

07-10-1998

481-40482.25



100759442

To the Honorable Commissioner of Patents and

documents or copy thereof.

1. Name of conveying party(ies):

Enerdyne Technologies, Inc.
8402 Magnolia Avenue, Suite C
Santee, California 92071

MTP
7-10-98

- Individual(s)
- General Partnership
- Corporation
- 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: Dated as of July 7, 1998

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

Name: Scott T. Boden
Street Address: 1694 ElCamino del Teatro
City: La Jolla State: CA ZIP 92037

Name: Irene Shinsato
Street Address: 6741 Avenida Manana
City: La Jolla State: CA ZIP 92037

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designation 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 Serial Nos.: 74/582,398

B. Trademark Registration No.(s): 1,894,958

Additional numbers attached? Yes No

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

Name: Joni Gok
Firm: Cooley Godward LLP
Street Address: One Maritime Plaza, 20th Floor
City: San Francisco State: CA ZIP 94111

6. Total number of applications and registration involved:

7. Total fee (37 CFR 3.41): \$ 65.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: Currently Not Applicable

(Attach duplicate copy of this page if paying by deposit account)

ASSIGNMENT
58 JUL 10 1998
RECEIVED

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 attached hereto is a true and correct copy of the document described in Item 3 above.

Joni Gok
Joni Gok

7-9-98

Date

07/10/1998 SSMITH 00000067 74582398

01 FC:481
02 FC:482

Total number of pages including cover sheet, attachments, and document: 9

40.00 DP
25.00 DP

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

COLLATERAL ASSIGNMENT, PATENT MORTGAGE AND SECURITY AGREEMENT

THIS COLLATERAL ASSIGNMENT, PATENT MORTGAGE AND SECURITY AGREEMENT is made as of July 7, 1998 ("*Security Agreement*"), by and between Enerdyne Technologies, Inc., a California corporation (formerly, Boatracs Acquisition, Inc., a California corporation) ("*Grantor*"), and Scott T. Boden and Irene Shinsato ("*Holder*s").

RECITALS

A. Holders have agreed to accept certain indebtedness from Boatracs, Inc., a California corporation ("*Boatracs*"), the parent of Grantor (the "*Debt*") pursuant to the terms of a Debt Agreement dated of even date herewith (as the same may be modified, amended, supplemented, restated or superseded from time to time, the "*Debt Agreement*") among Boatracs and Holders. Terms not defined herein shall have the meanings ascribed to them in the Debt Agreement.

B. In order to induce Holders to accept the Debt, Grantor has agreed to assign certain intangible property to Holders for purposes of securing the obligations of Boatracs to Holders.

NOW, THEREFORE, the parties hereto agree as follows:

1. **ASSIGNMENT, PATENT MORTGAGE AND GRANT OF SECURITY INTEREST.** As collateral security for the prompt and complete payment and performance of all of Boatracs' present or future indebtedness, obligations and liabilities to Holders, including such indebtedness, obligations and liabilities under the Debt Agreement and the Notes executed in connection therewith (as the same may be modified, amended, supplemented, restated or superseded from time to time, collectively, the "*Debt Documents*"), Grantor hereby assigns, transfers, conveys and grants a security interest and mortgage to Holders, as security, in and to Grantor's entire right, title and interest in, to and under the following, now or hereafter existing, created, acquired or held by Grantor (all of which shall collectively be called the "*Collateral*"):

(a) Any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret (collectively, the "*Copyrights*").

(b) Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products;

(c) Any and all design rights which may be available to Grantor;

(d) All patents, patent applications and like protections including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including, without limitation, those set forth on **Exhibit A** attached hereto and incorporated herein by this reference (collectively, the "*Patents*");

(e) Any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Grantor connected with and symbolized by such trademarks, including, without limitation, those set forth on **Exhibit B** attached hereto and incorporated herein by this reference (collectively, the "*Trademarks*");

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

(g) All licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights;

(h) All amendments, renewals and extensions of any of the Copyrights, Patents or Trademarks; and

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

THE INTEREST IN THE COLLATERAL BEING ASSIGNED HEREUNDER SHALL NOT BE CONSTRUED AS A CURRENT ASSIGNMENT, BUT AS A CONTINGENT ASSIGNMENT TO SECURE ALL OF BOATRACS' PRESENT OR FUTURE INDEBTEDNESS, OBLIGATIONS AND LIABILITIES TO HOLDERS, INCLUDING, WITHOUT LIMITATION, SUCH INDEBTEDNESS, OBLIGATIONS AND LIABILITIES UNDER THE DEBT AGREEMENT AND THE OTHER DEBT DOCUMENTS.

