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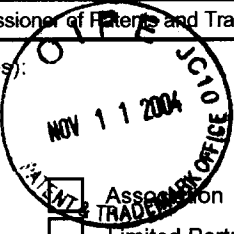


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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): Elekon Industries USA, Inc. 3848 Del Amo Blvd. Torrance, California 90503 [ ] Individual(s) [ ] General Partnership [x] Corporation-State [ ] Other California Additional name(s) of conveying party(ies) attached? [ ] Yes [x] No



2. Name and address of receiving party(ies) Name: Fleet Capital Corporation Internal Address: Street Address: 5950 Sherry Lane, Suite 300 City: Dallas State: TX Zip: 75225 [ ] Individual(s) citizenship [x] Association [ ] General Partnership [ ] Limited Partnership [ ] Corporation-State [ ] Other If assignee is not domiciled in the United States, a domestic representative designation is attached: [ ] Yes [x] No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? [ ] Yes [x] No

3. Nature of conveyance: [ ] Assignment [ ] Merger [x] Security Agreement [ ] Change of Name [ ] Other Execution Date: July 9, 2004

4. Application number(s) or registration number(s): A. Trademark Application No.(s) B. Trademark Registration No.(s) 2648006 Additional number(s) attached [ ] Yes [x] No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Julie H. Cooper Internal Address: Street Address: 2001 Ross Avenue, Suite 3700 City: Dallas State: TX Zip: 75201

6. Total number of applications and registrations involved: 1 7. Total fee (37 CFR 3.41): \$ 40.00 [x] Enclosed [ ] Authorized to be charged to deposit account 8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature. Julie H. Cooper Name of Person Signing Julie H. Cooper Signature 11/10/04 Date Total number of pages including cover sheet, attachments, and document: 20

11/19/2004 DBYRNE 00000105 2648006

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40.00 DP

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 003081 FRAME: 0022

**SCHEDULE B**

**Trademarks**

<b><u>Trademark/ServiceMark</u></b>	<b><u>Country</u></b>	<b><u>Reg. No./ (App. No)</u></b>	<b><u>Reg. Date/ (App. Date)</u></b>	<b><u>Record Owner (according to USPTO database)</u></b>	<b><u>Status/ Comments</u></b>
Advantmed.com & Design	United States	2648006	11/12/2002	Advantmed, Inc.	ServiceMark Registered

# **PATENT AND TRADEMARK SECURITY AGREEMENT**

This **PATENT AND TRADEMARK SECURITY AGREEMENT** (this "**Agreement**") dated as of July 9, 2004, is made by and between **FLEET CAPITAL CORPORATION** ("**Lender**"), a Rhode Island corporation, having an office at 5950 Sherry Lane, Suite 300, Dallas, Texas 75225, **ELEKON INDUSTRIES USA, INC.** ("**Grantor**"), a California corporation with its chief executive office and principal place of business at 3848 Del Amo Blvd., Torrance, California 90503.

WHEREAS, Grantor, **MEASUREMENT SPECIALTIES, INC.** ("**MSI**"), a New Jersey corporation, and **IC SENSORS, INC.** ("**IC**"), a California corporation (Elekon, MSI and IC being hereinafter referred to collectively as the "**Borrowers**") and Lender are parties to that certain Loan and Security Agreement dated as of January 31, 2003 (as amended, modified and restated from time to time, including, without limitation, that certain Joinder Agreement executed by Elekon and dated as of the date hereof, the "**Loan and Security Agreement**"), pursuant to which the Borrowers have granted to Lender a security interest in and lien on their respective assets, including, but not limited to, all right, title and interest of either of the Borrowers in and to all presently existing or hereafter created or acquired Intellectual Property, including Patents and Trademarks (as defined below), to secure the payment and performance in full of all of the Obligations (as defined in the Loan and Security Agreement); and

WHEREAS, this Agreement is supplemental to the provisions contained in the Loan and Security Agreement;

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

## **1. DEFINITIONS.**

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Loan and Security Agreement. The following terms shall have the meanings set forth below:

**Patents** means (a) all patents and patent applications now owned or hereafter created or acquired by Grantor, including, without limitation, those described on Schedule A hereto, and the inventions and improvements described and claimed therein, and patentable inventions, (b) the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, (c) all income, royalties, damages or payments now and hereafter due and/or payable under, and with respect to, any of the foregoing including, without limitation, damages or payment for past, present or future infringement of any of the foregoing, (d) the right to sue for past, present and future infringement of any of the foregoing, (e) all inventions, designs, proprietary or technical information, know-how, other data or information, software, databases, all embodiments or fixations thereof and related documentation, and all other trade secret rights not described above, and (f) all rights corresponding to any of the foregoing throughout the world.

