

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Release and Termination of Security Interest

CONVEYING PARTY DATA

Name	Execution Date
Orcland Inc.	02/20/2009

RECEIVING PARTY DATA

Name:	Zoran Corporation
Street Address:	1390 Kifer Road
City:	Sunnyvale
State/Country:	CALIFORNIA
Postal Code:	94086

Name:	TeraLogic, Inc.
Street Address:	1390 Kifer Road
City:	Sunnyvale
State/Country:	CALIFORNIA
Postal Code:	94086

PROPERTY NUMBERS Total: 14

Property Type	Number
Patent Number:	5748116
Patent Number:	5886651
Patent Number:	5893100
Patent Number:	5909518
Patent Number:	5949911
Patent Number:	6009434
Patent Number:	6031940
Patent Number:	6041143
Patent Number:	6275619
Patent Number:	6327000

CH \$560.00 5748116

Patent Number:	6353459
Patent Number:	6411333
Patent Number:	6411334
Patent Number:	6600838

CORRESPONDENCE DATA

Fax Number: (212)527-7701
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: (206) 262-8900
Email: fneafus@darbylaw.com
Correspondent Name: John W. Branch
Address Line 1: P.O. BOX 770
Address Line 2: Church Street Station
Address Line 4: NEW YORK, NEW YORK 10008-0770

NAME OF SUBMITTER:	Flor Neafus
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Total Attachments: 19
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RELEASE AND TERMINATION OF SECURITY INTEREST

This RELEASE AND TERMINATION OF SECURITY INTEREST ("Release and Termination") is executed as of February 20, 2009 by Orcland Inc., a Delaware corporation (the "Secured Party"), in favor of TeraLogic, Inc. a Delaware corporation and Zoran Corporation, a Delaware Corporation (the "Debtors").

WHEREAS, the Debtors have requested that the Secured Party release the liens and security interests granted to it in the right, title and interest in the patents and patent applications (the "Patents") as set forth in Appendix A attached hereto, and as also identified under a previously executed agreement (the "Security Agreement") attached hereto as Appendix B.

For good and valuable consideration, the receipt of which is hereby acknowledged:

The Secured Party does hereby certify that the liens and security interests it holds in the right, title and interest in, under the Security Agreement to the Patents, pursuant to that certain Security Agreement dated June 5, 2002 which was recorded with the United States Patent and Trademark Office on August 29, 2002, at Reel 013248, Frame 0398, by and among the Debtors and Secured Party, are released and terminated and all interests in such Patents previously assigned to the Secured Party under the Security Agreement are hereby reassigned to the Debtors, without recourse or representation or warranty, express or implied, of any kind.

This Release and Termination shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the undersigned has caused this Release and Termination to be executed by its duly authorized officer as of the date first written above.

Orcland Inc.

By: Steven E. Kober

Name:

Title:

State of New York)

) ss.

County of New York)

On February 20, 2009, before me, Anne Marie Lacomba, personally appeared Steven E. Kober, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of New York that the foregoing paragraph is true and correct.

WITNESS my hand and official seal. Anne Marie Lacomba

ANNE MARIE LACOMBA
NOTARY PUBLIC-STATE OF NEW YORK
No. 01LA6139058
Qualified in New York County
My Commission Expires December 27, 2009

APPENDIX A

Application No.	Patent No.
08/758,590	5,748,116
08/958,450	5,886,651
08/758,589	5,893,100
08/758,224	5,909,518
08/858,035	5,949,911
09/183,662	6,009,434
08/962,091	6,031,940
09/060,398	6,041,143
09/595,341	6,275,619
09/285,491	6,327,000
09/283,823	6,353,459
09/285,490	6,411,333
09/264,140	6,411,334
09/878,986 (US Pub No. 20010036323)	6,600,838

3754998.1 8:204104-002

APPENDIX B



09-06-2002
102214234

Form PTO-1585 (Rev. 03/01) OMB No. 0651-0047 (exp. 5/31/2004) Tab settings

RE U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

To the Honorable Commissioner of Patent and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): 08-29-02
TeraLogic, Inc., a Delaware corporation

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

2. Name and address of receiving party(ies)
Name: Orland Inc.
Internal Address: c/o Sony Corporation of America
Street Address: Attn: Mr. Steven E. Kober
550 Madison Avenue, Room 3380
City: New York State: New York Zip: 10022
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
Execution Date: June 5, 2002