2. AUTHORIZATION AND REQUEST. Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this conditional assignment.

3. COVENANTS AND WARRANTIES. Grantor represents, warrants, covenants and agrees as follows:

(a) Except as set forth in Section 2.9(a)(iii) of the Enerdyne Disclosure Schedule, to the knowledge of Grantor, Grantor has valid and marketable title to all Enerdyne Proprietary Assets used in or necessary for the conduct of its business free and clear of all material liens and other encumbrances, except for third party rights licensed to it, which it has a valid right to use with respect to such Enerdyne Proprietary Assets (as defined in the Agreement and Plan of Reorganization among Boatrac, Inc., Boatrac Acquisition, Inc., Enerdyne Technologies, Inc. and the Shareholders of Enerdyne Technologies, Inc. dated as of July 7, 1998 (the "Merger Agreement"));

(b) During the term of this Security Agreement, Grantor will not sell, transfer, assign or otherwise encumber any interest in the Collateral, except for (i) non-exclusive licenses granted by Grantor in the ordinary and normal course of its business as now conducted or as set forth in this Security Agreement and (ii) subject to Grantor's execution of appropriate documents, in form acceptable to Holders, to perfect or continue the perfection of Holders' interest in the Collateral, transfers to affiliates of Grantor;

(c) Grantor shall promptly advise Holders of any material changes in the composition of the Collateral, including but not limited to any subsequent ownership right of Grantor in or to any Copyright, Patent or Trademark not specified in this Security Agreement;

(d) Grantor shall (i) protect, defend and maintain the validity and enforceability of the Copyrights, Patents and Trademarks, (ii) use its best efforts to detect infringements of the Copyrights, Patents and Trademarks and promptly advise Holders in writing of material infringements detected and (iii) not allow any Copyrights, Patents or Trademarks to be abandoned, forfeited or dedicated to the public without the written consent of Holders, which shall not be unreasonably withheld, unless Grantor determines that reasonable business practices suggest that abandonment is appropriate;

(e) Grantor shall promptly register the most recent version of Grantor's material Copyrights, obtained after the date hereof, as Holders may reasonably request from time to time based on its review of the Quarterly Report (as hereinafter defined) and shall, from time to time, execute and file such other instruments, and take such further actions as Holders may reasonably request from time to time to perfect or continue the perfection of Holders' interest in the Collateral;

(f) (i) To the knowledge of Grantor, this Security Agreement creates, and in the case of after acquired Collateral, this Security Agreement will create at the time Grantor first has rights in such after acquired Collateral, in favor of Holders a valid security interest in the Collateral in the United States securing the payment and performance of all indebtedness, obligations and liabilities of Grantor to Holders under the Debt Agreement and the Note upon making the filings referred to in Section 3(g) below, subject only to Permitted Liens (as defined in the Debt Agreement);

(ii) Except as against (1) any nonmaterial liens or other encumbrances (including without limitation third priority license rights) granted by Enerdyne to such Enerdyne Proprietary Assets, (ii) any liens, security interests or other encumbrances in such Enerdyne Proprietary Assets which are issued Patents or registered Trademarks granted after December 10, 1997, and (iii) any liens, security interests or other encumbrances in such Enerdyne Proprietary Assets (which are pending patents or Trademark registrations), the filing of this Security Agreement with both (A) the UCC Division of the California Secretary of State and (B)(i) for copyrights, the United States Copyright Office, or (ii) for patents and trademarks, the United States Patent and Trademark Office, shall perfect the security interest granted in Section 3(g) against any liens, security interests or other encumbrances granted on or after the date three months prior to the date of filing of this Security Agreement.

