FORM PTO-1594
(Rev 5-93)

MCD *11/23/98*

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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

1. Name of conveying party(ies):	2. Name and address of receiving party(ies):
BSQUARE CORPORATION Individual(s) citizenship: Association: General Partnership: Limited Partnership: Corporation - State: Washington Other: Additional name(s) of conveying party(ies) attached? [ ] Yes [X] No	Name: **IMPERIAL BANK** Address: **777 108th Avenue NE, Suite 1670** City: **Bellevue** State: **WA** Zip: **98004** RECEIVED NOV 2 3 1998 Individual(s) citizenship: Association: General Partnership: Limited Partnership: Corporation - State: Other:

3. Nature of Conveyance:

[ ] Assignment   [ ] Merger
[X] Security Agreement   [ ] Change of Name
[ ] Other

Execution Date: February 11, 1998

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 [x] No

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

A. Trademark Application No. s)

75/157,018	75/391,425
75/391,789	75/391,419
75/391,448	75/157,021
75/391,426	

B. Trademark Registration No.(s)

2,105,093
2,154,269
2,153,067
2,153,068

Additional numbers attached? [ ] Yes [X] No

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

Name: Erin O'Brien
Internal Address: **GRAY CARY WARE & FREIDENRICH**
     400 Hamilton Avenue
     Palo Alto, California 94301

6 Total number of applications and registrations involved: 11

7. Total fee (37 CFR 3.41) . . . . . . $ 290.00
[ ] Enclosed
[X] Authorized to be charged to deposit account

8. Deposit account number: 07-1907

(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.

Erin O'Brien
_Name of Person Signing

Signature

November 20, 1998
Date

11/24/1998 DNGUYEN 00000078 071907 2105093

01 FC:481   40.00 CH
02 FC:482   250.00 CH

Total number of pages comprising cover sheet: [7]

Mail Documents to be recorded with required cover sheet information to:
U.S. Patent and Trademark Office, Office of Public Records
1213 Jefferson Davis Highway, 3rd Floor
Arlington, VA 22202

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1090371-903300

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of February 11, 1998, by and between IMPERIAL BANK ("Bank") and bsquare corporation ("Grantor").

RECITALS

A.   Bank has agreed to make certain advances of money and to extend certain financial accommodation to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement). Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

B.   Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreement, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

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TRADEMARK
REEL: 1818 FRAME: 0805

IN WITNESS WHEREOF, the parties have cause this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

Address of Grantor:

bsquare corporation

3633 136th Place SE, Suite 100
Bellevue, WA 98006

By: _____

Title: _CEO_____

Attn: Ms. Leila Kirske

BANK:

Address of Bank:

IMPERIAL BANK

777 108th Avenue NE, Suite 1670
Bellevue, WA 98004

By: _____

Title: _____

Attn: Mr. James Ellison

EXHIBIT A

BSQUARE Development Copyrights

- **BSQUARE Fax Express** (a.k.a., bFAX Express), 1996, 1997 and 1998: Send-only fax application for Windows CE. Support faxing and previewing bitmaps, text and Microsoft Pocket Word documents. This application has been adapted to the H/PC and the P/PC. This application is sold through reseller channels. The P/PC version is due for release in 1Q98.
- **BSQUARE Fax Pro** (a.k.a., bFAX Pro): Send and receive fax application for Windows CE. Supports faxing and previewing of faxes containing multiple documents to multiple recipients. This product is bundled with certain H/PCs. This application is sold through reseller channels.
- **BSQUARE Fax Lite** (a.k.a., bFAX Lite), 1996, 1997 and 1998: A version of bFAX Pro that has certain features disabled. This product was developed to provide a free evaluation of bFAX to customers. This product is distributed free of charge on the Web and by certain H/PC OEMs.
- **BSQUARE Fax Enhanced** (a.k.a., bFAX Enhanced): A version of bFAX Pro that has certain features disabled. This product was developed to bundle with the Casio Casseopiea A-10 and A-11. This product is no longer in production.
- **BSQUARE Mobile** (a.k.a., bMOBILE, bMOBILE Wireless Internet): This is a driver and control panel application that allows Windows CE to communicate with a Motorola Personal Messenger 100C CDPD (cellular digital packet data) modem. The control panel interface allows for modem control and monitoring.
- **BSQUARE Net** (a.k.a., bNET): This is a driver and control panel application which is very similar to bMOBILE, but extends this capability to the 3COM Etherlink III (3C589) and the NE2000 ethernet adapters.
- **BSQUARE Print** (a.k.a., bPRINT): This product enables Windows CE Version 1 to print the same file formats bFAX supports while faxing.
- **BSQUARE Print Pro** (a.k.a., bPRINT Pro): This product enables printing as does bPRINT, but extends print spooling to any application which supports printing. It supports printing to IRdA-compliant devices, and supports printing to various printers not already supported by Windows CE. It also provides for a print-to-fax capability so that any application can print to bFAX Pro. It is due for release in 1Q98.
- **BSQUARE Find** (a.k.a., bFIND): This is a global search utility for Windows CE that allow search of all data sources and controls the execution of application to continue the search. This application is sold through reseller channels and is also bundled with all Hewlett-Packard H/PCs.
- **BSQUARE Track** (a.k.a., bTRACK): This is a time, expanse and car mileage tracking application for Windows CE. It provides a set of desktop APIs the enable third parties to integrate the expense information into customer applications and corporate information systems. It has been adapted to both the H/PC and the P/PC. It is due for release in 2Q98.

