

10-15-1998



Attorney Docket No.: 433-AFF

To the U.S. Patent and Trademark Office,

100795908

attached original documents or copy thereof.

<p>1. Name of conveying party(ies):</p> <p>Passport Designs, Inc. MRD 10-15-98</p>	<p>2. Name and address of receiving party(ies):</p> <p>Imperial Bank 226 Airport Parkway, Suite 100 San Jose, CA 95110</p> <p><input type="checkbox"/> Individual(s) citizenship: <input type="checkbox"/> Association: <input type="checkbox"/> General Partnership: <input type="checkbox"/> Limited Partnership: <input type="checkbox"/> Corporation-State: <input checked="" type="checkbox"/> Other: a CA banking corporation</p> <p>If assignee is not domiciled in the U.S.A., a domestic representative designation is attached: <input type="checkbox"/> Yes; <input type="checkbox"/> No</p> <p>(Designations must be a separate document from Assignment)</p>
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name 40 <input checked="" type="checkbox"/> Other: Corrective cover sheet to Security Agreement to correct serial number from 74/356,791 to 74/356 794, previously recorded at Reel/Frame 1093/0036 on Jan. 14, 1994.</p> <p>Execution Date: Oct. 18, 1993</p>	<p>4. Application number(s) or registration number(s):</p> <p>A. Trademark Application No.(s): 74/356,794 TM</p> <p>B. Trademark Registration No.(s):</p>
<p>5. Name and address of party to whom correspondence document should be mailed:</p> <p>NED E. BARLAS, ESQ. PANITCH SCHWARZE JACOBS & NADEL, P.C. 2005 Market Street - 22nd Floor Philadelphia, PA 19103-7086 Telephone: (215) 567-2020 Facsimile: (215) 567-2991 E-Mail: psjn@psjn.com</p>	<p>6. Total number of applications and registrations involved: [1]</p> <p>7. Total fee (37 CFR 3.41) Cal. <u>1</u> x \$40.00 = \$ 40.00 <u>0</u> x \$25.00 = \$ 00.00</p> <p><input checked="" type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: 16-0235</p>

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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.

Ned E. Barlas
Name of Person Signing

[Signature]
Signature

October 14, 1998
Date

Total number of pages including cover sheet, attachments and document: [15]

MAIL ROOM
JAN 14 1993

RECORDATION FORM COVER SHEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

TRADEMARKS ONLY

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

1) Name of conveying party(ies):
 Passport Designs, Inc.

Individual(s)
 General Partnership
 Corporation-State CA 03
 Other

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

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OCT 24 1993

2) Name and address of receiving party(ies):
 Name: Imperial Bank
 Internal Address: Mr. James B. Rutter
 Street Address: 226 Airport Parkway, Suite 100
 City: San Jose State: CA Zip: 95110

Individual(s) citizenship
 Association
 General Partnership
 Limited Partnership
 Corporation-State
 Other a CA banking corporation 09

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

3. Nature of conveyance:
 Assignment
 Security Agreement
 Other

Merger
 Change of Name

Execution Date: Oct. 18, 1993
~~June 20, 1993~~

4) Application number(s) or registration number(s):
 A. Trademark Application No.(s)
 74/356788 74/356720
 74/356524 74/356791
 74/356719 74/356771

B. Trademark registration No.(s)

Additional numbers attached? Yes No

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5) Name and address of party to whom correspondence concerning document should be mailed:
 Name: Loeb and Loeb
 Internal Address: Claudia J. Barber
 10100 Santa Monica Boulevard
 Los Angeles, CA 90067
 Street Address:
 City: State: Z.P.:

6) Total number of applications and registrations involved: 6

7) Total fee (37 CFR 3.41): \$ 5.00
 Enclosed
 Authorized to be charged to deposit account

8) Deposit account number:
 20-0052
 (Attach duplicate copy of this page if paying by deposit account)

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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.

TIMOTHY L. RALSTON
 Name of Person Signing

Timothy L. Ralston
 Signature

Oct. 29, 1993
 Date

Total number of pages comprising cover sheet: 14

OMB No. 0651-0011 (Rev. 8/91)	74/356788	20-0052	110	481	125.00CH
DF-117-16	11/13/93	74/356788	20-0052	110	482

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Mail documents to be recorded with required cover sheet information to:

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

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK 2-1000C, Washington.