(g) To its knowledge, except for, and upon, the filings with, as applicable, (1) the United States Patent and Trademark office with respect to the Patents and Trademarks, (2) the Register of Copyrights with respect to the Copyrights and (3) the UCC Division of the California Secretary of State, necessary to perfect the security interests and assignment created hereunder, and except as has been already made or obtained, no authorization, approval or other action by, and no notice to or filing with, any United States governmental authority or United States regulatory body is required either (a) for the grant by Grantor of the security interest granted hereby or for the execution, delivery or performance of this Security Agreement by Grantor in the United States or (b) for the perfection in the United States or the exercise by Holders of its rights and remedies hereunder;

(h) All information heretofore, herein or hereafter supplied to Holders by or on behalf of Grantor with respect to the Collateral is accurate and complete in all material respects;

(i) Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Holders' prior written consent, which consent shall not be unreasonably withheld. Grantor shall not permit the inclusion in any material contract to which it becomes a party of any provisions that could or might in any way prevent the creation of a security interest in Grantor's rights and interests in any property included within the definition of the Collateral acquired under such contracts, except that certain contracts may contain anti-assignment provisions that could in effect prohibit the creation of a security interest in such contracts; and

(j) Upon the Chief Executive Officer or general counsel of Grantor obtaining actual knowledge thereof, Grantor will promptly notify Holders in writing of any event that materially adversely affects the value of any Collateral, the ability of Grantor to dispose of any Collateral or the rights and remedies of Holders in relation thereto, including the levy of any legal process against any of the Collateral.

4. **HOLDERS' RIGHTS.** Holders shall have the right, but not the obligation, to take, at Grantor's sole expense, any actions that Grantor is required under this Security Agreement to take but which Grantor fails to take, after fifteen (15) days' notice to Grantor and opportunity to cure within such period. Grantor shall reimburse and indemnify Holders for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this **Section 4**.

5. **INSPECTION RIGHTS.** Grantor hereby grants to Holders and their employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable written notice to Grantor, any of Grantor's plants and facilities that manufacture, install or store products (or that have done so during the prior six-month period) that are sold utilizing any of the Collateral, and to inspect the products and quality control records relating thereto upon reasonable written notice to Grantor and as often as may be reasonably requested.

6. **FURTHER ASSURANCES; ATTORNEY IN FACT.**

(a) On request, Grantor agrees to disclose to Holders all Copyrights, Patents and Trademarks that have been applied for by or assigned or granted to Grantor and in which Holders does not already have a perfected security interest.

(b) Grantor will make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including appropriate financing and continuation statements and collateral agreements with the United States Patent and Trademark Office and the Register of Copyrights, and take all such action as may reasonably be necessary, or as reasonably requested by Holders, to perfect Holders' security interest in all Copyrights, Patents and Trademarks, which Holders reasonably identify pursuant to **Section 6(a)** above as material to the operation of Grantor's business on an on-going basis or the value of the Collateral, and otherwise to carry out the intent and purposes of this Security Agreement, or for assuring and confirming to Holders the grant or perfection of a security interest in all Collateral. Upon such filing, Grantor will deliver notice to Holders.

(c) Grantor hereby irrevocably appoints Holders as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, from time to time in Holders' discretion, to take any action and to execute any instrument which Holders may reasonably deem necessary or advisable to accomplish the purposes of this Security Agreement, including (i) to modify, in its reasonable discretion, this Security Agreement without first obtaining Grantor's approval of or signature to such modification by amending Exhibit A or Exhibit B hereof, as appropriate, to include reference to any material right, title or interest in any Patents or Trademarks acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Patents or Trademarks in which Grantor no longer has or claims any right, title or interest, (ii) to file, in its reasonable discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of Grantor where permitted by law and (iii) after the occurrence and during the continuance of an Event of Default, to transfer the Collateral into the name of Holders or a third party to the extent permitted under the California Uniform Commercial Code.

7. EVENTS OF DEFAULT. The occurrence of any of the following shall constitute an "Event of Default" under this Security Agreement:

(a) An Event of Default (as defined in the Debt Agreement) occurs under the Debt Agreement or any of the other Debt Documents (as defined in the Debt Agreement); or

(b) Grantor breaches any warranty or agreement in any material respect made by Grantor in this Security Agreement and, as to any breach that is capable of cure, Grantor fails to cure such breach within fifteen (15) days of the occurrence of such breach if notice thereof has been given to Grantor.

