such action is brought in an inconvenient court.

[This space intentionally left blank]

In witness whereof, this Deed has been duly executed as a deed on the date stated at the beginning of this Deed.


**SIGNED AND DELIVERED as a DEED by
MAGINK DISPLAY TECHNOLOGIES
LTD**

**magink display
technologies ltd**



acting by
a Director and
a Director/Secretary

**magink display
technologies ltd.**



RONEN ZALAYET, SECRETARY

In witness whereof, this Deed has been duly executed on the date stated at the beginning of this Deed.

SIGNED as a DEED by

Jerusalem Venture Partners IV L.P.

By: Jerusalem Partners IV LP, its General Partner

By: JVP Corp IV, its General Partner

By: _____

Name: Erel Margalit

Title: _____

SIGNED as a DEED by

Jerusalem Venture Partners IV-A L.P.

By: Jerusalem Partners IV LP, its General Partner

By: JVP Corp IV, its General Partner

By: _____

Name: Erel Margalit

Title: _____

SIGNED as a DEED by

Jerusalem Venture Partners Entrepreneurs Fund IV L.P.

By: Jerusalem Partners IV LP, its General Partner

By: JVP Corp IV, its General Partner

By: _____

Name: Erel Margalit

Title: _____

SIGNED as a DEED by

Jerusalem Venture Partners IV (Israel) L.P.

B By: Jerusalem Partners IV - Venture Capital L.P., its General Partner

By: JVP Corp IV, its General Partner

By: _____

Name: Erel Margalit

Title: _____

Schedule A

List of Note Holders/Secured Parties

Jerusalem Venture Partners IV L.P.

Address: 7 West 22nd Street
7th Floor
New York, NY 10010

Jerusalem Venture Partners IV-A L.P.

Address: 7 West 22nd Street
7th Floor
New York, NY 10010

Jerusalem Venture Partners Entrepreneurs Fund IV L.P.

Address: 7 West 22nd Street
7th Floor
New York, NY 10010

Jerusalem Venture Partners IV (Israel) L.P.

Address: Jerusalem Technological Park
Building 1
Malha, Jerusalem

Exhibit A

LIST OF INTELLECTUAL PROPERTY

[list attached]

Exhibit B
EXCLUDED ASSETS

[list attached]

Exhibit A

LIST OF INTELLECTUAL PROPERTY

Patent Portfolio of Magink Display Technologies Ltd.

Title	Magink Ref	J A Kemp Ref	Country	Appl. No.	Patent No. or Publication No.	Filing Date	Status
Modular Front-lit Display Panel	MAG 01	N.93827	EP	98909723.3	1012659	25/03/1998	pending
		N.93827	US	09/381,818	6690443	25/03/1998	granted
		N.93827	JP	544457/98	3874028	25/03/1998	granted
		N.93827	HK	00105103.3	1039654	25/03/1998	pending
Modular Front-lit Display Panel	MAG 02	N.93828	US	10/666,230	6963386	18/09/2003	granted
		N.93828B	GB	0607180.7	2422945	19/09/2004	pending
Electronic Billboard with Reflective Color Liquid Crystal Displays	MAG 03	N.93829	EP	01929966.8	1290541	15/05/2001	pending
		N.93829	HK	03106527.6	1055480	15/05/2001	pending
		N.93829	JP	2001-585018	tba	15/05/2001	pending
Distinct Color LCD Apparatus	MAG 05	N.93830A	HK	05107359.5	1074081A	30/09/2003	pending
		N.93830A	KR	7005530/2005	tba	30/09/2003	pending
		N.93830A	US	10/529,377	2006-	30/09/2003	pending