Barber 11/14/94

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MORTGAGE AND ASSIGNMENT OF TRADEMARKS

This Mortgage and Assignment of Trademarks (the "Trademark Mortgage"), is made as of June 23, 1993, by and between PASSPORT DESIGNS, INC., a California corporation ("Mortgagor") and IMPERIAL BANK, a California banking corporation ("Mortgagee"), with reference to the following facts:

WHEREAS, Mortgagor has previously executed in favor of Mortgagee: (a) that certain memorandum of Credit Terms and Conditions, dated June 23, 1993 (the "Credit Agreement"); (b) those certain promissory notes, each dated June 23, 1993 (the "Notes"); and (c) that certain General Security Agreement, dated June 23, 1993 (the "Security Agreement"); which documents provide for, *inter alia*, the extension of credit to Mortgagor by Mortgagee and the grant of security by Mortgagor to Mortgagee to secure repayment thereof; and

WHEREAS, pursuant to the Security Agreement, Mortgagee granted to Mortgagee a security interest in and to all personal property of Mortgagor (including without limitation, all copyrights and trademarks of Mortgagor); and

WHEREAS, Mortgagor and Mortgagee have entered into that certain Mortgage and Assignment of Copyright and Clarification of Security Agreement dated as of June 23, 1993 (the "Clarification"), which Clarification clarified the Security Agreement to reflect the original intent thereof, to wit, that the "Collateral" (as defined in the Security Agreement) expressly include all of the property described in the Clarification and defined therein as the "Collateral", including, without limitation, all of Mortgagor's trademarks and other Trademarks Collateral (as defined herein below) (the Credit Agreement, Notes, Security Agreement and Clarification, collectively, the "Credit Documents"); and

WHEREAS, in order to reflect Mortgagee's security interest in and to and the assignment of Mortgagor's trademarks to Mortgagee for security, Mortgagor has agreed to execute and deliver this Trademark Mortgage;

NOW THEREFOR, for good and valuable consideration, the receipt and adequacy of which are hereby expressly acknowledged, the parties hereto agree as follows:

1. Security Interest.

1.1 Reaffirmation of Prior Grant. Mortgagor hereby acknowledges and reaffirms its prior grant, mortgage, transfer, conveyance, assignment and license to Mortgagee and Mortgagee's successors and assigns, for

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security, of all of Mortgagor's right, title and interest in and to the property and assets defined as "Collateral" pursuant to the Security Agreement and the Clarification (the "Existing Collateral").

2. Grant of Security Interest. Notwithstanding the fact that it was the mutual intent of the parties hereto that the Existing Collateral include all the Mortgagor's trademarks and other Trademark Collateral, to the extent that the property and assets described in Section 2 below (collectively, the "Trademark Collateral") include property and assets for any reason deemed by a court of competent jurisdiction as not included as part of the Existing Collateral, Mortgagor hereby grants, mortgages, transfers, conveys, assigns and licenses to Mortgagee and Mortgagee's successors and assigns a security interest in and to the Trademark Collateral.

2. Collateral. The Trademark Collateral shall consist of all of Mortgagor's right, title and interest of every kind and nature in and to the following property:

(a) All registered and unregistered trademarks, trade names, corporate names, company names, business names, fictitious business names, service marks, trade styles, logos, indicia, brand names, and other source of business identifiers, prints, and labels on which any of the foregoing have appeared or appear, whether now existing or hereafter adopted or acquired, including, without limitation, those described on Schedule "A" attached hereto and incorporated herein by this reference (collectively, the "Trademarks") together with the goodwill of the business of Mortgagor symbolized by the Trademarks and associated therewith (the "Associated Goodwill");

(b) All registrations and recordings of the Trademarks, and all applications in connection with the Trademarks, including, without limitation, registrations, records and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States or any state thereof, and in foreign countries, which have heretofore been or may hereafter be issued thereon or applied for throughout the world (the "Registrations");

(c) All common law and other rights and interests in and to the Trademarks throughout the world (the "Trademark Rights");

(d) All trademark licenses to which Mortgagor is a party, whether as licensee or licensor, and all of Mortgagor's rights therein and thereunder (the "Trademark Licenses"), whether now existing or hereafter entered into;

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(e) All renewals of any of the items described above in clauses (a), (b), (c) and (d); and

(f) All proceeds of, accounts, accounts receivable, contract rights and other rights associated with, each of the foregoing, including any claims against third parties for past, present or future infringement or dilution of any Trademark, Registration, Trademark Right or Trademark License or for any injury to the Associated Goodwill.