4. Application number(s) or patent number(s):
If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s) <u>20010036323</u> (filed June 11, 2001) <u>20010026677</u> (filed May 2, 2001)	B. Patent No.(s) 6,411,334 6,009,434 6,411,333 5,949,911 6,353,459 5,900,518 6,327,000 5,893,100 6,275,619 5,886,651 6,041,143 5,748,116 6,031,940
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Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Christopher Kaufman, Esquire
Internal Address: c/o Latham & Watkins
Street Address: 135 Commonwealth Drive
City: Menlo Park State: CA Zip: 94025

6. Total number of applications and patents involved: 15

7. Total fee (37 CFR 3.41).....\$ 600.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: _____
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

B. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Patricia A. Connor Signature August 28, 2002 Date
Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 17

09/05/2002 BTUN11 00000197 20010036323
01 FC:581 600.00 CP

OC554176.1

PATENT
REEL: 013248 FRAME: 0398

PATENT
REEL: 022494 FRAME: 0742

SECURITY AGREEMENT

This Security Agreement (the "Agreement") is made as of June 5, 2002 by and between TeraLogic, Inc., a Delaware corporation (the "Debtor") in favor of those individuals and entities listed on the Schedule of Lenders attached hereto as Schedule 1, who are providing secured loans to the Company as described in the Secured Note Purchase Agreement (as defined below) (each, a "Secured Party" and collectively, the "Secured Parties").

RECITALS

The Debtor and the Secured Parties are parties to the Secured Note Purchase Agreement of even date with this Agreement (the "Secured Note Purchase Agreement"), pursuant to which the Secured Parties have agreed to purchase Notes (as defined in the Secured Note Purchase Agreement) from the Debtor. The parties intend that the Debtor's obligations to repay the Notes be secured by all of the Collateral (as defined below) of the Debtor.

AGREEMENT

In consideration of the purchase of the Notes by the Secured Parties and for other good and valuable consideration, the Debtor hereby agrees with the Secured Parties as follows:

1. Grant of Security Interest. To secure the Debtor's full and timely performance of all of the Debtor's obligations and liabilities to the Secured Parties pursuant to the Notes or the Secured Note Purchase Agreement (including, without limitation, Debtor's obligation to timely pay the principal amount of, and interest on, the Notes) (the "Obligations"), the Debtor hereby grants to the Secured Parties a continuing security interest (the "Security Interest") in and to all of the property described on Exhibit A to this Agreement (the "Collateral").

2. Agreement Among the Secured Parties.

(a) Payment Pro Rata. Payment to the Secured Parties under the Notes shall be made in proportion to the principal and accrued interest then outstanding under all Notes on any such date of payment to each Secured Party, until such obligations are paid or retired in full.

(b) Sharing of Payments. If any Secured Party shall at any time receive any payment of principal, interest or other charge arising under a Note, or upon any other obligation of Debtor or any sums by virtue of counterclaim, offset or other lien that may be exercised, or from any security, other than payments made on the same date to all Secured Parties, such Secured Party shall share such payment or payments ratably with the other Secured Parties as to maintain as near as possible the unpaid balance of the loans pro rata according to the Secured Parties' aggregate proportionate interests.

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(c) Sharing of Collateral. Upon the occurrence of any Event of Default (as defined in the Secured Note Purchase Agreement), and if the Secured Parties proceed to exercise any rights with respect to the Collateral, the Secured Parties shall share the Collateral and the proceeds of such Collateral ratably, without priority of one over the other.

(d) Appointment of Representatives. The Secured Parties agree that Orcland Inc. or any person or entity as Orcland Inc. may, from time to time, designate or some other person or party upon the approval of the Secured Parties holding a majority in interest of the principal amount of Notes then outstanding, may act as the representative of all Secured Parties (the "Representative") to execute and deliver in their names such instruments, documents, statements and amendments thereto as may be necessary or appropriate to perfect or continue the perfection of the security interest granted in this Agreement. Each of the Secured Parties agrees to defend, indemnify and hold harmless the Representative against any and all liabilities, costs and expenses (including, without limitation, all legal fees and expenses) incurred in connection with the Representative undertaking the duties described above.