**Trademarks** means (a) all of Grantor's trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress, service marks, logos, all registrations and recordings thereof, and all applications, excluding applications for U.S. Federal registration of marks filed under 15 U.S.C. 1051(b) and in which no amendment to allege use under 15 U.S.C. 1051(c) or statement of use under 15 U.S.C. 1051(d) has been filed, in connection therewith, whether now owned or hereafter created or acquired by Grantor, including, without limitation, those described on Schedule B hereto, (b) all extensions or renewals thereof, (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing including, without limitation, damages or payments for past, present or future infringement or dilution or any of the foregoing, (d) the right to sue for past, present and future infringement or dilution of any of the foregoing, (e) all rights corresponding to any of the foregoing throughout the world, and (f) all goodwill associated with and symbolized by any of the foregoing.

## 2. **GRANT OF SECURITY INTEREST.**

2.1 **Security Interest; Assignment of Patents and Trademarks.** As security for the payment and performance in full of all of the Obligations, Grantor hereby (a) unconditionally grants to Lender a continuing security interest in and first priority lien (except subject to Permitted Liens) on all of its right, title and interest in and to the Patents and Trademarks, whether presently existing or hereafter created or acquired, and pledge and mortgage (but do not transfer title to) its right, title and interest to such Patents and Trademarks. In addition, Grantor hereby agrees upon the request of Lender following and during the continuance of an Event of Default, to execute, and in addition hereby confirm that, pursuant to Section 9 hereof, Grantor has constituted and appointed Lender as its true and lawful attorney in fact to execute on Grantor's behalf, an assignment of such Patents and Trademarks in substantially the form of Exhibit 1 hereto (the "**Assignment of Patents and Trademarks**"). Grantor hereby authorizes Lender to complete as Assignee and record with the United States Patent and Trademark Office and any other relevant authority the Assignment of Patents and Trademarks upon the occurrence and during the continuance of an Event of Default and the lawful exercise of Lender's remedies under this Agreement and the Loan and Security Agreement.

2.2 **Conditional Assignment.** In addition to, and not by way of limitation of, the grant, pledge and mortgage of the Patents and Trademarks provided in Section 2.1 hereof, Grantor further grants, assigns, transfers, conveys and sets over to Lender its entire right, title and interest in and to the Patents and Trademarks; provided that such grant, assignment, transfer and conveyance shall be and become of force and effect only after the occurrence of both of the following: (i) upon or after the occurrence and during the continuance of an Event of Default and (ii) either (A) upon the written demand of Lender at any time during such continuance or (B) immediately and automatically (without notice or action of any kind by Lender) upon an Event of Default for which acceleration of the Loans is automatic under the Loan and Security Agreement or upon the sale or other disposition of or foreclosure upon the Collateral pursuant to the Loan and Security Agreement and applicable law (including the transfer or other disposition of the Collateral by Grantor to Lender or its nominee in lieu of foreclosure).

2.3 **Supplemental to Loan and Security Agreement.** Pursuant to the Loan and Security Agreement, Grantor has granted to Lender a continuing security interest in and lien on its