3. Obligations. The security interests herein reaffirmed, evidenced and granted (and the security interests granted in the Security Agreement, as clarified by the Clarification) shall secure the prompt and complete payment and performance of any and all advances, debts, obligations and liabilities of Mortgagor to Mortgagee arising out of, or connected with, or related to the Credit Documents and all amendments or extensions or renewals thereto, whether heretofore, now or hereafter made, incurred or created, whether voluntary or involuntary and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, and including the payment of amounts which would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a) and interest which, but for the filing of a petition in bankruptcy, would accrue on such advances, debts, obligations and liabilities (collectively, the "Secured Obligations") whether or not recovery upon any of the Secured Obligations is now or hereafter becomes barred by any statute of limitations or is now or hereafter becomes otherwise unenforceable.

4. Security Agreements. This Trademark Mortgage has been executed and delivered by Mortgagor for the purpose of registering the security interest of Mortgagee in the Trademark Collateral with the United States Patent and Trademark Office. The security interests reaffirmed, evidenced and granted hereby have been granted as a supplement to, and not in limitation of, the security interests in the Collateral granted to Mortgagee under the Security Agreement and the Clarification entered into by Mortgagor and such Security Agreement and Clarification (and all rights and remedies of Mortgagee thereunder and under the other Credit Documents) shall remain in full force and effect in accordance with their terms.

5. Representations and Warranties. Mortgagor warrants and represents that:

(a) Its interest in the Trademark Collateral or any part thereof has not been adjudged invalid or unenforceable, in whole or in part;

(b) Its interest in the Trademark Collateral is valid and enforceable;

(c) Mortgagor is the sole and exclusive legal and equitable owner of the entire and unencumbered right, title and interest in and to the Trademark Collateral, free and clear of any voluntary or involuntary liens, charges, claims or encumbrances, including without limitation, licenses, shop rights and covenants by Mortgagor not to sue third persons;

(d) Upon the execution and delivery of this Trademark Mortgage, the filing of this Trademark Mortgage with the United States Patent and Trademark Office and filing of UCC financing statements in California, Mortgagee shall have a valid and perfected first priority security interest in the Trademark Collateral; and

(e) Mortgagor has the unqualified right to enter into this agreement and perform its terms and has entered into and will enter into written agreements with each of its present and future employees, agents and consultants in order to enable it to comply with the covenants herein contained.

6. Affirmative Covenants. Mortgagor covenants and agrees with Mortgagee that until all of the Secured Obligations have been performed and satisfied in full, unless Mortgagee shall otherwise consent in writing, it shall:

(a) Use consistent standards of high quality in its development, production, sale or distribution of its products and the rendering of its services under the Trademarks; and

(b) At its expense, perform all acts and execute all documents reasonably necessary to maintain the existence of the Trademark Collateral as valid, subsisting and registered Trademarks, Trademark Licenses, Registrations and Associated Goodwill, including, without limitation, the filing of any renewal and/or continuing use affidavits and applications.

7. Negative Covenants. Mortgagor covenants and agrees with Mortgagee that until all of the Secured Obligations have been performed and satisfied in full, without the prior written consent of Mortgagee, it shall not:

(a) Enter into any agreement, including without limitation any license agreement, which is inconsistent with its obligations under this Trademark Mortgage;

(b) Do any act or omit to do any act whereby any of the Trademark Collateral may become abandoned unless it shall determine in good faith (which such determination shall be made jointly with Mortgagee) that the preservation of such item(s) of Trademark Collateral is no longer desirable to the conduct of its business; and

(c) File any application for the registration of a trademark with the United States Patent and Trademark Office, or any similar office or agency in the United States, any state therein, or any other country, unless it has, by thirty (30) days' prior written notice, informed Mortgagee of such action. Upon request by Mortgagee, it shall execute and deliver to Mortgagee any and all assignments, agreements, instruments, documents and such other papers as may be requested by Mortgagee to evidence the security interests of Mortgagee in such Trademark.