(e) Enforcement. Enforcement of the Secured Parties' rights hereunder shall be taken by the Secured Parties holding a majority in interest of the principal amount of Notes then outstanding, acting together as the agent for all of the Secured Parties. The action of such percentage taken in accordance with the preceding sentence shall, in each case, bind all of the Secured Parties. Each of the Secured Parties agrees that any Secured Parties acting under Section 2(d) and Section 2(e) of this Agreement shall not be liable for any acts taken in good faith in enforcing the rights of the Secured Parties hereunder.

3. Representations and Covenants.

(a) Other Liens.

(i) Except for Permitted Liens (as defined below) which are senior or pari passu to the Obligations (the "Pari Passu Debt"), the Debtor owns all right, title and interest in the Collateral and will be the owner of the Collateral hereafter acquired free from any adverse lien, security interest or encumbrance (other than purchase money security interests that will be discharged upon Debtor's payment of the purchase price for the applicable property, and Permitted Liens), and the Debtor will defend the Collateral against the claims and demands of all persons at any time claiming the same or any interest therein. Except for the financing statements listed in the Disclosure Schedule attached as Exhibit B to this Agreement, no financing statements covering any Collateral or any proceeds thereof are on file in any public office.

(ii) For the purposes of this Agreement, "Permitted Liens" means any and all of the following: (1) liens in favor of the Secured Parties, including the Security Interest; (2) liens set forth in Exhibit B to this Agreement; (3) liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings; provided, that such liens do not have priority over any of the Secured Parties' liens and Debtor maintains adequate reserves therefor in accordance with generally

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accepted accounting principles; (4) liens securing claims or demands of materialmen, artisans, mechanics, carriers, warehousemen, landlords and other like persons arising in the ordinary course of Debtor's business and imposed without action of such parties or the Debtor; provided, that the payment thereof is not yet required; (5) the following deposits, to the extent made in the ordinary course of business: deposits under worker's compensation, unemployment insurance, social security and other similar laws, or to secure the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure indemnity, performance or other similar bonds for the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure statutory obligations (other than liens arising under ERISA or environmental liens) or surety or appeal bonds, or to secure indemnity, performance or other similar bonds; (6) liens on insurance proceeds in favor of insurance companies granted solely as security for financed premiums; (7) purchase money liens (A) on equipment acquired or held by the Company or its subsidiaries incurred in connection with financing the original acquisition of the equipment or (B) existing on equipment when acquired, if the lien is confined to the property, improvements and the direct proceeds of the equipment; (8) liens on leased equipment; (9) liens, rights of setoff and similar rights of banks or lenders with respect to funds on account with such banks or lenders or with respect to credit available to the Company from such banks or lenders; and (10) liens incurred in connection with the extension, renewal or refinancing of the indebtedness secured by liens of the type described in clauses (1) through (9) above; provided, that any extension, renewal or replacement lien will be limited to the property encumbered by the existing lien and the principal amount of the indebtedness being extended, renewed or refinanced (as may have been reduced by any payment thereon) does not increase; and provided, further, that no such extension, renewal or replacement lien pursuant to clause (2) above will be permitted without the prior written consent of the Secured Parties holding a majority in interest of the principal amount of the Notes then outstanding.

(b) Further Documentation. At any time and from time to time, at the sole expense of the Debtor, the Debtor will promptly and duly execute and deliver such further instruments and documents and take such further action as the Secured Parties may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted. The Debtor hereby authorizes the Secured Parties to file any such financing or continuation statement without the signature of the Debtor to the extent permitted by applicable law. A reproduction of this Agreement may be filed by the Secured Parties as a financing statement (or as an exhibit to a financing statement on form UCC-1) without further authorization from Debtor.

(c) Indemnification. The Debtor agrees to defend, indemnify and hold harmless the Secured Parties against any and all liabilities, costs and expenses (including, without limitation, all reasonable legal fees and expenses): (i) with respect to, or resulting from, any delay in paying, any and all excise, sales or other taxes which may be payable or are determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any law, rule, regulation or order of any governmental authority applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this

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Agreement; provided, however, that this indemnification shall not extend to any damages caused by the gross negligence or willful misconduct of any of the Secured Parties.

(d) Change of Jurisdiction of Organization; Relocation of Business or Collateral. Debtor shall not change its jurisdiction of organization, relocate its chief executive office, principal place of business or its records, or allow the relocation of any Collateral (unless such relocation is in the ordinary course of business) without thirty (30) days prior written notice to the Secured Parties.