respective right, title and interest to the Collateral (including the Patents and Trademarks). The Loan and Security Agreement, and all rights and interests of Lender in and to the Collateral (including the Patents and Trademarks) thereunder are hereby ratified and confirmed in all respects. In no event shall this Agreement, the grant, assignment, transfer and conveyance of the Patents and Trademarks hereunder, or the recordation of this Agreement (or any document hereunder) with the United States Patent and Trademark Office or any other relevant authority, adversely affect or impair, in any way or to any extent, the Loan and Security Agreement, the security interest of Lender in the Collateral (including the Patents and Trademarks) pursuant to the Loan and Security Agreement and this Agreement, the attachment and perfection of such security interest under the Uniform Commercial Code (including the security interest in the Patents and Trademarks), or any present or future rights and interests of Lender in and to the Collateral under or in connection with the Loan and Security Agreement, this Agreement or the Uniform Commercial Code. Any and all rights and interests of Lender in and to the Patents and Trademarks (and any and all obligations of Grantor with respect to the Patents and Trademarks) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of Lender (and the obligations of Grantor) in, to or with respect to the Collateral (including the Patents and Trademarks) provided in or arising under or in connection with the Loan and Security Agreement and shall not be in derogation thereof.

### **3. REPRESENTATIONS, WARRANTIES AND COVENANTS.**

Grantor represents, warrants and covenants that: (i) Schedule A sets forth a true and complete list of all Patents and applications for Patents now owned by Grantor; (ii) Schedule B sets forth a true and complete list of all registrations and applications for Trademarks now owned by Grantor; (iii) the Patents and Trademarks are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and there is no threatened or pending litigation or proceeding of which Grantor has received actual notice concerning the validity or enforceability of the Trademarks or Patents; (iv) to Grantor's knowledge, each of the Patents and Trademarks is valid and enforceable; (v) to the Grantor's knowledge, there is no infringement by any Person of the Trademarks or Patents; (vi) to Grantor's knowledge, no claim has been made that the use of any of the Trademarks or Patents violates the rights of any Person, and to Grantor's knowledge, none of the Trademarks or Patents infringes the rights of a Person; (vii) for all Patents and Trademarks listed on Schedule A and Schedule B, respectively, Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to such Patents and Trademarks, free and clear of any liens, charges, encumbrances and adverse claims, including pledges, assignments, licenses (other than licenses granted by Grantor in the ordinary course of business), registered user agreements and covenants by Grantor not to sue third persons (other than the security interest and assignment created by the Loan and Security Agreement and this Agreement and the Permitted Liens); (viii) Grantor has the unqualified right to enter into this Agreement and to perform its terms; (ix) Grantor has used, and will continue to use, proper statutory and other appropriate proprietary notices in connection with their use of the Patents and Trademarks; (x) Grantor has used, and will continue to use for the duration of this Agreement, materially consistent standards of quality in their manufacture and provision of products and services sold or provided under the Patents and Trademarks; (xi) this Agreement, together with the Loan and Security Agreement, continues in favor of Lender a valid and perfected first priority security interest in the Patents and Trademarks and no authorization, approval or other

action by, and no notice to or filing with, any governmental or regulatory authority, agency or office is required either (A) for the grant by Grantor or the effectiveness of the security interest and assignment granted hereby or for the execution, delivery and performance of this Agreement by Grantor, or (B) for the perfection of or the exercise by Lender of any of its rights and remedies hereunder.

#### **4. NO TRANSFER OR INCONSISTENT AGREEMENTS.**

Without Lender's prior written consent, Grantor will not (i) mortgage, pledge, assign, encumber, grant a security interest in, transfer, or alienate any of the Trademarks or Patents, or (ii) enter into any agreement (for example, a license agreement) that is inconsistent with Grantor's obligations under this Agreement or the Loan and Security Agreement.

#### **5. AFTER-ACQUIRED PATENTS AND TRADEMARKS.**

**5.1 After-Acquired Patents and Trademarks.** If, before the Obligations shall have been finally paid and satisfied in full, Grantor shall obtain any right, title or interest in or to any other or new Trademarks or Patents, the provisions of this Agreement shall automatically apply thereto and Grantor shall, on the anniversary date of this Agreement, provide to Lender notice thereof in writing and execute and deliver to Lender such documents or instruments as Lender may reasonably request further to implement, preserve or evidence Lender's interest therein.

**5.2 Amendment to Schedule.** Grantor authorizes Lender to modify this Agreement and the Assignment of Patents and Trademarks, without the necessity of Grantor's further approval or signature, by amending Schedule A and Schedule B hereto and the Annex to the Assignment of Patents and Trademarks to include any future or other Trademarks or Patents under Section 2 or Section 5 hereof.