8. Protection and Preservation of Collateral.

(a) Mortgagor agrees that if (i) any person, firm or corporation shall do or perform any acts which Mortgagee believes constitute a trademark infringement of the Trademark Collateral or violate or infringe any right of Mortgagor or Mortgagee therein or (ii) any person, firm or corporation shall do or perform any acts which Mortgagee believes constitute an unauthorized or unlawful distribution, exhibition or use thereof which would materially and adversely affect Mortgagee's rights therein, or (iii) any of the events described in Sections 8(b)(i) shall occur, then and in any such event, Mortgagee may and shall have the right, but not the obligation, to take such steps and institute such suits or proceedings as Mortgagee may deem advisable or necessary to prevent such acts and conduct and to secure damages and other relief by reason thereof, and to generally take such steps as may be advisable or necessary or proper for the full protection of the rights of the parties, including without limitation, defend against any claims or suits against Mortgagor of the type for which Mortgagee may take action or institute proceedings hereunder and Mortgagor agrees to render such assistance to Mortgagee as Mortgagee may determine is reasonably necessary in connection therewith.

(b) In furtherance of the foregoing provisions, Mortgagor shall (i) promptly notify Mortgagee, in writing, of: (A) the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office or any United States or foreign court or agency regarding its claim of ownership in any of the Trademark Collateral, its right to register the same or its right to keep and maintain such registration; (B) any event which may materially adversely affect the value of the Trademark Collateral, the right of Mortgagee to dispose of any of the Trademark Collateral or the rights and

remedies of Mortgagee in relation thereto, including, without limitation, the levy of any legal process against any of the Trademark Collateral; and (C) any adverse determination or development (including, without limitation, the institution of any proceeding in the United States Patent and Trademark Office or any court) regarding any part of the Trademark Collateral.

(c) Notwithstanding the foregoing, Mortgagee shall not take such action as set forth in Section 8(a) above unless it shall have given Mortgagor five (5) days prior written notice of any of the acts set forth in Section 8(a) above and Mortgagor fails or refuses to take such steps and institute such suits or proceedings, or, having done so, fails to otherwise comply with Mortgagee's directions and requests with respect thereto. In such event, Mortgagee may take such steps or institute such suits or proceedings in its own name or in the name of Mortgagor or in the names of the parties jointly, as set forth in Section 8(a) above. Mortgagor shall reimburse Mortgagee for all reasonable out-of-pocket expenses, including without limitation, legal fees, incurred by Mortgagee in taking any steps or actions authorized by this Section 8.

9. Trademark Applications. If no Event of Default (as defined in the Credit Documents) shall have occurred and be continuing, Mortgagor shall, through counsel reasonably acceptable to Mortgagee, according to the ordinary course of its business consistent with Mortgagor's past practices: (a) prosecute any Trademark applications of the Trademarks pending as of the date of this Trademark Mortgage or thereafter until the payment and performance in full of the Secured Obligations; (b) make federal application on registerable but unregistered Trademarks; (c) file and prosecute opposition and cancellation proceedings; and (d) do any and all acts which are necessary or desirable to preserve and maintain all rights in the Trademarks and the Registrations. Upon the occurrence and continuance of an Event of Default, Mortgagor shall, through counsel acceptable to Mortgagee and at Mortgagee's request, diligently; (w) prosecute any Trademark applications of the Trademarks pending as of the date of this Trademark Mortgage or thereafter; (x) make federal application on registerable but unregistered Trademarks; (y) file and prosecute opposition and cancellation proceedings; and (z) do any and all acts which are necessary or desirable to preserve and maintain all rights in the Trademarks and the Registrations. Any expenses incurred in connection with the Trademarks and/or Registrations therefor shall be borne solely by Mortgagor.

10. Default and Remedies. Mortgagee shall have all the rights and remedies granted under the Credit Documents, this Trademark Mortgage, those allowed by law and the rights and remedies of a secured party under the California Uniform Commercial Code or the Uniform Commercial Code as enacted in any jurisdiction in which the Collateral or any part thereof may be

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located. Mortgagor shall be deemed in default under this Trademark Mortgage upon the occurrence of an Event of Default under the Credit Documents, and any default by Mortgagor under this Trademark Mortgage shall be deemed an Event of Default under the Credit Documents. At any time after any such Event of Default occurs and during the continuance thereof, Mortgagee may, at its option, and without notice to or demand on Mortgagor and in addition to all rights and remedies available to Mortgagee hereunder and under the Credit Documents, do any one or more of the following: (a) require that neither Mortgagor nor any of its affiliates make any use of the Trademarks or any marks similar thereto for any purpose whatsoever, and Mortgagee may use any of the Trademarks for the sale of goods, completion of work in process, or rendering of services in connection with enforcing any security interest granted to Mortgagee by Mortgagor; and (b) Mortgagee may immediately, without demand for performance, notice or demand whatsoever to Mortgagor, all of which are hereby expressly waived to the extent permitted by law, sell at a public or private sale or otherwise realize upon, at any location, the whole or from time to time any part of the Trademark Collateral or any interest which Mortgagor may have therein. After deducting all reasonable costs and expenses (including all reasonable expenses for brokers, fees and legal services) from the proceeds of sale or other disposition of the Trademark Collateral, Mortgagee shall apply the balance of such proceeds toward payment of the Secured Obligations. Any remainder of the proceeds after payment in full of the Secured Obligations shall be paid over to Mortgagor or other entitled party. At any sale or other disposition of the Trademark Collateral, Mortgagee may, to the extent permissible under applicable law, purchase all or any part of the Trademark Collateral, free from any right of redemption on the part of Mortgagor, which right is hereby waived and released.