(e) Limitations on Modifications of Accounts, Etc. Upon the occurrence and during the continuance of any Event of Default (as defined in the Secured Note Purchase Agreement), Debtor shall not, without the Secured Parties' prior written consent, grant any extension of the time of payment of any of the accounts, chattel paper, instruments or amounts due under any contract or document, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any person liable for the payment thereof, or allow any credit or discount whatsoever thereon other than trade discounts and rebates granted in the ordinary course of Debtor's business.

(f) Insurance. Debtor shall maintain insurance policies insuring the Collateral against loss or damage from such risks and in such amounts and forms and with such companies as are customarily maintained by businesses similar to Debtor.

(g) Taxes, Assessments, Etc. Debtor shall pay promptly when due all property and other taxes, assessments and government charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the equipment, fixtures or inventory, except to the extent the validity thereof is being contested in good faith and adequate reserves are being maintained in connection therewith.

(h) Defense of Intellectual Property. Debtor shall (i) use commercially reasonable efforts to protect, defend and maintain the validity and enforceability of its copyrights, patents and trademarks, (ii) use commercially reasonable efforts to detect infringements of its copyrights, patents and trademarks and promptly advise the Secured Parties in writing of material infringements detected and (iii) not allow any copyrights, patents or trademarks material to Debtor's business to be abandoned, forfeited or dedicated to the public without the written consent of the Secured Parties.

(i) Maintenance of Records. The Debtor will keep and maintain at its own cost and expense satisfactory and complete records of the Collateral.

(j) Inspection Rights. The Secured Parties will have full access during normal business hours, and upon reasonable prior notice, to all of the books, correspondence and other records of the Debtor relating to the Collateral, and the Secured Parties or their representatives may examine such records and make photocopies or otherwise take extracts from such records; provided, however, that no Secured Party who is also a customer of the Debtor will have access to the confidential information of other customers of the Debtor. The Debtor agrees to render to

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the Secured Parties, at the Debtor's expense, such clerical and other assistance as may be reasonably requested with regard to the exercise of its rights pursuant to this paragraph.

(k) Compliance with Laws, etc. The Debtor shall comply in all material respects with all laws, rules, regulations and orders of any governmental authority applicable to any part of the Collateral or to the operation of the Debtor's business; provided, however, that the Debtor may contest any such law, rule, regulation or order in any reasonable manner which does not, in the reasonable opinion of the Debtor, adversely affect the Secured Parties' rights or the priority of their liens on the Collateral.

(l) Payment of Obligations. The Debtor shall pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Collateral or with respect to any of its income or profits derived from the Collateral, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if (i) the validity of such charge is being contested in good faith by appropriate proceedings, (ii) such proceedings do not involve any material danger of the sale, forfeiture or loss of any of the Collateral or any interest in the Collateral and (iii) such charge is adequately reserved against on the Debtor's books in accordance with generally accepted accounting principles.

(m) Limitation on Liens on Collateral. The Debtor shall not create, incur or permit to exist, shall defend the Collateral against, and shall take such other action as is necessary to remove, any lien or claim on or to the Collateral, other than the Permitted Liens, and shall, except with respect to the Permitted Liens, defend the right, title and interest of the Secured Parties in and to any of the Collateral against the claims and demands of all other persons.

(n) Limitations on Dispositions of Collateral. The Debtor shall not sell, transfer, lease or otherwise dispose of a material portion of the Collateral, or offer or contract to do so without the written consent of the Secured Parties; provided, however, that Debtor will be allowed to grant non-exclusive licenses to its products, intellectual property and related documentation consistent with Debtor's past practice and in the ordinary course of business.

(o) Further Identification of Collateral. The Debtor shall furnish to the Secured Parties from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Parties may reasonably request, all in reasonable detail.

4. Secured Parties' Appointment as Attorney-in-Fact.

(a) Powers. The Debtor hereby appoints the Secured Parties, in accordance with Section 2 of this Agreement, and any officers or agents of the Secured Parties, with full power of substitution, as its attorney-in-fact with full irrevocable power and authority in the place of the Debtor and in the name of the Debtor or in its own name, so long as an Event of Default has occurred and is continuing, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any instrument which may be necessary or

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desirable to accomplish the purposes of this Agreement. Without limiting the foregoing, so long as an Event of Default has occurred and is continuing, the Secured Parties, in their discretion, will have the right, without notice to, or the consent of, the Debtor, to do any of the following on the Debtor's behalf:

- (i) to pay or discharge any taxes or liens levied or placed on or threatened against the Collateral;
- (ii) to direct any party liable for any payment under any of the Collateral to make payment of any and all amounts due or to become due thereunder directly to the Secured Parties or as the Secured Parties direct;
- (iii) to ask for or demand, collect, and receive payment of and receipt for, any payments due or to become due at any time in respect of or arising out of any Collateral;
- (iv) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to enforce any right in respect of any Collateral;
- (v) to defend any suit, action or proceeding brought against the Debtor with respect to any Collateral;
- (vi) to settle, compromise or adjust any suit, action or proceeding described in subsection (v) above and, to give such discharges or releases in connection therewith as the Secured Parties may deem appropriate;
- (vii) to assign any patent right included in the Collateral of Debtor (along with the goodwill of the business to which any such patent right pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Secured Parties in their sole discretion determine; and
- (viii) to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral, and to take, at the Secured Parties' option and the Debtor's expense, any actions which the Secured Parties deem necessary to protect, preserve or realize upon the Collateral and the Secured Parties' liens on the Collateral and to carry out the intent of this Agreement, in each case to the same extent as if the Secured Parties were the absolute owners of the Collateral for all purposes.

The Debtor hereby ratifies whatever actions the Secured Parties lawfully do or cause to be done in accordance with this Section 4. This power of attorney will be a power coupled with an interest and will be irrevocable.

(b) No Duty on Secured Parties' Part. The powers conferred on the Secured Parties by this Section 4 are solely to protect the Secured Parties' interest in the Collateral and do not impose any duty upon it to exercise any such powers. The Secured Parties will be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither

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the Secured Parties nor any of their officers, directors, employees or agents will, in the absence of willful misconduct or negligence, be responsible to the Debtor for any act or failure to act pursuant to this Section 4.

5. Expenses Incurred by Secured Parties. If the Debtor fails to perform or comply with any of its agreements or covenants contained in this Agreement, and the Secured Parties perform or comply, or otherwise cause performance or compliance, with such agreement or covenant in accordance with the terms of this Agreement, then the reasonable expenses of the Secured Parties incurred in connection with such performance or compliance will be payable by the Debtor to the Secured Parties on demand and will constitute Obligations secured by this Agreement.

6. Remedies. If a Event of Default has occurred and is continuing, the Secured Parties may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement relating to the Obligations, all rights and remedies of a secured party under the California Uniform Commercial Code, as amended from time to time (the "Code"). Without limiting the foregoing, the Secured Parties, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law) to or upon the Debtor or any other person (all of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances collect, receive, appropriate and realize upon any or all of the Collateral, and/or may sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Secured Parties or elsewhere upon such terms and conditions as the Secured Parties may deem advisable, for cash or on credit or for future delivery without assumption of any credit risk. The Secured Parties will have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase all or any part of the Collateral so sold, free of any right or equity of redemption in the Debtor, which right or equity is hereby waived or released. The Secured Parties will apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable expenses incurred therein or in connection with the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Parties under this Agreement (including, without limitation, reasonable attorneys' fees and expenses) to the payment in whole or in part of the Obligations, in such order as the Secured Parties may elect, and only after such application and after the payment by the Secured Parties of any other amount required by any provision of law, need the Secured Parties account for the surplus, if any, to the Debtor. To the extent permitted by applicable law, the Debtor waives all claims, damages and demands it may acquire against the Secured Parties arising out of the exercise by the Secured Parties of any of its rights hereunder. If any notice of a proposed sale or other disposition of Collateral is required by law, such notice will be deemed reasonable and proper if given at least five (5) days before such sale or other disposition. The Debtor will remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the reasonable fees and disbursements of any attorneys employed by the Secured Parties to collect such deficiency.

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7. Limitation on Duties Regarding Preservation of Collateral. The sole duty of the Secured Parties with respect to the custody, safekeeping and preservation of the Collateral, under Section 9207 of the Code or otherwise, will be to deal with it in the same manner as the Secured Parties deal with similar property for their own account. Neither the Secured Parties nor any of their directors, officers, employees or agents will be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or will be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Debtor or otherwise.

8. Powers Coupled with an Interest. All authorizations and agencies contained in this Agreement with respect the Collateral are irrevocable and powers coupled with an interest.