#### **6. PATENT AND TRADEMARK PROSECUTION.**

**6.1 Grantor Responsible.** Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with the Patents and Trademarks, and shall hold Lender harmless from any and all costs, damages, liabilities and expenses that may be incurred by Lender in connection with the Lender's interest in the Trademarks or Patents or any other action or failure to act in connection with this Agreement or the transactions contemplated hereby.

**6.2 Grantor's Duties, etc.** Grantor shall have the right and the duty to prosecute diligently before the United States Patent and Trademark Office any material applications for registration of Trademarks or Patents pending as of the date of this Agreement or thereafter, to preserve and maintain all material rights in the registered Trademarks and issued Patents, including the filing of appropriate renewal applications and other instruments to maintain in effect the registered Trademarks and issued Patents and the payment when due of all renewal fees and other fees, taxes and other expenses that shall be incurred or that shall accrue with respect to such registered Trademarks and issued Patents. Any expenses incurred in connection with such applications and actions shall be borne solely by Grantor. Grantor shall not intentionally abandon any material filed application for a Trademark or Patent, or any material

registered Trademark or material issued Patent, without the consent of Lender, which consent shall not be unreasonably withheld.

**6.3 Grantor's Enforcement Rights.** Subject to the requirements of Section 6.4 below, Grantor shall have the right but not the obligation to bring suit or other action in Grantor's own name to maintain and enforce the Patents and Trademarks. Grantor may request that Lender join in such suit or action as necessary to assure Grantor's ability to bring and maintain any such suit or action in any proper forum, but Lender may decline to so join if it is not completely satisfied that such joinder will not subject Lender to any risk of liability. To the fullest extent permitted under applicable law, Grantor shall promptly, upon demand, reimburse and indemnify Lender for all damages, costs and expenses, including reasonable legal fees, incurred by Lender pursuant to this Section 6.3.

**6.4 Protection of Patents and Trademarks.** In general, Grantor shall take any and all such actions (including institution and maintenance of suits, proceedings or actions) as may be commercially reasonable in the reasonable business judgment of Grantor to properly maintain, protect, preserve, care for and enforce the Patents and Trademarks except where a failure to do so would have no material adverse effect on the business, assets or financial condition of Grantor or the Borrowers collectively. Grantor shall not take or fail to take any action, or permit any action to be taken or not taken by others under its control, that would adversely affect the validity, grant or enforcement of the Patents and Trademarks except where a failure to do so would have no material adverse effect on the business, assets or financial condition of Grantor individually or the Borrowers collectively.

**6.5 Notification by Grantor.** Promptly upon obtaining knowledge thereof, Grantor will notify Lender in writing of the institution of, or any final adverse determination in, any proceeding in the United States Patent and Trademark Office or any similar office or agency of the United States, or any court, regarding the validity of any Trademarks or Patents material to the conduct of the business either of Grantor or of Grantor's rights, title or interests in and to such Trademarks or Patents, and of any event that does or reasonably could materially adversely affect the value of any of the Trademarks or Patents, the ability of Grantor or Lender to dispose of any of the Trademarks or Patents or the rights and remedies of Lender in relation thereto (including but not limited to the levy of any legal process against any of the Trademarks or Patents).

## **7. REMEDIES.**

Upon the occurrence and during the continuance of an Event of Default, Lender shall have, in addition to all other rights and remedies given it by this Agreement (including, without limitation, those set forth in Section 2.2) those rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code, and, without limiting the generality of the foregoing, Lender may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Grantor, all of which are hereby expressly waived, sell or license at public or private sale or otherwise realize upon the whole or from time to time any part of the Trademarks or Patents, or any interest that Grantor may have therein, and after deducting from the proceeds of sale or other disposition of the Trademarks or Patents all expenses incurred by Lender in attempting to enforce this

Agreement (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations as set forth in or by reference in the Loan and Security Agreement. Notice of any sale, license or other disposition of the Trademarks or Patents shall be given to Grantor at least ten (10) days before the time that any intended public sale or other public disposition of the Trademarks or Patents is to be made or after which any private sale or other private disposition of the Trademarks or Patents may be made, which Grantor hereby agrees shall be reasonable notice of such public or private sale or other disposition. At any such sale or other disposition, Lender may, to the extent permitted under applicable law, purchase or license the whole or any part of the Trademarks or Patents or interests therein sold, licensed or otherwise disposed of. Lender covenants that no action taken pursuant to this Section 7 will colorably constitute an assignment of any trademark without its associated goodwill or a license of any trademark without sufficient quality control.