		N.93830A	JP	2004-539414	0007090	30/09/2003	pending
		N.93830A	EP	03751219.1	2006-501500	30/09/2003	pending
Display Panel and Large Display Using Such Display Panel	MAG 06	N.93831	TW	092132867	tba	24/11/2003	pending
		N.93831A	JP	2004-556731	2006-509235	26/11/2003	pending
		N.93831A	KR	7009622/2005	tba	26/11/2003	pending
(joint with Meico)		N.93831A	CN	200380104589.X	1717616	26/11/2003	pending
		N.93831A	US	10/536,311	2006-0097957	26/11/2003	pending
		N.93831A	EP	03775771.3	1567910	26/11/2003	pending
Structurally Supported LCD Media	MAG 08	N.93833A	US	10/575,089	not yet published	10/10/2004	pending
Driving Cholesteric Liquid Crystal Material into the Focal Conic State	MAG 09	N.93834	TW	094119697	200612375	14/06/2005	pending
		N.93834A	EP	05752324.3	1756800	14/06/2005	pending
		N.93834A	HK	07102685.9	not yet published	14/06/2005	pending
		N.93834A	CN	200580025073.5	published	14/06/2005	pending
		N.93834A	JP	tba	not yet published	14/06/2005	pending
		N.93834A			not yet published		pending

		N.93834A N.93834A	KR US	10-2007-7000791 11/629,095	published not yet published not yet published	14/06/2005 14/06/2005	pending pending
Display Apparatus	MAG 10	N.93009 N.93009A	GB US	0422876.3 11/248,003	2419215 2006-0082564	14/10/2004 12/10/2005	pending pending
Liquid Crystal Display Device	MAG 11	N.93224B N.93224B N.93224B N.93224B	EP US CN JP	05801615.5 11/667,481 tba tba	not yet published not yet published not yet published not yet published	07/11/2005 07/11/2005 07/11/2005 07/11/2005	pending pending pending pending
Cholesteric Liquid Crystal Display Device	MAG 12	N.93225B N.93225B	GB US	0709139.0 11/667,838	not yet published not yet published	14/11/2005 14/11/2005	pending pending
Batteryless Display	MAG 13	N.93625	GB	0501341.2	2424305	21/01/2005	pending

Apparatus		N.93625A	US	11/335,844	2006-0182898	20/01/2006	pending
Drive Scheme for a Cholesteric Liquid Crystal Display Device	MAG 14	N.94759B	EP	05801532.2	not yet published	07/11/2005	pending
		N.94759B	CN	tba	published	07/11/2005	pending
		N.94759B	JP	tba	not yet published	07/11/2005	pending
		N.94759C	US	11/798,184	not yet published	07/11/2005	pending
Video Drive Scheme for a Cholesteric Liquid Crystal Display Device	MAG 15	N.94760A	WO	PCT/GB06/002237	2006/136799	19/06/2006	pending
Cholesteric Liquid Crystal Display Device	MAG 17	N.95898A	TW	095137573	not yet published	12/10/2006	pending
		N.95898A	WO	PCT/GB06/003778	published	11/10/2006	pending
Lighting a Cholesteric Liquid Crystal Display Apparatus	MAG 18	N.97680	GB	0610433.5	not yet published	25/05/2006	pending
		N.97680A	WO	PCT/GB07/001824	published	18/05/2007	pending
Protection of a	MAG 20	N.98143	GB	0611895.4	not yet published	15/06/2006	pending

Cholesteric Liquid Crystal Display Device		N.98143A	WO	PCT/GB07/001819	published not yet published	17/05/2007	pending
Liquid Crystal Display Apparatus	MAG 21	N.99094	GB	0701280.0	not yet published	23/01/2007	pending
Driving of a Cholesteric Liquid Crystal Display Apparatus	MAG 22	N.100250	GB	0702977.0	not yet published	15/02/2007	pending

Trademarks of Magink Display Technologies Ltd.

1. US: Serial Number: 78175274 and Registration Number: 3093788
2. Israel: Trade Mark Number: 159927
3. European Community Trademark Application Number: 4566303

Copyrights

The Company holds copyrights relating to the following computer programs in both source code and object code, including previous versions and maintenance releases, and related documentation including manuals and support information:

Software (part of the applications support HC, FR and HR technology in few versions):

Billboard control

Technician software application

Automatic color testing application

Quality control application

NSDD

Firmware:

HR: Varitronix module for billboard, Varitronix module for demo units, beta module, mass production module, DMIO driver (initially by MELCO and later by Company).

HC: First version module (sharp driver based), Second version module (SI driver based), Main board firmware

FR: FR 4 panels module

The Company holds copyrights in certain promotional materials including the content of its website, presentations, and other marketing materials.