9. No Waiver; Cumulative Remedies. The Secured Parties will not by any act (except by a written instrument pursuant to Section 10(a) hereof) of delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any default under the Notes or in any breach of any of the terms and conditions of this Agreement. No failure to exercise, nor any delay in exercising, on the part of the Secured Parties, any right, power or privilege hereunder will operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Secured Parties of any right or remedy under this Agreement on any one occasion will not be construed as a bar to any right or remedy which the Secured Parties would otherwise have on any subsequent occasion. The rights and remedies provided in this Agreement are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

10. Miscellaneous.

(a) Amendments and Waivers. Any term of this Agreement may be amended with the written consent of the Debtor and of the Secured Parties holding a majority of the aggregate principal amount of the Notes then outstanding. Any amendment or waiver effected in accordance with this Section 10(a) will be binding upon the parties and their respective successors and assigns.

(b) Transfer; Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the Debtor and its successors or assigns. The Debtor may not assign any of its rights or delegate any of its duties under this Agreement

(c) Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California without regard to the laws that might be applicable under conflicts of laws principles.

(d) Counterparts. This Agreement may be executed in any number of counterparts (including by facsimile), each of which will be an original, but all of which together will constitute one instrument.

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SECURITY AGREEMENT

(e) **Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

(f) **Notices.** All notices, requests, consents and other communications under this Agreement shall be in writing and will be deemed effectively given: (a) upon personal delivery; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next business day; (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one day after deposit with an internationally recognized overnight courier, special next day delivery, with verification of receipt, at the address(es) and facsimile number(s) set forth or specified below, or at such other address or addresses and facsimile number or numbers as may have been furnished in writing by the Debtor to the Secured Parties, or by the Secured Parties to the Debtor, as applicable.

(g) **Severability.** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent of such invalidity, illegality or unenforceability without invalidating the remainder of such provision or the remaining provisions of this Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, which shall remain in full force and effect.

(h) **Entire Agreement.** This Agreement, and the documents referred to herein constitute the entire understanding and agreement between the parties with regard to the subjects hereof and thereof and supersede all prior agreements, representations, and undertakings of the parties, whether oral or written, with respect to such subject matter.

TERALOGIC, INC.
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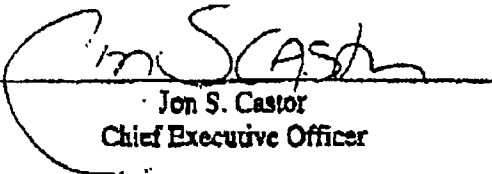
PATENT
REEL: 013248 FRAME: 0407

PATENT
REEL: 022494 FRAME: 0751

The Debtor and Secured Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

DEBTOR:

TERALOGIC, INC.

By 
Jon S. Castor
Chief Executive Officer

Address: 1240 Villa Street
Mountain View, CA 94041

Facsimile: (650) 526-2006

with a copy to:

Pillsbury Winthrop LLP
2550 Hanover Street
Palo Alto, CA 94304-1115
Attn: Allison Leopold Tilley
Telephone: (650) 233-4500
Facsimile: (650) 233-4545

[Secured Parties' signatures to follow.]

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SECURED PARTIES:

ORCLAND INC.

By Steven E. Kober
Name Steven E. Kober
Title Senior Vice President & Controller

Address: c/o Sony Corporation of America
Attn: Steven E. Kober
Senior Vice President and Controller
550 Madison Avenue, Room 3360
New York, NY 10022

Facsimile: (212) 833-6924

with a copy to:

Latham & Watkins
135 Commonwealth Drive
Menlo Park, CA 94025
Attn: Christopher Kaufman
Telephone: (650) 328-4600
Facsimile: (650) 463-2600

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PATENT
REEL: 013248 FRAME: 0409

PATENT
REEL: 022494 FRAME: 0753

EXHIBIT A

DESCRIPTION OF COLLATERAL:

"Collateral" consists of all of the Debtor's right, title and interest in and to the following:

(i) All goods and equipment now owned or hereafter acquired, including, without limitation, all machinery, fixtures, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing, and all attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing, wherever located;

(ii) All inventory, now owned or hereafter acquired, including, without limitation, all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products including such inventory as is temporarily out of the Debtor's custody or possession or in transit and including any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing and any documents of title representing any of the above;

(iii) All contract rights and general intangibles now owned or hereafter acquired;