#### **8. COLLATERAL PROTECTION.**

If Grantor shall fail to do any act that it has covenanted to do hereunder, or if any representation or warranty of Grantor shall be breached, Lender, in its own name or that of Grantor (in the sole discretion of Lender), may (but shall not be obligated to) do such act or remedy such breach (or cause such act to be done or such breach to be remedied), and Grantor agrees to promptly reimburse Lender for any reasonable cost or expense incurred by Lender in so doing.

#### **9. POWER OF ATTORNEY.**

If any Event of Default shall have occurred and be continuing, Grantor does hereby make, constitute and appoint Lender (and any officer or agent of Lender as Lender may select in its exclusive discretion) as its true and lawful attorney-in-fact, with full power of substitution and with the power to endorse Grantor's name on all applications, documents, papers and instruments necessary for Lender to use and exploit the Patents and Trademarks, including, without limitation, on the Assignment of Patents and Trademarks attached as Exhibit 1 hereto, or to grant or issue any exclusive or non-exclusive license of any of the Trademarks or Patents to any third person, or to take any and all actions necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of any of the Trademarks or Patents or any interest of Grantor therein to any third person, and, in general, to execute and deliver any instruments or documents and do all other acts that Grantor is obligated to execute and do hereunder. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and release Lender from any claims, liabilities, causes of action or demands arising out of or in connection with any action taken or omitted to be taken by Lender under this power of attorney, specifically including Lender's negligence (except for Lender's gross negligence or willful misconduct.) This power of attorney is coupled with an interest and shall be irrevocable for the duration of this Agreement. Lender covenants that no action taken pursuant to this Section 9 will colorably constitute an assignment of any trademark without its associated goodwill or a license of any trademark without sufficient quality control.



## **10. FURTHER ASSURANCES.**

Grantor shall, at any time and from time to time, and at its expense, make, execute, acknowledge and deliver, and file and record as necessary or appropriate with governmental or regulatory authorities, agencies or offices, such agreements, assignments, documents and instruments, and do such other and further acts and things (including, without limitation, obtaining consents of third parties), as Lender may reasonably request or as may be necessary or appropriate in order to implement and effect fully the intentions, purposes and provisions of this Agreement, or to assure and confirm to Lender the grant, perfection and priority of Lender's security interest in the Patents and Trademarks.

## **11. TERMINATION.**

At such time as all of the Obligations have been indefeasibly paid and satisfied in full, this-Agreement shall terminate and Lender shall, upon the written request and at the expense of Grantor, execute and deliver to Grantor all deeds, assignments and other instruments as may be necessary or proper to reassign and reconvey to and re-vest in Grantor the entire right, title and interest in and to the Patents and Trademarks previously granted, assigned, transferred and conveyed to Lender by Grantor pursuant to this Agreement, as fully as if this Agreement had not been made, subject to any disposition of all or any part thereof that may have been made by Lender pursuant hereto or the Loan and Security Agreement. Lender shall execute such documents as are necessary to release any security interest in the Patents and Trademarks as recorded in the United States Patent and Trademark Office or any other location.

## **12. COURSE OF DEALING.**

No course of dealing between Grantor and Lender, and no failure to exercise, or any delay in exercising, on the part of the Lender, any right, power or privilege hereunder or under the Loan and Security Agreement or any other agreement shall operate as a waiver thereof; and no single or partial exercise of any right, power or privilege hereunder or thereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

## **13. EXPENSES.**

Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable outside attorneys' fees and expenses incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto, the consummation of the transactions contemplated hereby or the enforcement hereof, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance or renewal fees, encumbrances, or otherwise protecting, maintaining or preserving the Patents and Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Patents and Trademarks, shall be borne and paid by Grantor.

#### **14. OVERDUE AMOUNTS.**

Until paid, all amounts due and payable by Grantor hereunder shall be a debt secured by the Patents and Trademarks and other Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in the Loan and Security Agreement.