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- **BSQUARE Ready (a.k.a., bREADY):** This is a information management, online book authoring and reader application. It has two components. The desktop component sits on the desktop which allows for the authoring of electronic books. The authoring application contains Wizards that assist the user to acquire content from the Internet and produce an electronic book. The client-side application allows users to read electronic books produced with the desktop application. The reader has a Auto-scrolling feature which is used for reading books and speeches. The reader application supports bookmarks, annotations, searching, and indexing. It is due for release in 2Q98.
- **BSQUARE Mobile News (a.k.a., bMOBILE News, bNEWS):** This is a USENET Newsreader application for Windows CE. It was acquired from AdageUS. All rights, title and interest are owned by BSQUARE. This application is sold through reseller channels.
- **BSQUARE Mobile Chat (a.k.a., bMOBILE Chat, bCHAT).** This is an Internet Relay Chat program for Windows CE. It was acquired from AdageUS. All rights, title and interest are owned by BSQUARE. This application is sold through reseller channels.
- **BSQUARE Fax APIs (a.k.a., bFAX APIs):** These are a set of low-level application programming interfaces that provide the capability of integrating faxing capabilities into other software applications. The purpose of these APIs is to allow 3rd party independent software vendors to integrate faxing capabilities into their applications. They require that the end-user license a copy of bFAX Pro to utilize the functionality. These APIs are currently being used by Odyssey Computing and Communications Intelligence Corporation.
- **BSQUARE Imaging APIs:** These are a set of low-level application programming interfaces that provide the capability of extending the imaging capabilities of bFAX, bVIEW and bPRINT. Only BSQUARE uses these capabilities.
- **Mimic:** This a graphical user interface testing framework used by BSQUARE Development to test applications.
- **Packet Driver Technology:** This is the basis for bMOBILE and bNET which enable those drivers to translate PPP (point to point protocol) into serial-line internet protocol (SLIP) and ethernet, respectively. This technology could, conceivably, be adapted to various other protocols.

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BSQUARE Integration Copyrights:

- **CE Xpress Kits for SC400** (a.k.a., BSQUARE OAK for SC400, BSQUARE Value Added OAK for SC400): An adaptation of Windows CE to the AMD Elan SC400 Microcontroller. It has been adapted to various board-level devices using the SC400.
- **CE Xpress Kits for VR4300** (a.k.a., BSQUARE OAK for VR4300, BSQUARE Value Added OAK for VR4300): An adaptation of Windows CE to the NEC VR4300 MIPS Processor. It has been adapted to NEC Nile 3 Chipset.
- **CE Xpress Kits for MediaGX** (a.k.a., BSQUARE OAK for MediaGX, BSQUARE Value Added OAK for MediaGX): An adaptation of Windows CE to the Cyrix MediaGX Processor. It has been adapted to various reference devices using the MediaGX.
- **BSQUARE Firmware**: A set of firmware utilities and tools which facilitate the adaptation of Windows CE to various microprocessors. This includes a client-side firmware stub called the "brainstem" and a Windows NT-hosted application capable of interacting with the brainstem. This firmware provides mechanisms for flashing Windows CE images into a device, debugging the device, and application programming interfaces which enable the development of testing software which is source-code compatible across all devices running the brainstem.
- **Decompressing Boot Loader**: An OS loader capable of loading a compressed Windows CE image (using BSQUARE proprietary file format) into volatile storage which maps the image so that it can execute in place in the volatile storage.

BSQUARE Copyrights:

- **BSQUARE Intranet** (a.k.a., bWEB): This is BSQUARE Corporation's Intranet Web Site which contains content necessary for disseminating information to BSQUARE Employees. This information includes, but is not limited to, Newsletters, organization structure, procedures, policies and forms, as well as help desk software.
- **BSQUARE Help** (a.k.a., bHELP): A component of bWEB which provides employees a network administration help desk which allows them to interact with BSQUARE Network Adminstrators.
- **BSQUARE Ops** (a.k.a., bOPS): A component of bWEB, similar to bHELP, which provides a facilities/operations help desk to operations and facilities management.
- **BSQUARE World Wide Web Site** (a.k.a., www.bsquare.com): BSQUARE's Corporate Homepage.
- BSQUARE Marketing Collateral: This includes all brochures and the like for marketing BSQUARE Corporation's business divisions.

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EXHIBIT C

Trademarks

- **BSQUARE**: Registered in US Class 42 #2,105,093 Class 9 application #75/157,017, application in Canada #827,659
- **BSQUARE VIEW**: application in US #75/157,019, application in Canada #826,625
- **bVIEW**: Registered in Canada #TMA485,548, application in US #75/157,018
- **bFAX**: application in US #75/157,020, application in Canada #826,626
- **bFIND, bMOBILE, bTRACK, bREADY, bPRINT**: applications pending in US
- **CE Xpress**: application pending in US