(iv) All accounts, contract rights, royalties, license rights and all other forms of obligations now existing and hereafter arising owing to the Debtor arising out of the sale or lease of goods, the licensing of technology or other intellectual property rights or the rendering of services by Debtor, whether or not earned by performance, and any and all credit insurance, guaranties, and other security therefor, as well as all merchandise returned to or reclaimed by Debtor;

(v) All documents, cash, deposit accounts, securities, securities entitlements, securities accounts, investment property, financial assets, letters of credit, certificates of deposit, instruments and chattel paper now owned or hereafter acquired and the Debtor's books relating to the foregoing;

(vi) All of the Debtor's books relating to any of the foregoing and any and all claims, rights and interests in any of the above and all substitutions for, additions and accessions to and proceeds thereof; and

(vii) Debtor's intellectual property, including, without limitation, the following:

a. Any and all copyright rights, copyright applications, copyright registrations, moral rights and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held;

b. Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

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c. Any and all design rights which may be available to the Debtor now or hereafter existing, created, acquired or held;

d. Any and all patents, patent applications and like protections including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including without limitation the patents and patent applications;

e. Any and any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of the Debtor connected with and symbolized by such trademarks, including without limitation;

f. Any and all claims for damages by way of past, present and future infringements of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

g. Any and all licenses or other rights to use any of the copyrights, patents, trademarks or mask works, and all license fees and royalties arising from such use to the extent permitted by such license or rights;

h. Any and all amendments, extensions, renewals and extensions of any of the copyrights, trademarks, patents, or mask works; and

i. Any and all proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

Notwithstanding the foregoing, the term "Collateral" shall not include any contracts, property rights or licenses to the extent that the grant of a security interest therein, or an assignment thereof, would be contrary to applicable law, or, with respect to contracts, property rights and licenses in effect as of the date of this Agreement, prohibited by the terms of such contract, property right or license.

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EXHIBIT B

The following security interests in and to the Collateral are senior or pari passu (please specify) to the Obligations:

Senior:

1. Silicon Valley Bank - \$83,000 restricted cash securing the Company's credit card facility
2. Silicon Valley Bank - \$127,612 restricted cash securing the Letter of Credit supporting the Company's Lease on the Villa Street offices.

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PATENT
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REEL: 022494 FRAME: 0756

SCHEDULE OF TERALOGIC, INC. PATENTS

Registered Patents held in the name of TeraLogic, Inc.:

Patent No.	Regs. Date	Assignee	Title
6,411,334	June 25, 2002	Teralogic, Inc.	Aspect ratio correction using digital filtering
6,411,333	June 25, 2002	Teralogic, Inc.	Format conversion using patch-based filtering
6,353,459	March 5, 2002	Teralogic, Inc.	Method and apparatus for down conversion of video data
6,327,000	Dec. 4, 2001	Teralogic, Inc.	Efficient image scaling for scan rate conversion
6,275,619	Aug. 14, 2001	Teralogic, Inc.	System and method for performing wavelet and inverse wavelet transformations of digital data using semi-orthogonal wavelets
6,041,143	Mar. 21, 2000	Teralogic Incorporated	Multiresolution compressed image management system and method
6,031,940	Feb. 29, 2000	TeraLogic, Inc.	System and method for efficiently encoding video frame sequences
6,009,434	Dec. 28, 1999	Teralogic, Inc.	System and method for tree ordered coding of sparse data sets
5,949,911	Sept. 7, 1999	TeraLogic, Inc.	System and method for scalable coding of sparse data sets
5,909,518	June 1, 1999	Teralogic, Inc.	System and method for performing wavelet-like and inverse wavelet-like transformations of digital data
5,893,100	April 6, 1999	Teralogic, Incorporated	System and method for tree ordered coding of sparse data sets
5,886,651	Mar. 23, 1999	Teralogic, Inc.	System and method for nested split coding of sparse data sets
5,748,116	May 5, 1998	Teralogic, Incorporated	System and method for nested split coding of sparse data sets

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PATENT
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PATENT
REEL: 022494 FRAME: 0757

Pending Patent Applications held in the name of TeraLogic:

Patent Application No.	Filing Date	Assignee	Title
20010036323	June 11, 2001	TeraLogic, Inc.	System and method for performing wavelet and inverse wavelet transformations of digital data using semi-orthogonal wavelets
20010026677	May 2, 2001	General Instrument Corporation	Methods and apparatus for transcoding progressive I-slice refreshed MPEG data streams to enable trick play mode features on a television appliance