#### **15. NO ASSUMPTION OF LIABILITY; INDEMNIFICATION.**

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, LENDER DOES NOT ASSUME ANY LIABILITIES OF GRANTOR WITH RESPECT TO ANY CLAIM OR CLAIMS REGARDING GRANTOR'S OWNERSHIP OR PURPORTED OWNERSHIP OF, OR RIGHTS OR PURPORTED RIGHTS ARISING FROM, ANY OF THE TRADEMARKS OR PATENTS, OR ANY USE, LICENSE OR SUBLICENSE THEREOF, WHETHER ARISING OUT OF ANY PAST, CURRENT OR FUTURE EVENT, CIRCUMSTANCE, ACT OR OMISSION OR OTHERWISE. ALL OF SUCH LIABILITIES SHALL BE EXCLUSIVELY THE RESPONSIBILITY OF THE BORROWERS, AND GRANTOR SHALL INDEMNIFY LENDER FOR ANY AND ALL COSTS, EXPENSES, DAMAGES AND CLAIMS, INCLUDING LEGAL FEES, INCURRED BY LENDER WITH RESPECT TO SUCH LIABILITIES.

#### **16. NOTICES.**

All notices and other communications made or required to be given pursuant to this Agreement shall be made in accordance with the provisions of the Loan and Security Agreement.

#### **17. AMENDMENT AND WAIVER.**

This Agreement is subject to modification only by a writing specifically referencing this Agreement which is signed by Lender and Grantor, except as provided in Section 5.2 hereof. Lender shall not be deemed to have waived any right hereunder unless such waiver shall be in writing and signed by Lender. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion.

#### **18. GOVERNING LAW; CONSENT TO FORUM.**

The provisions of Section 11.4 of the Loan and Security Agreement regarding "Governing Law" and "Consent to Forum" shall apply to this Agreement.

#### **19. WAIVERS BY ASSIGNOR.**

The provisions of Section 11.5 of the Loan and Security Agreement regarding the "Waivers" of Grantor shall apply to Grantor under the terms of this Agreement.

## **20. MISCELLANEOUS.**

The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon Grantor and its respective successors and assigns, and shall inure to the benefit of Lender and its successors and assigns. In the event of any irreconcilable conflict between the provisions of this Agreement and the Loan and Security Agreement, the provisions of the Loan and Security Agreement shall control. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. Grantor acknowledges receipt of a copy of this Agreement.

**[remainder of page intentionally left blank]**

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

**ELEKON INDUSTRIES USA, INC.**

By: 

Frank Guidone  
Chief Executive Officer

**FLEET CAPITAL CORPORATION**

By: \_\_\_\_\_

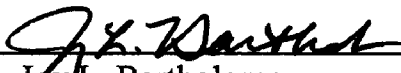
Joy L. Bartholomew  
Senior Vice President

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

**ELEKON INDUSTRIES USA, INC.**

By: \_\_\_\_\_  
Frank Guidone  
Chief Executive Officer

**FLEET CAPITAL CORPORATION**

By:  \_\_\_\_\_  
Joy L. Bartholomew  
Senior Vice President

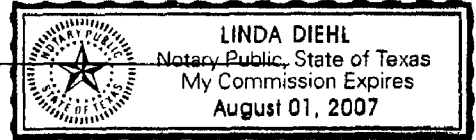
CERTIFICATE OF ACKNOWLEDGMENT

STATE OF TEXAS )  
 ) ss.  
COUNTY OF DALLAS )

Before me, the undersigned, a Notary Public in and for the state and county aforesaid, on this \_\_\_\_ day of June, 2004, personally appeared Frank Guidone to me known personally, and who, being by me duly sworn, deposes and says that he is the Chief Executive Officer of ELEKON INDUSTRIES USA, INC., and that the foregoing instrument was signed on behalf of ELEKON INDUSTRIES USA, INC., by authority of its Board of Directors, and he acknowledged such instrument to be the free act and deed of said corporation.