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11. Mortgagee Appointed Attorney-in-Fact. Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact after an Event of Default occurs and during the continuance of such Event of Default to (but Mortgagee shall not be obligated to and shall incur no liability to Mortgagor or any third party for failure so to do): (a) endorse Mortgagor's name on all applications, documents, papers and instruments necessary for Mortgagee to use the Trademark Collateral or any part thereof; (b) grant or issue any exclusive or non-exclusive license under the Trademark Collateral to anyone else; and/or (c) assign, pledge, convey or otherwise transfer title in or dispose of the Trademark Collateral or any part thereof to anyone else. Mortgagor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until the indefeasible payment and performance in full of the Secured Obligations.

12. Expenses. Mortgagor agrees to pay any and all fees, costs and expenses, of whatever kind or nature, incurred by Mortgagee in connection

with: (a) the filing and recording of all documents related to Mortgagee's interest in the Trademark Collateral (including all taxes in connection therewith); (b) the payment of any taxes, maintenance fees or encumbrances related to Mortgagee's interest in the Trademark Collateral; and (c) any other reasonable sums advanced to protect, sustain or preserve the Trademark Collateral or any part thereof, or to defend or prosecute any action or proceeding arising out of or related to the Trademark Collateral or any part thereof.

13. Performance of Obligations. If Mortgagor fails to comply with any of its obligations hereunder relating to the Trademark Collateral, Mortgagee may do so in Mortgagor's name or in Mortgagee's name, but at Mortgagor's expense, and Mortgagor hereby agrees to promptly reimburse Mortgagee for any sums which may be paid or advanced by Mortgagee for any such purpose, together with interest at the then-applicable loan rate (as set forth in the Credit Documents) from the date of any such advance to the date of reimbursement; provided that if no Event of Default exists, Mortgagee shall give Mortgagor three (3) business days notice prior to performing any such act.

14. Revival of Security interests. Mortgagee's rights and security interests hereunder, under the Security Agreement and under the Clarification shall each be reinstated and revived, and the enforceability of this Trademark Mortgage, the Security Agreement and the Clarification shall continue, with respect to any amount at any time paid on account of the Secured Obligations which thereafter shall be required to be restored or returned by Mortgagee upon the bankruptcy, insolvency or reorganization of Mortgagor or any other Person, all as though such amount had not been paid.

15. Non-Derogation. Neither the contents nor the recordation hereof shall be construed in any manner to affect the date of recordation of any financing statements executed in connection with the Security Agreement and/or the Clarification, any other mortgages and assignments of copyrights and/or trademarks (including the Clarification) executed in connection with the Credit Documents or the position or priority of Mortgagee's security interests granted therein.

16. Successors and Assigns. This Trademark Mortgage shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of Mortgagee and the successors and assigns of Mortgagee.

17. No Waiver. No course of dealing between Mortgagor and Mortgagee, nor any failure to exercise, nor any delay in exercising, on the part of Mortgagee, any right, power or privilege hereunder or under the Credit

Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

18. Cumulative Rights. All of Mortgagee's rights and remedies with respect to the Collateral (including the Trademark Collateral), whether established herein or in the Credit Documents, or by any other agreement(s) or by law shall be cumulative and may be exercised singularly or concurrently.

19. Severability. The provisions of this Trademark Mortgage are severable, and if any clause or provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this agreement.

20. Amendment and Waiver. This Trademark Mortgage is subject to modification only by a writing signed by Mortgagor and Mortgagee. No waiver of any provision of this Trademark Mortgage shall be effective unless the same shall be in writing and signed by Mortgagee and then such waiver shall be effective only in the specific instance or for the specific purpose for which given.

21. Governing Law. The validity and interpretation of this Trademark Mortgage and (except where federal law is applicable) the rights and obligations of the parties shall be governed by the laws of the State of California, without reference to the principles of conflicts of laws thereof.