8. REMEDIES. Upon the occurrence and during the continuance of an Event of Default, Holders shall have the right to exercise all the remedies of a secured party under the California Uniform Commercial Code, including, without limitation, the right to require Grantor to assemble the Collateral and any tangible property in which Holders has a security interest and to make it available to Holders at a place designated by Holders. Holders shall have a nonexclusive, royalty free license to use the Copyrights, Patents and Trademarks to the extent reasonably necessary to permit Holders to exercise its rights and remedies upon the occurrence of an Event of Default. Grantor will pay any expenses (including reasonable attorneys' fees) incurred by Holders in connection with the exercise of any of Holders' rights hereunder, including, without limitation, any reasonable expense incurred in disposing of the Collateral. All of Holders' rights and remedies with respect to the Collateral shall be cumulative.

9. INDEMNITY. Grantor agrees to defend, indemnify and hold harmless Holders and their agents against all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Security Agreement.

10. REASSIGNMENT. At such time as Grantor shall completely satisfy all of the obligations secured hereunder, Holders shall execute and deliver to Grantor all deeds, assignments and other instruments as may be necessary or proper to revest in Grantor full title to the property assigned hereunder, subject to any disposition thereof which may have been made by Holders pursuant hereto.

11. NO FAILURE OR DELAY. No failure or delay on the part of Holders, in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof.

12. ATTORNEYS' FEES. If any action relating to this Security Agreement is brought by either party hereto against the other party, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements.

13. AMENDMENTS. This Security Agreement may be amended only by a written instrument signed by both parties hereto.

14. COUNTERPARTS. This Security Agreement may be executed in any number of counterparts, each of which when so delivered shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. Each such Security Agreement shall become effective upon the execution of a counterpart hereof or thereof by each of the parties hereto and telephonic notification that such executed counterparts has been received by Grantor and Holders.

15. JUDICIAL REFERENCE. The terms and provisions of Section 13B of the Debt Agreement are incorporated herein by this reference and made a part hereof.

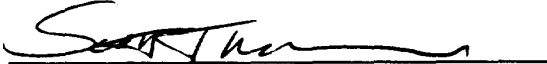
16. **GOVERNING LAW; JURISDICTION; JURY WAIVER.** This Security Agreement shall be governed by, and construed in accordance with, the internal laws of the State of California, without regard to principles of conflicts of law. GRANTOR HEREBY IRREVOCABLY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION, CLAIM OR OTHER PROCEEDING ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER DEBT DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN.

17. **CONFLICT.** In the event of a conflict between any term and/or provision contained in this Security Agreement with any term and/or provision contained in the General Security Agreement (as defined in the Debt Agreement), the term and/or provision of this Security Agreement shall govern.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement on the day and year first above written.

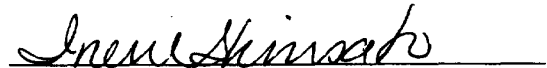
HOLDERS

SCOTT T. BODEN



Scott T. Boden

IRENE SHINSATO



Irene Shinsato

Address of Holders

Scott T. Boden
1694 El Camino del Teatro
La Jolla, CA 92037

Irene Shinsato
6741 Avenida Manana
La Jolla, CA 92037

with a copy to:

Cooley Godward LLP
4365 Executive Drive, Suite 1100
San Diego, CA 92121

Attention: Lance W. Bridges, Esq.

GRANTOR

ENERDYNE TECHNOLOGIES, INC.
a California corporation

By: 

Printed Name: Jon S Gilson

Title: President

Address of Grantor

8402 Magnolia Avenue, Suite C
Santee, California 92071

EXHIBIT A

U.S. PATENTS AND PATENT APPLICATIONS

(List titles below or indicate "None")

PATENT NO.	PENDING APPLICATION NO.	TITLE	ISSUE DATE	FILING DATE
5,633,686		Adaptive Digital Video System	5/27/97	

EXHIBIT B

U.S. TRADEMARKS AND TRADEMARK APPLICATIONS

(List marks below or indicate "None")

REGISTRATION NO.	PENDING APPLICATION NO.	MARK	REGISTRATION DATE	FILING DATE
1,894,958		Adaptive Digital Video System (ADVS)		
	74/ 582398	Passlink		