\_\_\_\_\_  
Notary Public  
My commission expires:



SCHEDULE A

## Patents

<u>Patent</u>	<u>Country</u>	<u>Reg. No./ (App. No)</u>	<u>Reg. Date/ (App. Date)</u>	<u>Record Owner</u>	<u>Status/ Comments</u>
System & Method for Self-Calibrating Non-Invasive Sensor	United States	(10/149,779)	(6/12/2002)	Elekon Industries USA, Inc.	Pending
System & Method for Self-Calibrating Non-Invasive Sensor	Patent Cooperation Treaty	(PCT/US01/25109)	(8/9/2001)	Elekon Industries USA, Inc.	Entered National Phase
System & Method for Self-Calibrating Non-Invasive Sensor	Canada	(2,419,054)	(8/9/2001)	Elekon Industries USA, Inc	Pending
System & Method for Self-Calibrating Non-Invasive Sensor	Europe	(EP2001959704.6)	(8/9/2001)	Elekon Industries USA, Inc	Pending
System & Method for Self-Calibrating Non-Invasive Sensor	Australia	(AU200181231)	(8/9/2001)	Elekon Industries USA, Inc	Pending
Side Emitting Surface Mounted Light Emitting Diode	United States	<u>6,677,707</u>	<u>1/13/2004</u>	Thomas Dietiker	Granted
Disposable/Reusable Flexible Sensor	United States	(10/708,476)	(3/5/2004)	Thomas Dietiker	Pending
Clip Type Sensor Having Integrated Biasing and Cushioning Means	United States	(10/821,259)	(4/7/2004)	Thomas Dietiker	Pending

**SCHEDULE B**

**Trademarks**

<b><u>Trademark/ServiceMark</u></b>	<b><u>Country</u></b>	<b><u>Reg. No./ (App. No)</u></b>	<b><u>Reg. Date/ (App. Date)</u></b>	<b><u>Record Owner (according to USPTO database)</u></b>	<b><u>Status/ Comments</u></b>
Advantmed.com & Design	United States	2648006	11/12/2002	Advantmed, Inc.	ServiceMark Registered



**EXHIBIT 1**

**ASSIGNMENT OF PATENTS AND TRADEMARKS**

WHEREAS, ELEKON INDUSTRIES USA, INC. ("**Grantor**"), a California corporation with its chief executive office and principal place of business at 3848 Del Amo Blvd., Torrance, California 90503 is the owner of the trademark registrations and pending applications for registration (the "**Trademarks**") in the United States Patent and Trademark Office and other jurisdictions as identified on the Annex hereto, and have adopted and used and are using the Trademarks; and

WHEREAS, Grantor is the owner of the issued patents and pending patent applications (the "**Patents**") in the United States Patent and Trademark Office and other jurisdictions as identified on the Annex hereto; and

WHEREAS, FLEET CAPITAL CORPORATION ("**Assignee**"), a Rhode Island Corporation having an office at 5950 Sherry Lane, Suite 300, Dallas, Texas 75225, is desirous of acquiring the Patents and Trademarks;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Grantor does hereby assign, sell and transfer unto Assignee its right, title and interest in and to the Patents and Trademarks, together with (i) all products bearing the Trademarks and/or covered by the Patents, (ii) the goodwill of the business symbolized by and associated with the Trademarks, (iii) all causes of action arising prior to or after the date hereof for infringement of any of the Trademarks or Patents, dilution of the Trademarks, or for any other related damage or injury, and (iv) all rights corresponding thereto.

**[remainder of page intentionally left blank]**

WITNESS WHEREOF, Grantor, by its duly authorized officers, have executed this Assignment of Patents and Trademarks, on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**ELEKON INDUSTRIES USA, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

The foregoing Assignment of Patents and Trademarks by Grantor to Assignee is hereby accepted on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**FLEET CAPITAL CORPORATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_

)

) ss.

COUNTY OF \_\_\_\_\_

)

Before me, the undersigned, a Notary Public in and for the state and county aforesaid, on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, personally appeared \_\_\_\_\_ to me known personally, and who, being by me duly sworn, deposes and says that he/she is the \_\_\_\_\_ of **ELEKON INDUSTRIES USA, INC.**, and that the foregoing instrument was signed on behalf of **ELEKON INDUSTRIES USA, INC.**, by authority of its Board of Directors, and he/she acknowledged such instrument to be the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

[Seal]

My commission expires:

**ANNEX**

**Patents and Trademarks**

**[to be attached]**