22. Section Headings. The various headings used in this Trademark Mortgage are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Trademark Mortgage or any provision hereof.

23. Further Assurances. At any time or from time to time upon request of Mortgagee, Mortgagor shall duly execute and deliver, or cause to be executed and delivered, at the cost and expense of Mortgagor, such further documents and do such other acts and things as Mortgagee may reasonably request in order to effect fully the purposes of this Trademark Mortgage and/or any of the other Credit Documents.

24. Schedules and Exhibits. All exhibits, appendices and schedules attached and referred to in this Trademark Mortgage are hereby incorporated herein as though set forth herein at length.

25. Construction. Each of the parties hereto hereby acknowledges that it has been represented by independent counsel of its own choice throughout all negotiations which have preceded the execution of this Trademark Mortgage and that it has executed the same with the consent and upon the advice of said independent counsel. All parties and their respective counsel have cooperated in the drafting and preparation of this Trademark Mortgage, such that it shall be deemed to be their joint work product and may not be construed against any party by reason of its preparation.

26. Number and Gender. In this Trademark Mortgage, whenever the context so requires, the masculine gender includes the feminine and/or neuter gender, and vice versa, and the singular number includes the plural, and vice versa.

27. Termination. This Trademark Mortgage shall terminate upon the indefeasible payment and performance in full of all of the Secured Obligations, at which time Mortgagee, at the written request of Mortgagor, shall reassign and deliver to Mortgagor, against receipt therefor, all Trademark Collateral in which Mortgagee shall have any interest hereunder or which shall then be held by the Mortgagee or in its possession and, if requested by Mortgagor, Mortgagee shall execute and deliver to Mortgagor any and all releases, reassignments or other documents necessary to accomplish the release any and all right, title or interest Mortgagee may have in or to the Trademark Collateral, all without recourse upon or warranty by Mortgagee and at the sole cost and expense of Mortgagor.

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28. TRIAL BY JURY. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, MORTGAGOR HEREBY WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS TRADEMARK MORTGAGE, ANY OF THE CREDIT DOCUMENTS, THE SUBJECT MATTER HEREOF OR THEREOF, ANY DOCUMENT RELATING HERETO OR THERETO OR ANY SECURED OBLIGATION, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING OR WHETHER IN CONTRACT OR IN TORT OR OTHERWISE. MORTGAGOR ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY MORTGAGEE THAT THE PROVISIONS OF THIS SECTION 28 CONSTITUTE A MATERIAL INDUCEMENT UPON WHICH MORTGAGEE IS RELYING IN ENTERING INTO THIS TRADEMARK MORTGAGE AND EACH OTHER CREDIT DOCUMENT. MORTGAGEE MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS SECTION 28 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF MORTGAGOR TO THE WAIVER OF ITS RIGHTS TO TRIAL BY JURY.

IN WITNESS WHEREOF, the parties hereto have duly executed this Trademark Mortgage or have caused this Trademark Mortgage to be duly executed as of the day and year first written above.

PASSPORT DESIGNS, INC., a California corporation

By: *Spencer C. Josephson*
Its: EXECUTIVE VICE PRESIDENT / CFO

IMPERIAL BANK, a California banking corporation

By: *James B. Holt*
As: vice president

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420756932
10/14/93 AFR:JW4

State of California)
) ss.
County of San Mateo)

On October 18, 1993 before me,
Kathleen Anne Jackson, personally appeared
Norman A. Kaufman, personally known to me (or
proved to me on the basis of satisfactory evidence) to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that
by his/her/their signature(s) on the instrument the person(s), or the entity upon
behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Signature Kathleen Anne Jackson (SEAL)

TRADEMARK

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State of California)
) ss.
County of _____)

On _____ before me,
_____, personally appeared
_____, personally known to
me (or proved to me on the basis of satisfactory evidence) to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged to
me that he/she/they executed the same in his/her/their authorized capacity(ies),
and that by his/her/their signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (SEAL)

SCHEDULE "A"

Passport Designs, Inc.
Registered Trademarks

<u>TRADEMARK</u>	<u>REGISTRATION NUMBER</u>
QUIKTUNES	74-356,788
TRAX	74-356,524
ENCORE	74-356,719
MUSICTIME	74-356,720
PASSPORT PRODUCER	74-356,791
MASTER TRACKS PRO	74-356,771

TRADEMARK

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