

MND 7-13-98

07-17-1998

FORM PTO-1584
1-31-92



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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

Tab settings

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

1. Name of conveying party(ies):

Avital Technologies, Inc.

- Individual(s)
- General Partnership
- Corporation-State California
- Other
- Association
- Limited Partnership

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: 10/01/97

2. Name and address of receiving party(ies):

Name: Heller Financial, Inc., as Agent

Internal Address:

Street Address: 500 W. Monroe Street

City: Chicago State: IL ZIP: 60690

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from Assignment)

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

See attached Schedule 1

B. Trademark registration No.(s)

See attached Schedule 1

Additional numbers attached? Yes No

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

Name: Meredith A. Parsons

Internal Address: Suite 5800

Street Address: Latham & Watkins
233 S. Wacker Drive

City: Chicago State: IL ZIP: 60606

6. Total number of applications and registrations involved:

7

7. Total fee (37 CFR 3.41):..... \$ 190.

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

9. Statement and signature.

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

Meredith A. Parsons

Name of Person Signing

Signature

Date 10/13/98

Total number of pages comprising this sheet

07-16-998
11081
0000226 1741165
1000
1000
01-FCM1
01-FCM2

Schedule 1 to Trademark Security Agreement

TRADEMARK REGISTRATIONS

<u>MARK</u>	<u>REG. NO.</u>	<u>DATE</u>
Avital Technologies Inc.	1741166	12/22/92
Avital	1717916	09/22/92
Q-Start	2051480	04/08/97
It's Your Car, Keep It That Way	2003532	09/24/96
Prime Security	2037373	02/11/97

TRADEMARK APPLICATIONS

<u>MARK</u>	<u>SERIAL NO.</u>	<u>DATE OF APPLICATION</u>
Design Mark - remote controlled anti-theft alarms and engine starters for automobiles	75/071719	03/13/96
Design Mark - remote controlled anit-theft alarms and engine starters for automobiles	75/071720	03/13/96

TRADEMARK LICENSES

<u>Name of Agreement</u>	<u>Parties</u>	<u>Date of Agreement</u>
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[None]

TRADEMARK SECURITY AGREEMENT

WHEREAS, AVITAL TECHNOLOGIES, INC., a California corporation ("Grantor") with its principal place of business at 1535 Barclay Boulevard, Buffalo Grove, Illinois, 60089, owns the Trademarks, Trademark registrations, and Trademark applications listed on Schedule 1 annexed hereto, and is a party to the Trademark Licenses listed on Schedule 1 annexed hereto; and

WHEREAS, Grantor, Clifford Electronics, Inc., Heller Financial, Inc., as Agent for Lenders (together with its successors and assigns, the "Grantee"), and Lenders are parties to that certain Credit Agreement dated as of the date hereof (the same, as it may be amended, restated, supplemented or otherwise modified and in effect from time to time, the "Credit Agreement"), providing for extensions of credit to be made to Grantor by Grantee; and

WHEREAS, pursuant to the terms of that certain Security Agreement dated as of the date hereof (the same, as it may be amended, restated, supplemented or otherwise modified and in effect from time to time, the "Security Agreement"; terms defined in the Security Agreement and not otherwise defined herein have the respective meanings provided for in the Security Agreement), between Grantor, Clifford Electronics, Inc. and Grantee, Grantor has granted to Grantee a security interest in substantially all the assets of Grantor including (except as limited by the Security Agreement) all right, title and interest of Grantor in, to and under all now owned and hereafter acquired Trademarks, Trademark registrations, Trademark applications and Trademark Licenses, together with the goodwill of the business symbolized by Grantor's Trademarks, and all proceeds thereof, to secure the payment of all amounts owing by Grantor under the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee a continuing security interest in all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether presently existing or hereafter created or acquired:

- (1) each Trademark, including, without limitation, the Trademarks referred to in Schedule 1 annexed hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark;
- (2) each Trademark License, including, without limitation, each Trademark License listed on Schedule 1 annexed hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark License; and
- (3) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Trademark including, without limitation, the Trademarks referred to in Schedule 1 annexed hereto, and the

Trademarks licensed under any Trademark License, or (b) injury to the goodwill associated with any Trademark or Trademark licensed under any Trademark License;

but excluding from Trademark Collateral any of the foregoing items to the extent (but only to the extent) that the granting of a security interest therein is prohibited by applicable laws or, in the case of any Trademark License or any Trademark licensed thereunder by Grantor as licensee, if the granting of a security interest therein is prohibited by an enforceable restriction in such Trademark License or the terms of such Trademark License would permit the other party thereto to terminate such Trademark License.

This security interest is granted in conjunction with the security interests granted to Grantee pursuant to the Security Agreement. The interest evidenced hereby is a security interest only and is not a present assignment of any Trademark Collateral. Grantor hereby acknowledges and affirms that the rights and remedies of Grantee with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its duly authorized officer thereunto as of this 1st day of October, 1997.

AVITAL TECHNOLOGIES, INC.,

By: William Franzen

Name: William Franzen

Title: CEO

Acknowledged:

HELLER FINANCIAL, INC.,

as Agent

By: Dennis R Rabloski

Name: Dennis R Rabloski

Title: SVP

LATHAM & WATKINS

ATTORNEYS AT LAW

SEARS TOWER, SUITE 5800

CHICAGO, ILLINOIS 60606

TELEPHONE (312) 876-7700

FAX (312) 993-9767

PAUL R. WATKINS (1899 - 1973)

DANA LATHAM (1898 - 1974)

ORANGE COUNTY OFFICE

650 TOWN CENTER DRIVE, SUITE 2000
COSTA MESA, CALIFORNIA 92626-1925
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505 MONTGOMERY STREET, SUITE 1900
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FAX (415) 395-8095

SILICON VALLEY OFFICE

75 WILLOW ROAD
MENLO PARK, CALIFORNIA 94025-3656
TELEPHONE (650) 328-4600
FAX (650) 463-2600

TOKYO OFFICE

INFINI AKASAKA, 8-7-15, AKASAKA, MINATO-KU
TOKYO 107, JAPAN
TELEPHONE (813) 3423-3970
FAX (813) 3423-3971

WASHINGTON, D.C. OFFICE

1001 PENNSYLVANIA AVE., N.W. SUITE 1300
WASHINGTON, D.C. 20004-2505
TELEPHONE (202) 637-2200
FAX (202) 637-2201

FILE NO. 025866-0002

July 11, 1998

VIA MESSENGER

Commissioner of Patents
and Trademarks
Box Assignments
Washington, D.C. 20231

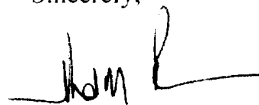
Re: Trademark Security Agreement between Avital Technologies, Inc. and Heller
Financial, Inc., as Agent

Dear Madam/Sir:

Enclosed is the above-referenced document for recordation. I have enclosed a check in the amount of \$190 to cover the recordation fee. Please arrange to have this document recorded and returned to me.

I can be reached collect at (312) 876-7676 if you have any questions concerning the enclosed document.

Sincerely,



Meredith A. Parsons
Legal Assistant

Enclosure

cc: Stephen R. Tetro, Esq.

RECORDED: 07/13/1998

TRADEMARK
REEL: 1754 FRAME: 0658